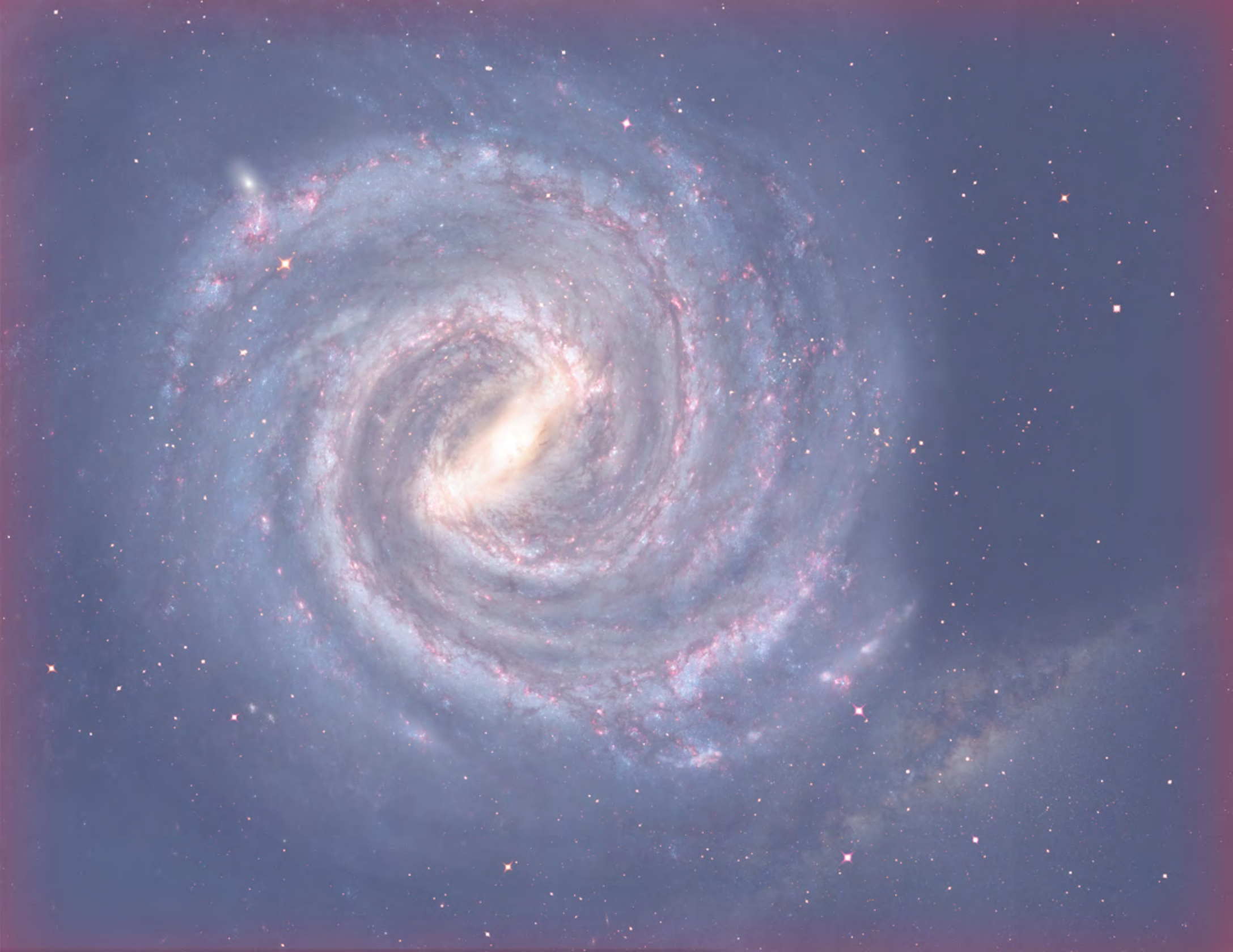
COMPREHENSIVE ANNUAL FINANCIAL REPORT

year ended **june 30, 2012**



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city of **suwanee, georgia**





CITY OF SUWANEE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2012

PREPARED BY:
FINANCIAL SERVICES DEPARTMENT



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Mayor



Dan **Foster** 678.404.9641

Mayor Pro-Tem



Dick **Goodman** 678.446.7520

Councilmember



Beth **Hilscher** 678.546.3388

Councilmember



Doug **Ireland** 770.265.0880

Councilmember



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Councilmember



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City Manager



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2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT



INTRODUCTORY SECTION

Letter of Transmittal
GFOA Certificate of Achievement
Organizational Chart

WHAT KIND OF COMMUNITY DO WE WANT TO BE **IN THE FUTURE ?**



December 28, 2012

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

What's next? Suwanee's newly adopted 20/20 Vision strategic plan will point out the direction for what's next. Through a year-long process, 20/20 Vision activities engaged some 800 people in strategic planning for our community, which culminated in a vision for the future in the form of seven guiding principles, 33 goals, and 140 potential strategies. In following the theme of the 20/20 planning process, what kind of community do we want to be **IN THE FUTURE**, Suwanee's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2012 seeks **to boldly go** where no report has gone before with a playful futuristic approach.

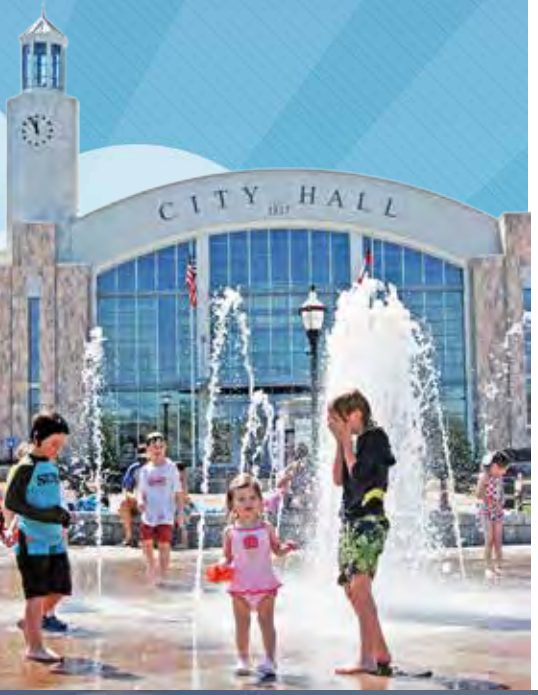
In the spirit of what's next and providing excellent City services, we are proud to present this CAFR for the year ended June 30, 2012. This report illustrates how the City receives, spends, and accounts for financial resources and explains the key indicators of its financial strength. Responsibility for the accuracy of the data and the completeness and fairness of the presentation rests with the City. We believe that the data, as presented, is accurate in all material aspects and is presented in a manner designed to enable the reader to understand the City's financial position and the operational achievements over the last year. Readers are encouraged to consider the presented information in conjunction with information provided in management's discussion and analysis, the financial statements, and the notes to the financial statements.

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

- 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 readers with additional historical perspective, content, and detail to 1) assist in understanding the information in the financial statements, notes to the financial statements, and required supplementary information, and 2) assess the City's economic condition.

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

This report includes government-wide statements and fund financial statements for all funds of the City, 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. Suwanee's Urban Redevelopment Agency is a blended component unit and 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 Old Town area.

DEMOGRAPHICS

Suwanee began as a Native American village along the banks of Suwanee Creek and Chattahoochee River. The community was named for the Shawnee Indian tribe that settled here in the latter part of the 18th century. The City's name is thought to derive from the English mispronunciation of Shawnee. Suwanee was incorporated in 1949 and encompasses 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 141 (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 number of citizens in the historic Old Town area of Suwanee. Sanitation services are provided to citizens by private firms.

ECONOMIC CONDITION AND OUTLOOK

The City's financial position remains strong and balanced. Both revenues and expenditures are stable and revenues are well-rounded. The City has maintenance and funding plans in place for long-term capital and infrastructure needs. Reflecting the City's sound financial base, in April of 2011 Standard & Poor's upgraded the City's bond rating from AA- to AA. Last September, Fitch Ratings upgraded the City's bond rating from AA to AA+.

Population. The Planning Department estimates the population of Suwanee at 15,624 residents as of June 30, 2012. Suwanee's population has grown by 741 since 2007 and 5,853 since 2003.

Development. Suwanee has an estimated 4,119 single family detached residences, 623 single family attached residences (townhomes) and 1,551 multi-family units in Suwanee. There is approximately 7,423,000 square feet of industrial space, 1,835,000 square feet of multi-tenant retail space, 1,152,000 square feet of stand-alone retail and 876,000 square feet of office space.



Unemployment. Gwinnett County is near the national average and is faring better than the state and metro Atlanta average with an unemployment rate of 8.3. The Georgia Civilian Labor Force maintains unemployment rate estimates for each Census Tract within the state. A majority of the city is included in three tracts: Tracts 502.10, 502.12, and 502.13. Cumulatively, these census tracts had an estimated unemployment rate of 5.6 percent in June 2012.

Property Values. According to the Atlanta Journal Constitution, the average home sales price in Suwanee (30024 Zip Code in Gwinnett County) was $179,050 in 2011. This number is down from 2010 when the average home sales price was reported at $205,000. This drop in price represents a 12.7 percentage points annually decrease. The overall average sales price in Gwinnett County dropped by 20.5 percentage points between the same period.

Foreclosures. Housing foreclosures continue to be a major issue both locally and nationally. The average monthly number of foreclosure filing in Gwinnett County was 2,308 in 2010. In 2011, the average monthly number of filings decreased to 1,988.

Active Development. There are seven active developments in Suwanee that include a single family residential component. These projects are authorized for a total of 1,564 single-family attached and detached housing units. Of these authorized 1,564 single family units 76 percent (1,196 units) are occupied houses while the remaining 24 percent (368 units) are unoccupied. These unoccupied units are a mixture of authorized but undeveloped lots, platted but vacant lots, homes under construction and builder owned residences. Of the 368 unoccupied units, 86 percent are platted but vacant lots, 1 percent is authorized but undeveloped, 4 percent are builder-owned residences, and 9 percent are under construction.

While slowing economic conditions and rising costs increase financial challenges for Suwanee and other similar communities, the City's past conservative financial policies and past actions, in conjunction with strong historical development patterns, have helped to soften some of these financial difficulties.

MAJOR INITIATIVES

New police substation in the Suwanee Gateway. The 7,100 square foot building provides the Suwanee Police Department with office in the City and space for its training and community relations officers, a firing range, and training facilities that will serve law enforcement personnel in the City and throughout the region. The substation also makes a physical statement about the City's commitment to public safety. The City has worked to enhance the building's visibility, constructing it close to the road and clearing land around the northbound interstate exit ramp.

Rehabilitation of the oldest section of the Suwanee Creek Greenway. The portion of the Greenway from Martin Farm Road to George Pierce Park was completely rehabilitated. These improvements included widening the path, replacing asphalt with more durable concrete, elevating the trail where possible, replacing some of the boards on the bridge to George Pierce Park, and grading to help direct water away from the trail.

20/20 vision strategic plan defines the community's vision for the Suwanee of 2020 and outlines specific goals and recommendations. Over the past year, the City of Suwanee has worked to engage area residents in crafting a vision for the kind of community Suwanee should be in the next decade. Some 435 people participated in 10 different activities at the strategic plan open house last July; six community focus groups discussed issues related to their particular demographic; 100 conversations were held by 25 roundtable groups through the fall and winter; and about 175 people attended the community picnic and unveiling of the strategic plan.

SculpTour 2012. The artworks in this year's walkable public art encounter are more substantial than pieces included in the inaugural 2011 exhibit. Administered by Suwanee's Public Arts Commission, the 2012 exhibit features 15 sculptures created by 11 artists, representing Georgia and five other states.

Service Delivery. After several years of ongoing disagreement and negotiation, in early 2012 Gwinnett County and its cities developed a service delivery agreement that outlines and clarifies each government's roles and areas of responsibility. The resulting agreement will have positive impacts on service delivery for both the County and the cities.

FOR THE FUTURE

Suwanee's top priorities for the future include implementing the 20/20 Vision strategic plan, preparation for reconstruction of Buford Highway as a context-sensitive multimodal roadway, construction of a Greenway along Brushy Creek Trail, median makeover along Peachtree Industrial Boulevard and continued focus in the Suwanee Gateway area.

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

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

Construction of a Greenway along Brushy Creek. The City has received a federal Transportation Enhancement grant for $450,000. This grant will be used for a long-term project to construct a greenway along Brushy Creek, connecting to the Gwinnett County Public Library and PlayTown Suwanee.

Median makeover. The medians along a more than two mile stretch of Peachtree Industrial Boulevard (PIB), from Fresh Market to Tench Road, are poised to get a new look. Council wanted to send a message to people traveling along PIB that they had arrived somewhere special. A key component of the landscape design is a variety of native bluestem grasses, which like many of the other plants used, will require less maintenance over time because they are well-suited to the environment



Where excellence is an attitude. The Suwanee Gateway is poised for an attitude adjustment. A transformative revitalization of Suwanee's commercial district along I-85 will remake the Suwanee Gateway into what will be a vibrant mixed-use commercial center and distinctive entryway into the City. Suwanee's Gateway redevelopment plan calls for:

- Improvement of the transportation infrastructure.
- Strategic streetscape improvements that better accommodate pedestrians.
- New office and commercial sites to attract additional private investment.
- Infrastructure improvements for enhanced safety and appeal.
- Bold, new development as a catalyst for complementary development.
- Cooperative branding and marketing.
- Elimination of eyesores and obsolete structures

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 of City Council. The CIP is a comprehensive five year plan that helps determine priorities, provide project 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 planning 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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of an accounting control should not exceed the benefits likely to be derived, and 2) the evaluation of costs and benefits requires estimates and judgment by management.

Budget controls

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

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 statues require an annual audit by an independent Certified Public Accountant.

Mauldin & Jenkins, LLC, have issued an unqualified ("clean") opinion on the City of Suwanee's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial 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 2012 awards:

- Kiplinger.com named Suwanee one of the best communities in the country in which to raise children.
- Best New Event, Gold, for 9-11 Commemorative Event/'Remembrance' Unveiling, Southeast Festivals and Event Association.
- Community Impact-community Arts Program Award for Suwanee SculpTour, presented by ArtWorks! Gwinnett.
- 2012 Trendsetter Award for public arts initiative, presented by the Georgia Municipal Association and Georgia Trend magazine.
- Distinguished Budget Presentation Award for fiscal year 2012 budget, Government Finance Officers Association.
- Certificate of Distinction for superior performance management efforts from the International City/County Management Association.



SUWANEE'S ANCHOR POINTS

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

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

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

VISIONARY
LASTING BEYOND THOSE WHO MAKE THE DECISIONS.

- Voice of the People Awards for Excellence (for overall services and parks) from the International City/County Management Association and National Research Center.
- Popular Annual Financial Reporting Award, Government Finance Officers Association, 2011 Annual Report.

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the ninth consecutive year that the City has received this prestigious award, given for publishing an easily readable, efficiently organized comprehensive annual financial report conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA for consideration. The City is committed to this effort and will strive to maintain and surpass these standards on future reports.

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 boldly go beyond ordinary, striving to be unique, remarkable, and quirky in providing a quality financial report that is readable, informative, and beneficial to Suwanee citizens. We also extend our appreciation and gratitude to our independent auditors, Mauldin & Jenkins, for the professional guidance, assistance, and encouragement in producing a CAFR. Most importantly, we express our appreciation to our Mayor Jimmy Burnette and to each of our Councilmembers for setting the tone and providing the leadership to keep Suwanee moving in the right direction. Their dedication, leadership, vision, and support in planning and conducting the affairs of the City in a responsible and progressive manner ensure that Suwanee is a well-rounded, vibrant community that residents can be proud to call home today and well into the future.

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, 2011

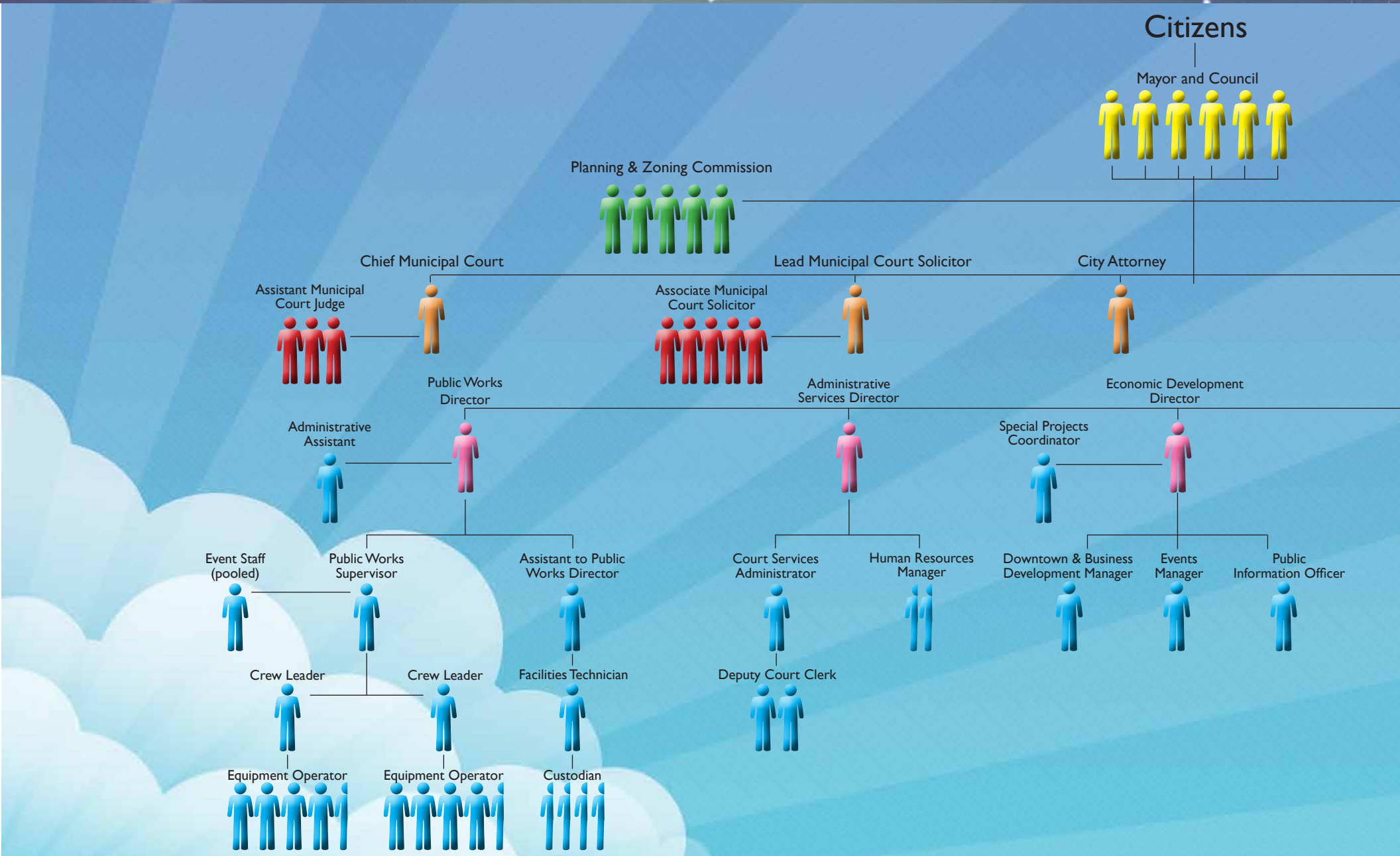
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

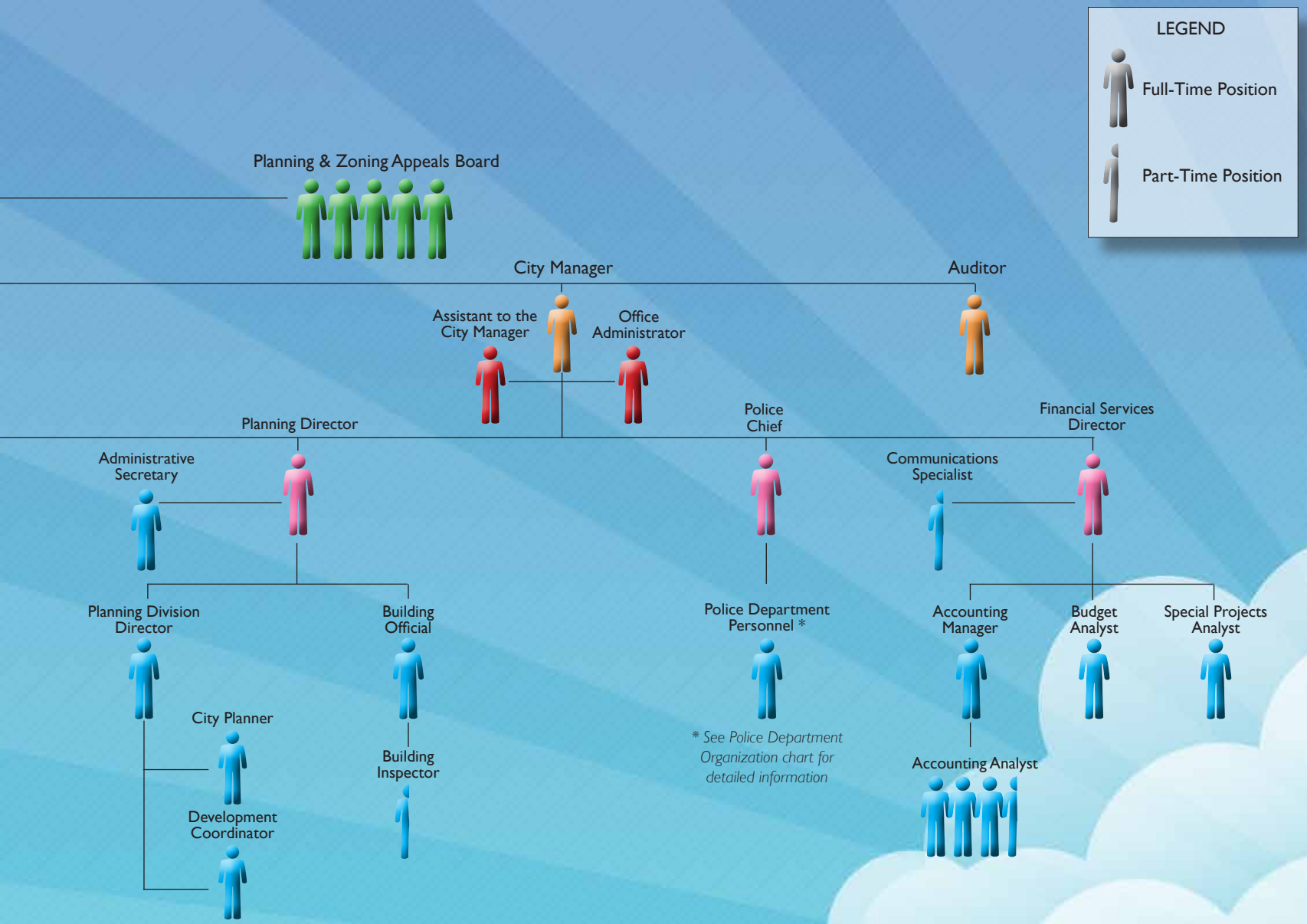
GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

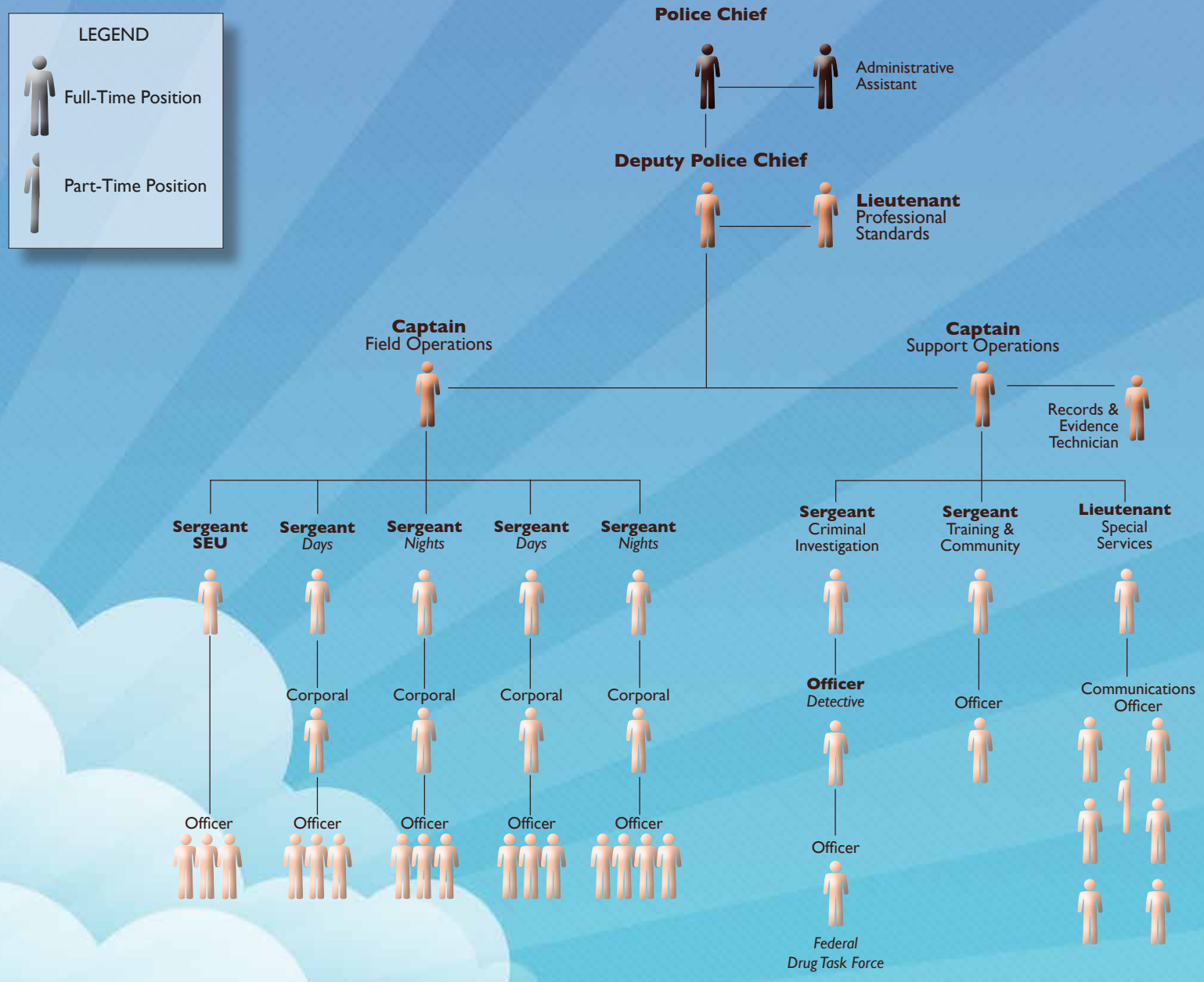
Christopher P Morrill
President

Jeffrey L. Esser
Executive Director

ADMINISTRATION ORGANIZATIONAL CHART




LEGEND
Full-Time Position
Part-Time Position
Planning & Zoning Appeals Board
City Manager
Auditor
Assistant to the City Manager
Office Administrator
Planning Director
Police Chief
Financial Services Director
Administrative Secretary
Communications Specialist
Planning Division Director
Building Official
Police Department Personnel *
Accounting Manager
Budget Analyst
Special Projects Analyst
City Planner
Building Inspector
Development Coordinator
Accounting Analyst
* See Police Department Organization chart for detailed information


LEGEND
Full-Time Position
Part-Time Position
Police Chief
Administrative Assistant
Deputy Police Chief
Lieutenant Professional Standards
Captain Field Operations
Captain Support Operations
Records & Evidence Technician
Sergeant SEU
Sergeant Days
Sergeant Nights
Sergeant Days
Sergeant Nights
Sergeant Criminal Investigation
Sergeant Training & Community
Lieutenant Special Services
Corporal
Corporal
Corporal
Corporal
Officer
Officer
Officer
Officer
Officer
Officer Detective
Officer
Officer
Federal Drug Task Force
Officer
Communications 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 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, 2012, 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 previously 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, 2012, 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 27, 2012 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 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.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • www.mjcpa.com
Members of The American Institute of Certified Public Accountants • RSM International

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress (on pages 13 through 25 and 59, respectively) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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 and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 27, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion and analysis is provided as an introduction to the basic financial statements for the fiscal year ended June 30, 2012. This narrative is intended to assist the reader in understanding significant financial issues, provide an overview of financial activities and identify changes in financial position, material deviations from the original budget, and individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the information furnished in the City's basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

Government-wide

Assets of the City's governmental activities exceeded liabilities by $67,953,786. This is an increase of $4,869,997, or 7.7%, as compared to the prior year amount of $63,083,789. The majority of the governmental activities increase is due to current year construction in progress for the Suwanee Creek Greenway Rehabilitation and the police substation and training center, developers' land donations, and intergovernmental revenues received from the service delivery settlement during the current fiscal period that will be expended in future periods.

Assets of the City's business-type activities exceeded liabilities by $2,633,543, an increase of $158,180, or 6%, as compared to the prior year amount of $2,475,363. The majority of this increase is from a general fund transfer of $150,000.

In total, net assets increased by $5,028,177 to $70,587,329. Of this amount, unrestricted net assets on June 30, 2012 were $12,245,193, or 17.3% of the City's total net assets.

Fund level

As of June 30, 2012, the City's governmental funds reported a combined ending fund balance $19,721,529, an increase of $2,178,561, or 12.4% increase from fiscal year 2011. This increase is due to service delivery settlement receipts received but not expended along with general fund revenues exceeding expenditures and transfers. Enterprise fund assets exceeded liabilities by $2,633,543 of which $2,462,489 was invested in capital assets, net of related debt, leaving an unrestricted balance of $171,054.

Long-term debt

In total the City's bonds and notes payable outstanding decreased by $755,000, or 3.6% during fiscal year 2012. 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 50-52.

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 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 to the financial statements provide additional detailed information to supplement the Basic Financial Statements.

GOVERNMENT WIDE FINANCIAL STATEMENTS

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

- 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, judiciary, police service, public works, planning and zoning, inspections, economic and community development, parks, tourism, and code enforcement. Business-type activities include the water and sewer system.

The government-wide financial statements 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 27 and 28.

FUND FINANCIAL STATEMENTS

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

Governmental funds

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

Because the focus of governmental funds is short-term and the focus of the government-wide statements is both short-term and long-term, it is useful to compare the information presented for governmental funds with similar information presented for governmental

activities in the government-wide financial statements. This comparison is useful in understanding the long-term impact of the City's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve governmental funds. Four of these funds are considered major funds for financial reporting purposes: general, debt service, 2009 SPLOST, 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 for non-major governmental funds are combined into a single, aggregated column. Specific fund data for each of the non-major funds is provided in the form of combining statements beginning on page 60. Suwanee adopts an annual appropriated budget for general, special revenue, and debt service funds. A budgetary comparison statement has been provided for the general fund on page 32. Budgetary comparisons for other governmental funds with legally adopted annual budgets start on page 64.

The basic governmental fund financial statements can be found on pages 29-30.

Proprietary funds

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

The basic proprietary fund financial statements can be found on pages 34-36.

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 37.



The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-57



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.

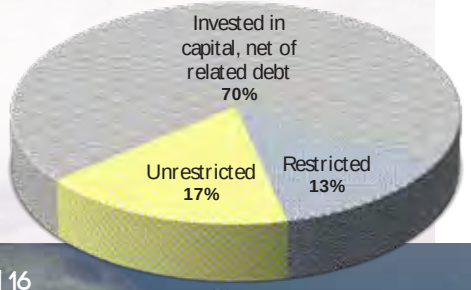
GOVERNMENT WIDE FINANCIAL ANALYSIS

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 $70,587,329 and $65,559,152 at June 30, 2012 and 2011 respectively. This represents an increase of $5,028,177, or 7.7 percent from fiscal year 2011. The following is a condensed version of the government-wide statement of net assets.

Net Assets on June 30th

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	$ 22,503,024	$ 19,355,801	$ 176,165	$ 16,985	$ 22,679,189	$ 19,372,786
Capital assets	66,604,397	64,853,014	2,462,489	2,493,896	69,066,886	67,346,910
Total assets	89,107,421	84,208,815	2,638,654	2,510,881	91,746,075	86,719,696
Liabilities						
Long-term liabilities outstanding	20,237,930	20,988,960	-	-	20,237,930	20,988,960
Other liabilities	915,705	136,066	5,111	35,518	920,816	171,584
Total liabilities	21,153,635	21,125,026	5,111	35,518	21,158,746	21,160,544
Net Assets						
Invested in capital assets, net of related debt	46,621,467	4,574,711	2,462,489	2,493,896	49,083,956	47,068,607
Restricted	9,258,180	7,106,408	-	-	9,258,180	7,106,408
Unrestricted	12,074,139	11,402,670	171,054	(18,533)	12,245,193	11,384,137
Total net assets	$ 67,953,786	$ 63,083,789	$ 2,633,543	$ 2,475,363	$ 70,587,329	$ 65,559,152

PRIMARY GOVERNMENT NET ASSETS JUNE 30, 2012



The largest portion of the City's net assets, 70%, reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, and other immovable assets), net of any related debt used to acquire those assets. Investment in capital assets net of related debt increased by $2,015,349 or 4%. The City uses these capital assets to provide services to citizens. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The City has restrictions of $9,258,180 of net assets to be used on debt service, capital projects and the court ordered Supersedeas Sum for the Settles Bridge appeal. The court order Supersedeas Sum accounts for the large increase in restricted net assets. The remaining portion of unrestricted net assets, 17%, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City was able to report positive balances in all three categories for the governmental activities. Business type activities were also able to report positive balances in two categories. This was possible for fiscal year 2012 due to the annual contribution from the general fund to the water fund. The City plans to continue the annual contributions of $150,000 to the water system to prevent future ongoing operational concerns. Overall growth in net assets is a positive economic indicator of the City's improved financial position from 2011.



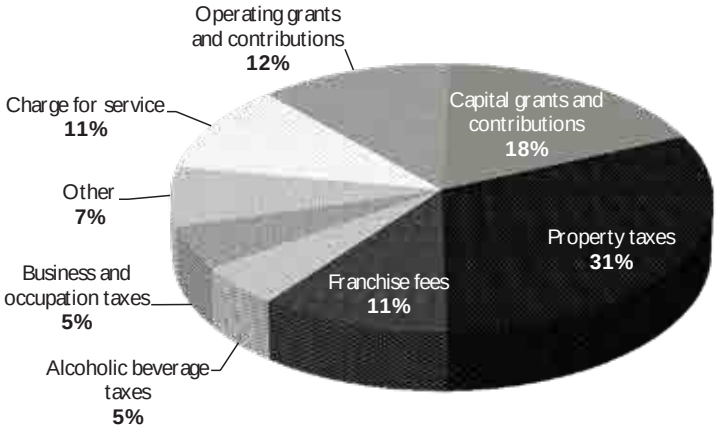
Governmental activities increased the City's net assets by $4,869,997 thereby accounting for 97% of the total growth in net assets. This increase in governmental activities is related to capital grant contributions for 2009 SPLOST sales tax revenues ($2,142,166), land donations ($758,000) and intergovernmental revenue received from the service delivery settlement ($2,037,042). The reader should remember that the basis of accounting used in the government-wide statement of activities excluded capital expenditures; this would include capital expenditures that used 2009 SPLOST revenue, 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 2012.

Change in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues						
Charge for services	$ 1,876,493	$ 1,784,458	$ 118,172	$ 97,113	$ 1,994,665	$ 1,881,571
Operating grants and contributions	2,160,502	136,876	-	-	2,160,502	136,876
Capital grants and contributions	3,156,081	2,572,310	-	192,018	3,156,081	2,764,328
General revenues						
Property taxes	5,568,706	5,801,792	-	-	5,568,706	5,801,792
Franchise fees	1,897,907	1,825,464	-	-	1,897,907	1,825,464
Alcoholic beverage taxes	881,679	836,438	-	-	881,679	836,438
Business and occupation taxes	928,617	878,190	-	-	928,617	878,190
Other	1,216,629	962,431	-	-	1,216,629	962,431
Unrestricted investment earnings	56,663	105,386	77	667	56,740	106,035
Total revenues	17,743,277	14,903,327	118,249	289,798	17,861,526	15,193,125
Expenses						
General government	2,700,781	2,322,019	-	-	2,700,781	2,322,019
Judicial	301,056	292,492	-	-	301,056	292,492
Public safety	3,534,734	3,820,293	-	-	3,534,734	3,820,293
Public works	3,420,275	3,571,459	-	-	3,420,275	3,571,459
Culture and recreation	865,504	986,196	-	-	865,504	986,196
Housing and development	856,126	836,946	-	-	856,126	836,946
Tourism and trade	201,986	206,151	-	-	201,986	206,151
Interest on long term debt	842,818	882,684	-	-	842,818	882,684
Water and sewer	-	-	110,069	131,913	110,069	131,913
Total expenses	12,723,280	12,918,240	110,069	131,913	12,833,349	13,050,153
Increase (decrease) in net assets before transfers	5,019,997	1,985,087	8,180	157,885	5,028,177	2,142,972
Transfers	(150,000)	(150,000)	150,000	150,000	-	-
Change in net assets	4,869,997	1,835,087	158,180	307,885	5,028,177	2,142,972
Net assets - July 1	63,083,789	61,248,702	2,475,363	2,167,478	65,559,152	63,416,180
Net assets - June 30	$ 67,953,786	$ 63,083,789	$ 2,633,543	$ 2,475,363	$ 70,587,329	$ 65,559,152

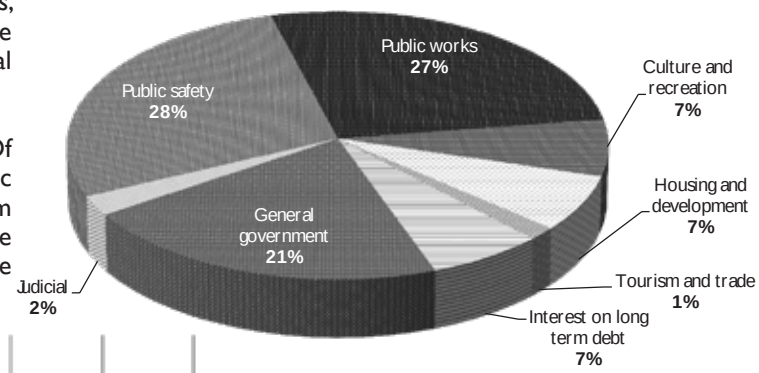
REVENUES BY SOURCE GOVERNMENTAL ACTIVITIES

Governmental activities revenues totaled $17,743,277 for fiscal year 2012 and $14,903,327 for fiscal year 2011, reporting an increase of $2,839,950. The difference between the two fiscal years is due to the service delivery settlement ($2,037,042), increases in the 2009 SPLOST intergovernmental revenues ($123,629) and increases in assets (land and infrastructure) donated by developers ($466,609). Both the increases in SPLOST revenues and donated assets demonstrate a stabilization of Suwanee's local economy. Property taxes in fiscal year 2012 did decrease due in part to a lower millage rate and reductions in property values. However, this reduction was covered by the increases in franchise fees, business taxes and alcoholic beverage taxes. Property taxes are the largest revenue source for governmental activities accounting for 31% of total revenues. Capital grants and contributions which include SPLOST funds received from Gwinnett County and developer asset donations account for the second largest at 18%. Operating grants and contributions, which include the service delivery settlement from Gwinnett County, are the third largest revenue sources, accounting for 12% of governmental revenues. Franchise fees are the fourth largest revenue sources, accounting for 11% of governmental revenues for the year.

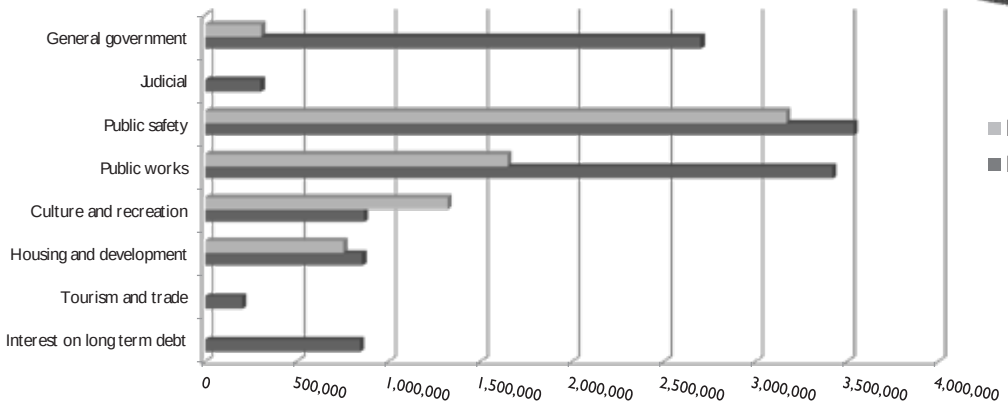


EXPENSES BY SOURCE GOVERNMENTAL ACTIVITIES

Governmental expenses totaled $12,723,280 for the fiscal year. Of the expenses 28% or $3,534,734 is related to public safety. Public works accounted for $3,420,275, or 27%. Interest on long term debt accounted for 7% of overall governmental expenses. The chart below compares governmental activities with their respective program revenues, if any.

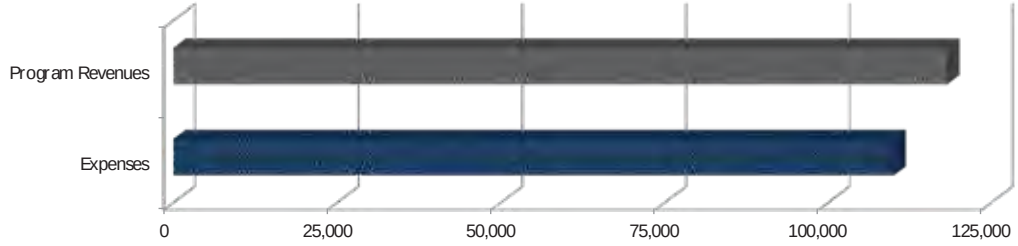


GOVERNMENTAL ACTIVITIES EXPENSES AND PROGRAM REVENUES



BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net assets by $158,180 accounting for 3% of the City's net assets increase in fiscal year 2012. This increase is related to the $150,000 transfer from governmental activities to 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, 2012, the City's governmental funds reported a combined ending fund balance of $19,721,529, an increase of $2,178,561 in comparison with the prior year. The majority of this increase is due to service delivery settlement from Gwinnett County ($2,037,042). In the governmental fund financial statements, the City's fund balance is reported in five classifications.

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

Restricted
Restricted fund balance encompasses the net fund resources subject to externally enforceable legal restrictions. Such restrictions would include 1) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.

Committed
Committed fund balance represents resources the use of which is constrained by limitations that the government imposes upon itself at the highest level of decision making, City Council, and can only be removed by formal action equivalent to the action taken to impose it.

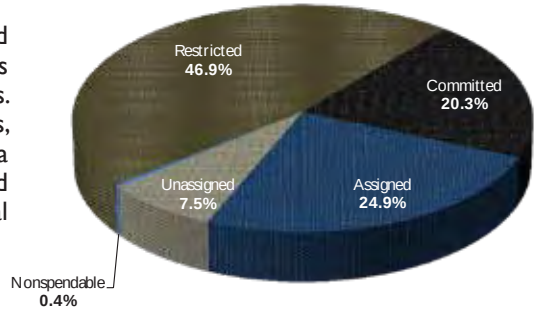
Assigned
Assigned fund balance includes the portion of fund balance that reflects the City's intended use of resources. Such intent was established by formal action of the City Council or their designee.

Unassigned
Unassigned includes fund balance that has not been reported in any other classification.

GOVERNMENTAL FUND BALANCES

As of June 30, 2012, Suwanee's total fund balance for governmental funds was $19,721,529 of which $9,258,180 was restricted, $4,000,813 was committed, $4,912,866 was assigned, and $1,478,613 was unassigned. Additional information on fund balance can be found on Note 1 on pages 40-46.

The general fund is the chief operating fund of the City. On June 30, 2012, unassigned fund balance of the general fund was $1,478,613. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 12% of total general fund expenditures and transfers, compared to 29% in the prior year. The decrease in unassigned fund balance is due to a court ordered Supersedeas Sum ($2,276,207). Overall, fund balance of the general fund increased by $247,216 during the current fiscal year. This increase was due to general fund actual expenditures being lower than projections.



REVENUES CLASSIFIED BY SOURCE GENERAL FUND

	FY 2012		FY 2011		Increase/ (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	$ 10,029,412	83.79%	$ 10,058,365	84.42%	$ (28,953)	-.29%
Licenses and permits	613,838	5.13%	441,763	3.71%	172,075	38.95%
Intergovernmental	21,351	.18%	31,311	0.26%	(9,960)	-31.81%
Charge for services	106,325	0.89%	72,456	0.61%	33,869	46.74%
Fines and forfeitures	1,109,122	9.26%	1,174,621	9.86%	(65,499)	-5.58%
Other	89,832	.75%	135,625	1.14%	(45,793)	-33.76%
Total	$ 11,969,880	100.00%	$ 11,914,141	100.00%	$ 55,739	.47%

The following provides an explanation of revenues by source changes from 2011 to 2012:

- **Taxes.** Real and personal property tax collections decreased by ($373,447) from fiscal year 2011. This decrease in revenue is due to three factors:
  1. Fiscal year 2011 collection of prior year outstanding balances was $163,039 higher than fiscal year 2012 due to the large fiscal year 2010 outstanding balances.
  2. In fiscal year 2012, we lowered the millage rate from 5.70 to 5.65.
  3. In fiscal year 2012, the tax digest was 5.69% lower than fiscal year 2011.

  Franchise fees increased by $72,443, mainly in electric fees from the prior year. Alcoholic beverage taxes increased by $45,241 and business taxes increased by $300,960, both due to improvements in Suwanee's economy from the previous year.
- **License and permits.** Building permits increased by $144,489. This increase is due to new residential construction. In fiscal year 2012 the average number of housing starts from 3.6 homes in fiscal year 2011 to 4.9 homes in fiscal year 2012. The economy also showed some improvements with alcohol licenses and peddler permits increasing by $27,586.

- **Intergovernmental.** Intergovernmental grants decreased by ($9,960) from the prior period. In fiscal year 2011, Suwanee received the $18,161 in federal justice grant funds for police equipment, $10,000 in state small agency incentive for police equipment, and $3,150 in federal justice assistance for police vest. In fiscal year 2012, Suwanee received $21,351 in state funding for police equipment. All of these grants are one time awards.
- **Charge for services.** Special event service fees increased by $20,364. These services are provided to private business for events and vary from year to year. Planning and development fees increased by $13,505 due to the slight growth in development activity.
- **Fines and forfeitures.** Municipal court fees decreased by ($65,499). This decrease is due to Suwanee losing the ability to run radar for traffic control for the majority of the fiscal year. Suwanee, Gwinnett County and the other cities in Gwinnett County lost their radar permits from the state due to court sanctions from the ongoing legal battle regarding service delivery strategies. Radar permits were renewed by the state for the cities and Gwinnett County after the settlement of the service delivery lawsuit in March 2012.
- **Other.** Other revenues decreased by ($45,793). The majority of this decrease is related to a lower rate of return on idle cash. Current low interest rates are due to the current economic conditions and FDIC rules placed on banks regarding collaterization and interest rate returns for FDIC program requirements.

EXPENDITURES BY FUNCTION GENERAL FUND

	FY 2012		FY 2011		Increase/ (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function						
General government	$ 2,163,974	23.64%	$ 2,107,176	23.89%	$ 56,798	2.69%
Judicial	310,091	3.39%	298,827	3.39%	11,264	3.77%
Police	3,871,056	42.30%	3,749,187	42.50%	121,869	3.25%
Public works	1,621,691	17.72%	1,464,606	16.60%	157,085	10.72%
Culture and recreation	236,549	2.58%	277,315	3.14%	(40,766)	-14.70%
Housing and development	936,892	10.24%	871,702	9.88%	65,190	7.48%
Debt service						
Principal	10,795	0.12%	50,959	0.58%	(40,164)	-78.82%
Interest	318	0.01%	1,463	0.02%	(1,145)	-78.26%
Total	$ 9,151,366	100.00%	$ 8,821,235	100.00%	$ 330,131	3.74%

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

- **General government.** Expenditures increased by $56,798 or 2.69%. The City completed the second year of a two year strategic planning process. In total, we anticipated the cost of conducting this plan to be $150,000. During fiscal year 2011, the first year, we expended $58,272 on this planning process. In the second year, fiscal year 2012, we spent $106,485.
- **Judicial.** Expenditures increased by $11,264 or 3.77%. The majority of this increase is due to 2.5% pay for performance COLA pay raise. Other operating costs remained stable from the prior period.

- **Police.** Expenditures increased by $121,869 or 3.25%. The majority of this increase is due to 2.5% pay for performance COLA pay raise. Other operating costs remained stable from the prior period.
- **Public works.** Expenditures increased by $157,085 or 10.72%. The majority of the increase was due to additional equipment purchases of $148,260.
- **Culture and recreation.** Expenditures decreased by ($40,766) or 14.70%. This decrease is due to two top dressings being applied in fiscal year 2011. This is an annual expenditure but due to timing, two applications were applied. Only one application was applied in fiscal year 2012.
- **Housing and development.** Expenditures increased by $65,190 or 7.48%. The majority of this increase is due to 2.5% pay for performance COLA pay raise. Additional funds were also spent on Arbor Day ($11,935) and code enforcement ($12,057). Other operating costs remained stable from the prior period.
- **Debt service**. Expenditures in debt service continue to decrease as old equipment leases are paid off. In order to control future operating cost, the City has moved from leasing three to four vehicles a year to purchasing three to four vehicles.

CAPITAL PROJECTS

Capital projects funds account for the financial resources used for the purchase and construction of major facilities and related equipment. During fiscal year 2012, the City had two capital project funds that were considered major funds: the 2009 SPLOST and Other Capital Projects.

The **2009 SPLOST** fund consists of eleven separate projects. These projects include: greenway rehab/extension, installation of a well at Town Center Park, street resurfacing and improvements, storm drainage and system improvements, Buford Highway reconstruction and streetscape, implementation of the Pedestrian Bicycle Bike Plan, police substation, parking facilities, park enhancements, recreation projects, and a sign reflectivity program. The City has entered into an intergovernmental agreement with Gwinnett County allocating an expected $10,356,865 to be paid out as collected from the County, to the City, over a five-year period. As of June 30, 2012, the fund had a restricted fund balance of $4,557,003, 2009 SPLOST funds received and unspent, and an assigned balance of $1,163,588, general fund and non-major governmental funds transfer of resources. During fiscal year 2012, fund balance increased by $101,783. This increase is due to net of SPLOST funds received ($2,127,891), general fund transfer ($259,720), and investment earnings ($14,275) less funds from capital expenditures ($2,300,103). Two major projects in fiscal year 2012 included Suwanee Creek Greenway Rehab ($733,242) and police substation ($1,428,481).

Other capital projects fund accounts for the local financial resources used for the purchase and construction of capital equipment, facilities, and community stabilization. Assigned fund balance at year-end was $3,596,699, an increase of $2,100,783 from the prior year. This increase is due to the intergovernmental revenues received from Gwinnett County as a result of the service delivery settlement.

DEBT SERVICES

The debt service restricted fund balance was $1,338,378 as of June 30, 2012, all of which is restricted 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 activity. At the fiscal year end, the water and sewer fund had an operating income of $8,103 compared to an operating loss of $20,272 in the prior year. Operating revenues increased by $21,059 due to an increase in the rate structure. Operating expenses decreased by $7,316 due to repairs made in fiscal year 2011 to correct discolored water issues. Changes in net assets increased by $158,180, the majority of this increase was from a general fund transfer of $150,000, instead of income from operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget ($11,844,220) and the final amended budget ($12,587,071) amounted to an overall increase of $742,851. Operational functions were increased by $26,851, or less than 1%. Capital transfers were increased by $716,000. Listed below is a summary of the additional capital transfers:

- $391,000 was added to other capital project to provide local funding for new accounting software, wayfinding signage, and railroad bank landscaping.
- $259,720 was added to 2009 SPLOST capital projects to provide additional funds for sidewalk projects.
- $65,280 was added to the nonmajor other governmental funds to provide additional local funding for the I-85 streetscape project.

A detail budgetary comparison schedule for the fiscal year ended June 30, 2012 can be found on pages 32-33. The following chart is a summary of that schedule.

GENERAL FUND BUDGET COMPARISON

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues, transfers, and other financing sources:				
Taxes	$ 9,963,180	$ 9,977,180	$ 10,029,412	$ 52,232
Licenses and permits	366,820	543,820	613,838	70,018
Intergovernmental revenues	-	21,351	21,351	-
Charges for services	79,700	102,700	106,325	3,625
Fines and forfeitures	977,000	1,227,000	1,109,122	(117,878)
Investment income	60,000	40,000	48,403	8,403
Miscellaneous revenues	17,500	46,000	41,429	(4,571)
Other financing sources	157,500	157,500	182,336	24,836
Total	11,621,700	12,115,551	12,152,216	36,665
Expenditures and transfers out:				
Expenditures	9,805,900	9,832,751	9,151,366	681,385
Transfer out	2,038,320	2,754,320	2,753,634	686
Total	11,844,220	12,587,071	11,905,000	682,071
Change in fund balance	$ (222,520)	$ (471,520)	$ 247,216	$ 718,736

During the year, general fund revenues exceeded budgetary projections and expenditures were less than budgetary estimates. Actual revenues and other financing sources were $36,665 higher than estimates, whereas expenditures were $682,071 lower than the final budgetary appropriations. Listed below are the major areas that expenditures were lower than appropriations.

- Salaries and benefits expenditures were $227,950 less than appropriations. This was due to vacancies and group health utilization of the health reimbursement accounts were lower than projected.
- Purchased professional services expenditures were $89,382 less than appropriations. The major consultant areas were development reviews, legal services and landscape maintenance.

- Other purchase services expenditures were $173,439 less than appropriations. This classification includes training, education, travel, printing, and dues and fees.
- Supplies expenditures were $74,698 less than appropriations. This was due to utilities and gasoline projections being higher than actual costs.
- Capital outlay expenditures were $115,916 less than appropriations. Equipment purchases were delayed and re-appropriated in the fiscal year 2013 budget.



Capital assets

On June 30, 2012, the City's investments in capital assets in both governmental and business-type activities amounted to $69,066,886, net of accumulated depreciation. This includes land, land improvements, buildings, machinery and equipment, park facilities, and infrastructure. The majority of the decrease in capital assets is due to annual depreciation of $2,768,576 and not the result of disposal of assets. The additions to construction in progress are for the Suwanee Creek Greenway Rehabilitation project and the police substation and training center. Both of these projects should be completed in fiscal year 2013.

Additional information on capital assets can be found in Note 6 on pages 48-49 of this report.



	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	$ 13,280,858	$ 12,522,858	$ 7,500	$ 7,500	$ 13,288,358	$ 12,530,358
Land improvements	2,281,123	2,419,802	1,608	1,855	2,282,731	2,421,657
Buildings	22,380,222	22,875,964	-	-	22,380,222	22,875,964
Water system	-	-	2,432,184	2,461,586	2,432,184	2,461,586
Machinery and equipment	1,565,835	1,575,313	21,197	22,955	1,587,032	1,598,268
Vehicles	547,410	470,776	-	-	547,410	470,776
Infrastructure	23,688,018	24,734,270	-	-	23,688,018	24,734,270
Construction in progress	2,860,931	254,031	-	-	2,860,931	254,031
Total	$ 66,604,397	$ 64,853,014	$ 2,462,489	$ 2,493,896	$ 69,066,886	$ 67,346,910



Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of $20,340,000 comprised of general obligation debt ($14,970,000) backed by the full faith and credit of the City, and revenue bonds ($5,370,000) obligated through an intergovernmental agreement with the Urban Redevelopment Agency.

The City's total long-term bonds decreased by $755,000 or 3.6% during the current fiscal year. The City's bond rating is AA from S&P and AA+ from Fitch Rating. State statutes limit the amount of general obligation debt a government entity may issue up to 10% of its total assessed valuation. The current debt limit for the City is $108,648,478; current general obligation debt is below this limit with 12.55% of the legal debt limit used. Additional information regarding long-term debt can be found in Note 7 on pages 50-52 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Economic reports indicate that the U.S. economy expanded at a 1.5 percent annual rate during the 2nd quarter of 2012 compared to 2.2 percent during the 1st quarter of 2012 and 2.8 percent during the 4th quarter of 2011. Overall, the economy continues to grow modestly, now over 12 consecutive quarters, but not as robustly as what is necessary to reach full recovery. Economists indicate that a growth rate of 3 percent is necessary to reduce the nation's chronic high unemployment rate. With a constantly changing economic climate, it is important that the City continue to monitor local, regional, and national economic trends. While slowing economic conditions and rising costs increase financial challenges for Suwanee and other similar communities, the City's past conservative financial policies coupled with strong past development patterns have helped to soften some of the financial difficulties.

Unemployment

Employment has been greatly impacted during the current economic recession. According to the U.S. Bureau of Labor Statistics, the national unemployment rate in June 2012 was 8.2 percent. Georgia is among several states that exceed the national average with a June 2012 unemployment rate of 9.0 percent. Gwinnett County is near the national average and is faring better than the state and metro Atlanta average with an unemployment rate of 8.3 percent. The Georgia Civilian Labor Force maintains unemployment rate estimates for each Census Tract within the state. Suwanee's census includes three tracts; Tracts 502.10, 502.12, and 502.13 had an unemployment rate of 5.6 percent in June 2012.

Building permits

Since 2000, Suwanee experienced moderate to accelerated growth in the construction of new housing units with an average of 207 housing starts per year (or 17 per month) from 2000 to 2008. Suwanee experienced a slowdown in the housing sector for four consecutive years (2006-2009). Following this decline, the City began to see gradual increases in permits issued with slight increases in 2010. New residential construction increased slightly again in 2011, with the average number of housing starts increasing from 3.6 homes per month in 2010 to 4.9 homes per month in 2011.

Active developments

There are seven active developments in Suwanee that include a single family residential component. These projects are authorized for a total of 1,564 single family attached and detached housing units. Of these authorized 1,564 single family units 76 percent (1,196) are occupied houses while the remaining 24 percent (368 units) are unoccupied.

Housing values

According to the Atlanta Journal Constitution, the average home sales price in Suwanee (30024 Zip Code in Gwinnett County) was $179,050 in 2011. This number is down from 2010 when the average home sales price was reported at $205,000. This drop in price represents a 12.7 percentage annual decrease. The overall average sales price in Gwinnett County dropped by 20.5 percentage between the same period. Home prices in Suwanee decreased by 2.4 percentage between 2009 and 2010 and 14 percentage points between 2008 and 2009.

General fund budget

The City's finances utilize a conservative approach that places emphasis on ensuring financial stability and long term sustainability. Suwanee recognizes the balancing of results (current services, new services, and capital projects) to resources (long term sustainability, debt and long term obligations, and the community's tax burden). The balancing of results to resources creates the public value in city services. The fiscal year 2013 annual budget for the general fund is $12,002,440; this is a decrease of $584,631 or 4.6% from the final amended 2012 budget. However, it is $97,440 higher than 2012 actual or less than 1 percent. This shows the stabilization of Suwanee's operations during the current economic conditions.

REQUEST FOR INFORMATION

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

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT





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	$ 10,176,785	$ 63,434	$ 10,240,219	$ 50,149
Investments	9,866,585	100,074	9,966,659	-
Receivables:				
Property taxes	547,264	-	547,264	-
Other	247,452	8,687	256,139	-
Due from other governments	378,351	-	378,351	-
Due from other funds	(280)	280	-	-
Deferred charges	166,399	-	166,399	-
Prepaid items	71,057	-	71,057	-
Net pension asset	1,049,411	-	1,049,411	-
Restricted cash	-	3,690	3,690	-
Capital assets, nondepreciable	16,141,789	7,500	16,149,289	-
Capital assets, depreciable, net of accumulated depreciation	50,462,608	2,454,989	52,917,597	346,275
Total assets	89,107,421	2,638,654	91,746,075	396,424
LIABILITIES				
Accounts payable	794,001	1,421	795,422	2,815
Retainage payable	121,704	-	121,704	-
Liabilities payable from restricted assets	-	3,690	3,690	-
Noncurrent liabilities:				
General obligation bonds due within one year	505,000	-	505,000	-
General obligation bonds due in more than one year	14,110,599	-	14,110,599	-
Revenue bonds due within one year	275,000	-	275,000	-
Revenue bonds due in more than one year	5,092,331	-	5,092,331	-
Compensated absences due within one year	81,600	-	81,600	-
Compensated absences due more than one year	173,400	-	173,400	-
Total liabilities	21,153,635	5,111	21,158,746	2,815
NET ASSETS				
Invested in capital assets, net of related debt	46,621,467	2,462,489	49,083,956	346,275
Restricted for:				
Capital projects	5,433,754	-	5,433,754	-
Court ordered supersedeas sum	2,276,207	-	2,276,207	-
Debt service	1,338,378	-	1,338,378	-
Special programs	209,841	-	209,841	-
Unrestricted	12,074,139	171,054	12,245,193	47,334
Total net assets	$ 67,953,786	$ 2,633,543	$ 70,587,329	$ 393,609

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

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business Type	Total	
Primary Government:								
Governmental activities:								
General government	$ 2,700,781	$ 214,742	$ 89,807	$ -	$ (2,396,232)	$ -	$ (2,396,232)	
Judicial	301,056	-	-	-	(301,056)	-	(301,056)	
Public safety	3,534,734	1,209,555	1,614,652	343,123	(367,404)	-	(367,404)	
Public works	3,420,275	-	-	1,647,556	(1,772,719)	-	(1,772,719)	
Culture and recreation	865,504	32,111	123,460	1,165,402	455,469	-	455,469	
Housing and development	856,126	420,085	332,583	-	(103,458)	-	(103,458)	
Tourism and trade	201,986	-	-	-	(201,986)	-	(201,986)	
Interest on long term debt	842,818	-	-	-	(842,818)	-	(842,818)	
Total governmental activities	12,723,280	1,876,493	2,160,502	3,156,081	(5,530,204)	-	(5,530,204)	
Business-type activities								
Water and Sewer	110,069	118,172	-	-	-	8,103	8,103	
Total Primary Government	$ 12,833,349	$ 1,994,665	$ 2,160,502	$ 3,156,081	$ (5,530,204)	$ 8,103	$ (5,522,101)	
Component Unit	$ 13,872	$ 200	$ 9,781	$ -				$ (3,891)
General revenues:								
Taxes:								
Property taxes					$ 5,568,706	$ -	$ 5,568,706	$ -
Franchise fees					1,897,907	-	1,897,907	-
Alcoholic beverage tax					881,679	-	881,679	-
Business and occupation taxes					928,617	-	928,617	-
Hotel/motel taxes					417,319	-	417,319	-
Insurance premium taxes					720,214	-	720,214	-
Other taxes penalties					17,023	-	17,023	-
Unrestricted investment earnings					56,663	77	56,740	49
Miscellaneous					62,073	-	62,073	-
Transfers					(150,000)	150,000	-	-
Total general revenues and transfers					10,400,201	150,077	10,550,278	49
Change in net assets					4,869,997	158,180	5,028,177	(3,842)
Net assets - beginning					63,083,789	2,475,363	65,559,152	397,451
Net assets - ending					$ 67,953,786	$ 2,633,543	$ 70,587,329	$ 393,609

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

	General	Debt Service	2009 SPLOST	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 4,753,100	$ 335,007	$ 1,516,592	$ 2,860,922	$ 711,164	$ 10,176,785
Investments	2,940,228	1,003,371	4,416,205	894,264	612,517	9,866,585
Receivables:						
Property taxes	547,264	-	-	-	-	547,264
Due from other governments	-	-	378,351	-	-	378,351
Other	200,303	-	-	-	47,149	247,452
Prepaid items	71,057	-	-	-	-	71,057
Total assets	$ 8,511,952	$ 1,338,378	$ 6,311,148	$ 3,755,186	$ 1,370,830	$ 21,287,494
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 153,127	$ -	$ 468,853	$ 40,362	$ 131,659	$ 794,001
Retainage payable	-	-	121,704	-	-	121,704
Due to other funds	280	-	-	-	-	280
Deferred revenue	531,855	-	-	118,125	-	649,980
Total liabilities	685,262	-	590,557	158,487	131,659	1,565,965
Fund Balances:						
Nonspendable	71,057	-	-	-	-	71,057
Restricted	2,276,207	1,338,378	4,557,003	-	1,086,592	9,258,180
Committed	4,000,813	-	-	-	-	4,000,813
Assigned						
Capital project funds	-	-	1,163,588	3,596,699	152,579	4,912,866
Unassigned	1,478,613	-	-	-	-	1,478,613
Total fund balances	7,826,690	1,338,378	5,720,591	3,596,699	1,239,171	19,721,529
Total liabilities and fund balances	$ 8,511,952	$ 1,338,378	$ 6,311,148	$ 3,755,186	$ 1,370,830	
Amounts reported for governmental activities in the statement of net assets are different because:						
Deferred charges are available in the current period and, therefore, are not reported in the funds.						166,399
Net pension asset is not recorded in the governmental fund statements.						1,049,411
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						66,604,397
Revenue deferred in the governmental funds susceptible to full accrual on the government wide statements.						649,980
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(20,237,930)
Net assets of governmental activities						$ 67,953,786

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

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2012

	General	Debt Service	2009 SPLOST	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 5,583,972	$ -	$ -	$ -	$ -	$ 5,583,972
Franchise taxes	1,897,907	-	-	-	-	1,897,907
Alcoholic beverage taxes	881,679	-	-	-	-	881,679
Business taxes	1,648,831	-	-	-	-	1,648,831
Hotel/motel taxes	-	-	-	-	417,319	417,319
Other taxes penalties	17,023	-	-	-	-	17,023
Licenses and permits	613,838	-	-	-	-	613,838
Intergovernmental revenues	21,351	-	2,127,891	2,037,042	-	4,186,284
Charges for services	106,325	-	-	-	-	106,325
Fines and forfeitures	1,109,122	-	-	-	37,895	1,147,017
Investment income	48,403	4,154	14,275	3,303	3,598	73,733
Rental income	3,525	-	-	41,669	5,788	50,982
Contributions and donations	-	-	-	4,674	118,786	123,460
Miscellaneous revenue	37,904	-	-	-	-	37,904
Total revenues	11,969,880	4,154	2,142,166	2,086,688	583,386	16,786,274
EXPENDITURES						
Current:						
General government	2,163,974	-	378	111,410	-	2,275,762
Judicial	310,091	-	-	-	-	310,091
Public safety	3,871,056	-	-	-	25,028	3,896,084
Public works	1,621,691	-	-	-	-	1,621,691
Culture and recreation	236,549	-	-	-	138,856	375,405
Housing and development	936,892	-	-	16,875	-	953,767
Tourism and trade	-	-	-	-	201,986	201,986
Capital outlay	-	-	2,299,725	426,620	490,753	3,217,098
Debt service:						
Principal	10,795	755,000	-	-	-	765,795
Interest and fiscal charges	318	842,171	-	-	-	842,489
Total expenditures	9,151,366	1,597,171	2,300,103	554,905	856,623	14,460,168
Excess (deficiency) of revenues over (under) expenditures	2,818,514	(1,593,017)	(157,937)	1,531,783	(273,237)	2,326,106
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	2,455	-	-	-	-	2,455
Transfers in	179,881	1,601,900	259,720	569,000	173,014	2,783,515
Transfers out	(2,753,634)	-	-	-	(179,881)	(2,933,515)
Total other financing sources (uses)	(2,571,298)	1,601,900	259,720	569,000	(6,867)	(147,545)
Net change in fund balances	247,216	8,883	101,783	2,100,783	(280,104)	2,178,561
FUND BALANCES - beginning of year	7,579,474	1,329,495	5,618,808	1,495,916	1,519,275	17,542,968
FUND BALANCES - end of year	$ 7,826,690	$ 1,338,378	$ 5,720,591	$ 3,596,699	$ 1,239,171	$ 19,721,529

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			$ 2,178,561
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements.			(32,766)
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 net amount of capital activity recorded in the current period.			
	Additions	$ 4,474,799	
	Net effect of disposals	(5,583)	
	Depreciation expense	(2,717,833)	1,751,383
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.			
	Principal payments of capital leases		10,795
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure.			
	Principal payment		755,000
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			238,153
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			
	Amortization of:		
	Premium/Discount	$ 1,521	
	Bond Issuance Cost	(16,364)	
	Loss on Refunding	(33,222)	(48,065)
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.			16,936
Change in net assets of governmental activities			$ 4,869,977

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

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	$ 5,533,930	$ 5,616,930	$ 5,583,972	$ (32,958)
Franchise taxes	1,973,420	1,860,420	1,897,907	37,487
Alcoholic beverage taxes	813,300	813,300	881,679	68,379
Business taxes	1,587,530	1,631,530	1,648,831	17,301
Other taxes penalties	55,000	55,000	17,023	(37,977)
Total taxes	9,963,180	9,977,180	10,029,412	52,232
Licenses and permits:				
Alcoholic beverage fees	163,500	165,500	172,975	7,475
Business licenses	30,950	38,950	41,767	2,817
Building permits	172,370	339,370	399,096	59,726
Total licenses and permits	366,820	543,820	613,838	70,018
Intergovernmental revenues:				
State grants	-	21,351	21,351	-
Total intergovernmental revenues	-	21,351	21,351	-
Charges for services:				
Planning and development fees	6,200	19,200	20,989	1,789
Public safety services	65,000	67,000	62,538	(4,462)
Special events	8,500	16,500	22,798	6,298
Total charges for services	79,700	102,700	106,325	3,625
Fines and forfeitures	977,000	1,227,000	1,109,122	(117,878)
Investment income	60,000	40,000	48,403	8,403
Rental income	2,500	7,500	3,525	(3,975)
Contributions and donations	5,000	7,500	-	(7,500)
Miscellaneous revenue	10,000	31,000	37,904	6,904
Total revenues	11,464,200	11,958,051	11,969,880	11,829
EXPENDITURES				
Current:				
General Government:				
Governing body	177,870	160,670	134,764	25,906
Legislative committees	8,750	7,650	2,939	4,711
Chief executive	474,680	501,280	487,463	13,817
General administration	233,230	236,230	211,824	24,406
Financial administration	671,230	668,530	633,428	35,102
Accounting	35,000	35,000	35,000	-
Law	65,000	64,000	58,932	5,068
Data processing	263,200	259,200	227,902	31,298
General government building and plant	273,720	278,220	248,315	29,905
Public information	141,600	137,600	123,407	14,193
Total general government	$ 2,344,280	$ 2,348,380	$ 2,163,974	$ 184,406

(continued)

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Judicial	$ 359,750	$ 333,050	$ 310,091	$ 22,959
Public safety:				
Police administration	366,740	363,290	344,779	18,511
Criminal investigation	266,480	272,430	255,946	16,484
Patrol	2,519,217	2,415,098	2,297,182	117,916
Records and identification	127,070	130,430	120,449	9,981
Police training	111,580	115,030	105,971	9,059
Special detail services	50,000	47,000	36,199	10,801
Gateway patrol	17,200	18,200	17,993	207
Police stations and buildings	165,500	170,500	149,088	21,412
Dispatcher	468,520	476,020	461,682	14,338
Public relations	88,050	91,850	81,767	10,083
Total public safety	4,180,357	4,099,848	3,871,056	228,792
Public Works:				
Public works administration	1,552,680	1,651,990	1,571,036	80,954
Paved streets	72,050	23,200	20,807	2,393
Storm drainage	30,000	29,500	29,097	403
Special detail services	2,500	4,100	751	3,349
Total public works	1,657,230	1,708,790	1,621,691	87,099
Culture and recreation:				
Special facilities and activities	117,500	128,500	94,344	34,156
Park areas	152,450	158,450	142,205	16,245
Total culture and recreation	269,950	286,950	236,549	50,401
Housing and development:				
Protective inspection administration	129,100	155,600	123,666	31,934
Planning and zoning	420,420	441,420	412,911	28,509
Code enforcement	36,270	36,470	31,184	5,286
Economic development and assistance	299,020	310,770	279,807	30,963
Downtown Suwanee	98,410	100,360	89,324	11,036
Total housing and development	983,220	1,044,620	936,892	107,728
Debt service:				
Principal retirement	10,795	10,795	10,795	-
Interest and fiscal charges	318	318	318	-
Total debt service	11,113	11,113	11,113	-
Total expenditures	9,805,900	9,832,751	9,151,366	681,385
Excess of revenues over expenditures	1,658,300	2,125,300	2,818,514	693,214
OTHER FINANCING SOURCES (USES):				
Transfer in	152,500	152,500	179,881	27,381
Transfer out	(2,038,320)	(2,754,320)	(2,753,634)	686
Sale of capital assets	5,000	5,000	2,455	(2,545)
Total other financing sources (uses)	1,880,820	2,596,820	2,571,298	25,522
Net change in fund balances	(222,520)	(471,520)	247,216	718,736
FUND BALANCES - beginning of year	7,579,474	7,579,474	7,579,474	-
FUND BALANCES - end of year	$ 7,356,954	$ 7,107,954	$ 7,826,690	$ 718,736

		Major Enterprise Fund Water & Sewer Fund
ASSETS		
Current assets:		
Cash and cash equivalents	$	63,434
Investments		100,074
Receivables:		
Accounts		8,687
Due from other funds		280
Total current assets		172,475
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents		3,690
Capital assets, nondepreciable		7,500
Capital assets, depreciable, net of accumulated depreciation		2,454,989
Total noncurrent assets		2,466,179
Total assets		2,638,654
LIABILITIES		
Current liabilities:		
Accounts payable		1,421
Total current liabilities		1,421
Noncurrent Liabilities:		
Payable from restricted assets:		
Customer deposits payable		3,690
Total liabilities		5,111
NET ASSETS		
Invested in capital assets		2,462,489
Unrestricted		171,054
Total net assets	$	2,633,543

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	$	118,172
Total operating revenues		118,172
OPERATING EXPENSES		
Salaries and benefits		20,452
Contracted services		20,528
Supplies		18,346
Depreciation		50,743
Total operating expenses		110,069
Operating income (loss)		8,103
NONOPERATING REVENUES (EXPENSES)		
Investment income		77
Total nonoperating revenues (expenses)		77
Income (loss) before transfers		8,180
Transfer in		150,000
Change in net assets		158,180
Total net assets - beginning of year		2,475,363
Total net assets - end of year	$	2,633,543

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

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

	Major Enterprise Fund Water & Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 118,874
Payments to employees	(20,452)
Payments to suppliers for goods and services	(76,898)
Net cash provided (used) by operating activities	21,524
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to other fund	(280)
Transfer from other fund	150,000
Net cash provided by noncapital financing activities	149,720
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital asset	(19,336)
Net cash used by capital and related financing activities	(19,336)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	77
Net cash provided by investing activities	77
Net increase in cash and cash equivalents	151,985
Cash and cash equivalents - beginning	15,213
Cash and cash equivalents - ending	$ 167,198
Reconciliation of operating income to net cash provided by operating activities:	
Cash flows from operating activities	
Operating income (loss)	$ 8,103
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	50,743
Change in assets and liabilities	
(Increase) decrease in accounts receivable	32,529
Increase (decrease) in accounts payable not related to a capital assets	(30,111)
Increase (decrease) in due to other fund	(39,445)
Increase (decrease) in customer deposits	(295)
Net cash provided (used) by operating activities	$ 21,524



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

	Agency Fund
ASSETS	
Cash and cash equivalents	$ 85,511
Total assets	85,511
LIABILITIES	
Due to others	85,511
Total liabilities	$ 85,511

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

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT




NOTES TO THE
FINANCIAL STATEMENTS



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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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 and report all financial resources traditionally associated with government, which are not accounted for and reported in another fund.

The **Debt Service Fund** accounts for and reports financial resources that are restricted to principal and interest expenditures.

The **2009 Special Purpose Local Option Sales Tax (SPLOST) Fund** accounts for and reports financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Funding is provided by a restricted one-cent special local option sales tax approved by voters in 2008, restricted federal funds, and local assigned funds.

The **Other Capital Projects Fund** accounts for and reports financial resources that are assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Funding is provided from local assigned 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 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.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C. Measurement Focus and Basis of Accounting

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

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

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

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.

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

D. Cash and Investments

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

State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime banker's acceptances; repurchase agreements; and the State of Georgia Office of State Treasurer Georgia Fund-1 Liquidity Pool. The City's investments are 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. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid assets.

G. 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

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

H. 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.

I. 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.

J. Net Assets

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.

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.

K. 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.

L. Fund Balance

The City has implemented GASB Statement Number 54 which shifts the focus of fund balance reporting from the concept of availability of fund resources to the extent a government is bound to constraints on the specific purposes for which the funds can be spent. In the governmental fund financial statements, fund balance is reported in five classifications.

1. **Nonspendable.** Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally contractually required to be maintained intact. The City has $71,057 in prepaid health insurance that is considered nonspendable fund balance.

2. **Restricted**. Restricted fund balance encompasses the net fund resources subject to externally enforceable legal restrictions. Such restrictions would include 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The City has the following restricted fund balances:
   - General Fund - $2,276,207 legally restricted by the Superior Court of Gwinnett County, Judge Warren Davis, related to the Settles Bridge Farm appeal requested Supersedeas Sum.
   - Debt Service Fund - $1,338,378 externally imposed by bond covenant for debt.
   - 2009 SPLOST Fund - $4,557,003 externally imposed by laws or regulations of other governments for capital projects.
   - Other Governmental Funds - $1,086,592 externally imposed by grantors and laws or regulations of other governments. Of this amount, $876,751 is for capital projects, $112,522 for public safety, $62,648 for economic development, and $34,671 for cultural and recreation.

3. **Committed**. Committed fund balance represents resources the use of which is constrained by limitations that the government imposes upon itself at the highest level of decision making, City Council, and can only be removed by formal action equivalent to the action taken to impose it. The City has committed $4,000,813 in the general fund for stabilization. The stabilization account consists of a minimum of four months of general fund expenditures and transfers. These funds were committed by the City Council by adopted resolution.

   The stabilization account reserves shall only be used to provide a short term solution to maintaining services until projected revenue growth or necessary expenditure reductions are achieved to balance the preceding budget. When it becomes necessary for the City to draw funds from the stabilization account, by formal action, the City will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

4. **Assigned**. Assigned fund balance includes the portion of fund balance that reflects the City's intended use of resources. Such intent was established by formal action of the City Council. Modifications require action by the City Council. These funds are expended last after all other revenue sources have been depleted. The City has the following assigned fund balances:
   - 2009 SPLOST Fund - $1,163,588 assigned by City Council for capital projects appropriation.
   - Other Capital Funds - $3,596,699 assigned by City Council for capital projects appropriation.
   - Other Governmental Funds - $152,579 assigned by City Council for capital projects appropriation.

5. **Unassigned**. Unassigned includes fund balance that has not been reported in any other classification. The City has $1,478,613 in unassigned general fund balance.

Suwanee has a revenue spending policy that provides for resources to be used in the following hierarchy: bond proceeds, federal funds, state funds, and local funds. For the purpose of the fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed, assigned and unassigned. Suwanee considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, or unassigned amounts are also considered to have been spent when an expenditure has been incurred.

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 $20,237,930 difference are as follows:

Compensated absences payable	$	255,000
Bonds payable		19,982,930
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	$	20,237,930

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 21, 2011. The level of legal budgetary control is at the department level. Council approval is required to increase or decrease the total budget of any department.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds. Project length budgets are adopted for all Capital Projects Funds.

Material supplementary budgetary changes were made to increase transfer out by ($716,000). These funds were transferred to provide funding for fiscal year 2013 capital improvement program. Transfer of these local funds provided the necessary resources to maintain the current capital projects budgets for fiscal year 2013.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At June 30, 2012, 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, 2012 the City has no uncollateralized deposits.

Investments. At June 30, 2012, 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, 2011 and were mailed to taxpayers on October 1, 2011. The due date for these taxes was December 20, 2011, and after that date, both penalty and interest are accrued until the taxes are collected. The lien date was January 1, 2012. Receivables are recorded when taxes are levied and billed (October 1).

Receivables at June 30, 2012 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	2009 SPLOST	Other Governmental Funds	Water and Sewer	Total
Receivables					
Property taxes	$ 547,264	$ -	$ -	$ -	$ 547,264
Due from other governments	-	378,351	-	-	378,351
Due from other funds	-	-	-	280	280
Other	200,303	-	47,149	8,687	256,139
Net total receivables	$ 747,567	$ 378,351	$ 47,149	$ 8,967	$ 1,182,034

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 is as follows:

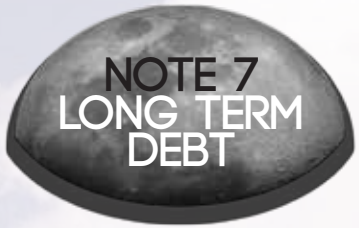
	Beginning Balances	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 12,522,858	$ 758,000	$ -	$ 13,280,858
Construction in progress	254,031	2,606,900	-	2,860,931
Total	12,776,889	3,364,900	-	16,141,789
Capital assets, being depreciated:				
Land improvements	2,866,279	4,514	-	2,870,793
Buildings and improvements	24,789,463	-	-	24,789,463
Machinery and equipment	2,512,093	196,191	(34,345)	2,673,939
Vehicles	1,385,762	194,042	(15,763)	1,564,041
Infrastructure	40,441,249	715,152	-	41,156,401
Total	71,994,846	1,109,899	(50,108)	73,054,637
Less accumulated depreciation for:				
Land improvements	446,477	143,193	-	589,670
Buildings and improvements	1,913,498	495,743	-	2,409,241
Machinery and equipment	936,781	200,085	(28,762)	1,108,104
Vehicles	914,986	117,408	(15,763)	1,016,631
Infrastructure	15,706,979	1,761,404	-	17,468,383
Total	19,918,721	2,717,833	(44,525)	22,592,029
Total capital assets, being depreciated, net	52,076,125	(1,607,934)	(5,583)	50,462,608
Governmental activities capital assets, net	$ 64,853,014	$ 1,756,966	$ (5,583)	$ 66,604,397

Business capital assets activity for the year ended June 30, 2012 is as follows:

	Beginning Balances	Increases	Decreases	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	34,566	-	-	34,566
Water system	2,991,771	19,336	-	3,011,107
Total	3,031,281	19,336	-	3,050,617
Less accumulated depreciation for:				
Land improvements	3,089	247	-	3,336
Machinery and equipment	11,611	1,758	-	13,369
Water system	530,185	48,738	-	578,923
Total	544,885	50,743	-	595,628
Total capital assets, being depreciated, net	2,486,396	(31,407)	-	2,454,989
Business-type activities capital assets, net	$ 2,493,896	$ (31,407)	$ -	$ 2,462,489

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

Governmental activities	
General government	$ 168,800
Judicial	8,335
Public safety	228,989
Public works	1,817,933
Culture and recreation	480,284
Housing and development	13,492
Total depreciation expenses-governmental activities	$ 2,717,833



The following is a summary of long-term debt activity for the year ended June 30, 2012.

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	$ 15,455,000	$ -	$ (485,000)	$ 14,970,000	$ 505,000
Add: Issuance Premium	22,749	-	(1,850)	20,899	-
Less: Deferred loss on refunding	(408,522)	-	33,222	(375,300)	-
Total general obligation bonds payable	15,069,227	-	(453,628)	14,615,599	505,000
Revenue bonds	5,640,000	-	(270,000)	5,370,000	275,000
Less: Issuance discount	(2,998)	-	329	(2,669)	-
Total revenue bonds payable	5,637,002	-	(269,671)	5,367,331	275,000
Capital leases	10,795	-	(10,795)	-	-
Compensated absences	271,936	216,726	(233,662)	255,000	81,600
Governmental activities long term liabilities	$ 20,988,960	$ 216,726	$ (967,756)	$ 20,237,930	$ 861,600

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

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.

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 had 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, 2012 is $14,970,000.

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

Year ending June 30,		Principal		Interest
2013	$	505,000	$	616,330
2014		525,000		593,811
2015		545,000		571,074
2016		570,000		547,380
2017		590,000		522,730
2018 - 2022		3,310,000		2,230,118
2023 - 2027		4,020,000		1,481,972
2028 - 2032		4,905,000		543,126
Total	$	14,970,000	$	7,106,541

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, 2012 the amount of the defeased bonds outstanding was $0.

NOTE 7 LONG TERM DEBT

(CONTINUED)

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, 2012 is $5,370,000.

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

Year ending June 30,	Principal	Interest
2013	$ 275,000	$ 195,773
2014	285,000	186,148
2015	295,000	176,173
2016	305,000	165,848
2017	320,000	155,173
2018 - 2022	1,770,000	598,572
2023 - 2027	2,120,000	247,909
Total	$ 5,370,000	$ 1,725,596

NOTE 8 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

1. The composition of interfund transfers for the year ended June 30, 2012 is as follows:

Transfer In	Transfer Out	Amount
General fund	Non-major governmental funds	$ 179,881
Debt Service fund	General fund	1,601,900
2009 SPLOST fund	General fund	259,720
Other Capital Projects fund	General fund	569,000
Non-major governmental funds	General fund	173,014
Water and Sewer fund	General fund	150,000
		$ 2,933,515

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, 2012, are as follows:

Due to	Due From	Amount
Water and Sewer fund	General fund	$ 280

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 Commission - RDC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2012, 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 Principal 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 $4,621,627, including $424,595 of payroll covered by this plan. Contributions by the City totaled $21,230 for the fiscal year ended June 30, 2012. Plan provisions and contribution requirements are established by City ordinance and may be amended by the Suwanee City Council.

The employee vesting schedule for the 401 (a) plan is as follows:

Less than 2 years	0%	4 years	60%
2 years	20%	5 years	80%
3 years	40%	6 years	100%

NOTE 10 PENSION PLAN

(CONTINUED)

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 a City contribution of 4.21%. However, the City has elected to contribute at a higher rate of 11% for employer contributions. This rate was determined by a separate actuarial study that was performed in 2005 to provide for an even level of funding year to year and to prevent large fluctuation of pension contributions from year to year. Due to this difference in required contribution and contributions actual paid by the City, the statement of net assets reports a net pension asset of $1,049,411.

The GMA plan board elected to change the valuation schedule from November 1 to January 1 to assist the plan members with their financial forecasting and budgeting process. Commencing with the 2010 valuation, the annual contribution rate will not change until the commencement of a new fiscal year.

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, 2012, the Plan consisted of the following:	
Retired participants and beneficiaries currently receiving benefits	2
Terminated participants and beneficiaries entitled to benefits, but not yet receiving benefits	14
Active participants	81
Total	97

Funding Policy. The City is required to contribute an actuarially determined amount annually to the Plan's trust. The plan's contribution amount is determined using actuarial methods and assumptions approved by the GMA Plan of trustees and meets or exceeds the minimum contribution requirement contained in the State of Georgia statutes. However, as noted above, the City has chosen to contribute at a higher rate of 11% instead of the plan's contribution amount of 4.21%. This excess funding does not represent any additional postemployment benefit obligation to the City.

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

Annual required contribution	$	151,635
Interest on net pension asset		(17,781)
Adjustment of net pension asset		17,781
Annual pension cost		151,635
Actual contributions to plan		389,788
Increase in net pension assets(1)		238,153
Net pension asset as of July 1, 2011		811,258
Net pension asset as of June 30, 2012	$	1,049,411

NOTE:
(1) Increase in net pension assets equals the Actual contributions to plan *less* the Annual pension cost.

Fiscal Year Beginning	Annual Pension Costs (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Asset
7/1/2009	$ 167,828	$ 368,203	219%	$ 599,740
7/1/2010	161,429	372,947	231%	811,258
7/1/2011	151,635	389,788	257%	1,049,411

Basis of Valuation	
Valuation date	January 1, 2012
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	7.75%
Projected salary increases	4.25%
Cost of living adjustments	0.00%
Expected annual inflation	3.50%

NOTE 10 PENSION PLAN

(CONTINUED)

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)
01/01/2012	$ 3,882,828	$ 2,394,788	$ (1,488,040)	162.14%	$ 3,538,106	-42.06%

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

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan new assets is increasing or decreasing over time relative to the actuarial accrued liability.

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 January 1, 2012.

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, 2012, the City has contractual commitments on uncompleted contracts of approximately $165,105 for trail renovation and $233,697 for the police substation project.

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. At June 30, 2012 the General fund has a restricted fund balance of $2,276,207 related to a Supersedeas Sum requested by the Settles Bridge Farm claimant and approved by the Superior Court of Gwinnett County. This court case is under appeal and it is the City's legal counsel opinion that the appeal judgment will be in the City's favor.

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 $417,319 as reported in the City's Hotel/Motel Tax Fund. Expenditures and transfers totaled $381,867 leaving a fund balance of $60,240 to be used for tourism and trade.




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REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information Schedule of Funding Progress (unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability[1] (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)
11/1/06	$ 1,233,052	$ 1,193,207	103.34%	$ (39,845)	$ 2,540,356	-1.57%
11/1/07	1,671,429	1,399,596	119.42%	(271,833)	2,663,043	-10.21%
11/1/08	2,110,054	1,662,754	126.90%	(447,300)	3,167,880	-14.12%
1/1/2010[2]	2,697,575	1,608,679	167.69%	(1,088,896)	3,340,099	-32.60%
1/1/11	3,266,897	1,949,742	167.55%	(1,317,155)	3,398,142	-38.76%
1/1/12	3,882,828	2,394,788	162.14%	(1,488,040)	3,538,106	-42.06%

NOTES:

(1) Calculated under the Entry Age actuarial cost method.

(2) The GMA plan board elected to change the valuation schedule from November 1 to January 1 to assist the plan members with their financial forecasting and budget process. Commencing with the 2010 valuation, the annual contribution rate will not change until the commencement of a new fiscal year.

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




GOVERNMENTAL FUNDS



Suwanee Day	The purpose of the Suwanee Day Festival is to provide a high-quality family festival for the citizens of Suwanee. The festival is self-funded whereby it generates sponsorship dollars to offset the cost of the festival. These funds are restricted by contribution requirements from sponsors.
Public Art	The City Council-appointed Public Arts Commission was established to work with and encourage developers to include public art or support public art as a component of new projects and to create programs that bring and promote public art in Suwanee. The Suwanee Public Arts Partnership, a volunteer-based organization, was launched to raise funds for and build community awareness of public art initiatives. These funds are restricted by contribution requirements from sponsors.
Confiscated Assets	Georgia law allows police agencies to file for seizure of property related to illegal substances or activities. These funds must be used, under federal and state law, to purchase police equipment. Suwanee also participates in the State Drug Task force.
Community Garden	Suwanee's Community Garden, Harvest Farm, was established in 2010 to offer residents and members of the community the opportunity to enjoy nature, build community, learn about gardening and grow fresh produce. Contributions to this fund include plot rental fees and donations received from corporations, individuals, and citizen groups. These funds are restricted by plot rental agreements and contribution requirements from sponsors.
Hotel/Motel Tax	This fund accounts for the accommodation taxes collected from the 7% Hotel/Motel tax. These revenues are collected on a monthly basis from each hotel or motel in Suwanee. By state law, the City is required to spend 57% of the collections on programs and initiatives that promote tourism.



2005 SPLOST	The special purpose local option sales tax (splost) fund accounts for the financial resources provided from a one-cent special local option sales tax approved by Gwinnett County voters in 2004.
Cemetery	The cemetery fund was created to implement landscaping and other infrastructure improvements to Suwanee's small cemeteries as outlined in the 2009 Cemetery Preservation Assessment. Phases of this study will be implemented over the next three to five years as funding allows. Cemeteries included in the study were Jackson Street, Shadowbrook, and Sims Lake.
Tax Allocation District	Suwanee's Tax Allocation District (TAD) was created to revitalize Suwanee's commercial district along I-85, Suwanee's Gateway through capital investment. Funds obtained through the creation of a tax allocation district will ignite additional private investment and growth.

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET
JUNE 30, 2012

SPECIAL REVENUE

	Suwanee Day	Public Art	Confiscated Assets	Community Garden	Hotel/Motel Tax	Total
ASSETS						
Cash and cash equivalents	$ 2,408	$ 32,448	$ 52,258	$ 13,723	$ 53,156	$ 153,993
Investments	-	-	60,264	-	-	60,264
Accounts receivable:						
Other	-	3,500	-	-	43,649	47,149
Total assets	$ 2,408	$ 35,948	$ 112,522	$ 13,723	$ 96,805	$ 261,406
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ 15,000	$ -	$ -	$ 36,565	$ 51,565
Total liabilities	-	15,000	-	-	36,565	51,565
Fund Balances:						
Restricted	2,408	20,948	112,522	13,723	60,240	209,841
Assigned	-	-	-	-	-	-
Total fund balances	2,408	20,948	112,522	13,723	60,240	209,841
Total liabilities and fund balances	$ 2,408	$ 35,948	$ 112,522	$ 13,723	$ 96,805	$ 261,406

CAPITAL PROJECTS

	2005 SPLOST	Cemetery	Tax Allocation District	Total	Total Non-major Governmental Funds
ASSETS					
Cash and cash equivalents	$ 455,868	$ 96,010	$ 5,293	$ 557,171	$ 711,164
Investments	400,588	-	151,665	552,253	612,517
Accounts receivable:					
Other	-	-	-	-	47,149
Total assets	$ 856,456	$ 96,010	$ 156,958	$ 1,109,424	$ 1,370,830
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 80,094	$ -	$ -	$ 80,094	$ 131,659
Total liabilities	80,094	-	-	80,094	131,659
Fund Balances:					
Restricted	719,793	-	156,958	876,751	1,086,592
Assigned	56,569	96,010	-	152,579	152,579
Total fund balances	776,362	96,010	156,958	1,029,330	1,239,171
Total liabilities and fund balances	$ 856,456	$ 96,010	$ 156,958	$ 1,109,424	$ 1,370,830

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

SPECIAL REVENUE

	Suwanee Day	Public Art	Confiscated Assets	Community Garden	Hotel/Motel Tax	Total
REVENUES						
Hotel/motel taxes	$ -	$ -	$ -	$ -	$ 417,319	$ 417,319
Fines and forfeitures	-	-	37,895	-	-	37,895
Investment income	-	-	180	8	-	188
Rental income	-	-	-	5,788	-	5,788
Contributions and donations	77,194	40,365	-	1,227	-	118,786
Total revenues	77,194	40,365	38,075	7,023	417,319	579,976
EXPENDITURES						
Current:						
Public safety	-	-	25,028	-	-	25,028
Culture and recreation	92,263	43,195	-	3,398	-	138,856
Tourism and trade	-	-	-	-	201,986	201,986
Capital outlay	-	-	-	-	-	-
Total expenditures	92,263	43,195	25,028	3,398	201,986	365,870
Excess of revenues over (under) expenditures	(15,069)	(2,830)	13,047	3,625	215,333	214,106
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	(179,881)	(179,881)
Total other financing sources (uses)	-	-	-	-	(179,881)	(179,881)
Net change in fund balances	(15,069)	(2,830)	13,047	3,625	35,452	34,225
FUND BALANCES - beginning of year	17,477	23,778	99,475	10,098	24,788	175,616
FUND BALANCES - end of year	$ 2,408	$ 20,948	$ 112,522	$ 13,723	$ 60,240	$ 209,841

CAPITAL PROJECTS

	2005 SPLOST	Cemetery	Tax Allocation District	Total	Total Non-major Governmental Funds
REVENUES					
Hotel/motel taxes	$ -	$ -	$ -	$ -	$ 417,319
Fines and forfeitures	-	-	-	-	37,895
Investment income	2,795	-	615	3,410	3,598
Rental income	-	-	-	-	5,788
Contributions and donations	-	-	-	-	118,786
Total revenues	2,795	-	615	3,410	583,386
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	25,028
Culture and recreation	-	-	-	-	138,856
Tourism and trade	-	-	-	-	201,986
Capital outlay	490,753	-	-	490,753	490,753
Total expenditures	490,753	-	-	490,753	856,623
Excess of revenues over (under) expenditures	(487,958)	-	615	(487,343)	(273,237)
OTHER FINANCING SOURCES (USES)					
Transfer in	65,280	81,420	26,314	173,014	173,014
Transfer out	-	-	-	-	(179,881)
Total other financing sources (uses)	65,280	81,420	26,314	173,014	(6,867)
Net change in fund balances	(422,678)	81,420	26,929	(314,329)	(280,104)
FUND BALANCES - beginning of year	1,199,040	14,590	130,029	1,343,659	1,519,275
FUND BALANCES - end of year	$ 776,362	$ 96,010	$ 156,958	$ 1,029,330	$ 1,239,171



	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ 250	$ 250	$ -	$ (250)
Contributions and donations	77,500	96,750	77,194	(19,556)
Total revenues	77,750	97,000	77,194	(19,806)
EXPENDITURES				
Current:				
Culture and recreation	77,750	97,000	92,263	4,737
Total expenditures	77,750	97,000	92,263	4,737
Excess of revenues over (under) expenditures	-	-	(15,069)	(15,069)
Net change in fund balances	-	-	(15,069)	(15,069)
FUND BALANCES - beginning of year	17,477	17,477	17,477	-
FUND BALANCES - end of year	$ 17,477	$ 17,477	$ 2,408	$ (15,069)



	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ -	$ -	$ 3,500	$ 3,500
Investment income	500	500	-	(500)
Contributions and donations	80,000	80,000	36,865	(43,135)
Total revenues	80,500	80,500	40,365	(40,135)
EXPENDITURES				
Current:				
Culture and recreation	80,500	80,500	43,195	37,305
Total expenditures	80,500	80,500	43,195	37,305
Excess of revenues over (under) expenditures	-	-	(2,830)	(2,830)
Net change in fund balances	-	-	(2,830)	(2,830)
FUND BALANCES - beginning of year	23,778	23,778	23,778	-
FUND BALANCES - end of year	$ 23,778	$ 23,778	$ 20,948	$ (2,830)



	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ 98,000	$ 98,000	$ 37,895	$ (60,105)
Investment income	250	250	180	(70)
Total revenues	98,250	98,250	38,075	(60,175)
EXPENDITURES				
Current:				
Public safety	98,250	98,250	25,028	73,222
Total expenditures	98,250	98,250	25,028	73,222
Excess of revenues over (under) expenditures	-	-	13,047	13,047
Net change in fund balances	-	-	13,047	13,047
FUND BALANCES - beginning of year	99,475	99,475	99,475	-
FUND BALANCES - end of year	$ 99,475	$ 99,475	$ 112,522	$ 13,047



	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ 20	$ 20	$ 8	$ (12)
Rental Income	4,400	4,400	5,788	1,388
Contributions and donations	2,000	2,000	1,227	(773)
Total revenues	6,420	6,420	7,023	603
EXPENDITURES				
Current:				
Culture and recreation	6,420	6,420	3,398	3,022
Total expenditures	6,420	6,420	3,398	3,022
Excess of revenues over (under) expenditures	-	-	3,625	3,625
Net change in fund balances	-	-	3,625	3,625
FUND BALANCES - beginning of year	10,098	10,098	10,098	-
FUND BALANCES - end of year	$ 10,098	$ 10,098	$ 13,723	$ 3,625

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - YEAR ENDED JUNE 30, 2012



	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hotel/motel taxes	$ 354,650	$ 354,650	$ 417,319	$ 62,669
Investment income	500	500	-	(500)
Total revenues	355,150	355,150	417,319	62,169
EXPENDITURES				
Current:				
Tourism and trade	202,650	202,650	201,986	664
Total expenditures	202,650	202,650	201,986	664
Excess of revenues over (under) expenditures	152,500	152,500	215,333	62,833
OTHER FINANCING SOURCES (USES)				
Transfer out	(152,500)	(152,500)	(179,881)	27,381
Net change in fund balances	-	-	35,452	35,452
FUND BALANCES - beginning of year	24,788	24,788	24,788	-
FUND BALANCES - end of year	$ 24,788	$ 24,788	$ 60,240	$ 35,452



	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ 2,250	$ 2,250	$ 4,154	$ 1,904
Total revenues	2,250	2,250	4,154	1,904
EXPENDITURES				
Debt Service:				
Principal retirement	755,000	755,000	755,000	-
Interest	846,910	846,910	842,171	4,739
Fiscal agent fees	2,240	2,240	-	2,240
Total expenditures	1,604,150	1,604,150	1,597,171	6,979
Excess of revenues over (under) expenditures	(1,601,900)	(1,601,900)	(1,593,017)	8,883
OTHER FINANCING SOURCES				
Transfer in	1,601,900	1,601,900	1,601,900	-
Total other financing sources	1,601,900	1,601,900	1,601,900	-
Net change in fund balances	-	-	8,883	8,883
FUND BALANCES - beginning of year	1,329,495	1,329,495	1,329,495	-
FUND BALANCES - end of year	$ 1,329,495	$ 1,329,495	$ 1,338,378	$ 8,883



Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, Streets & Bridges	$ 4,642,660	$ 4,972,857	$ 3,943,503	$ 481,140	$ 4,424,643
Recreational Facilities	900,000	1,031,364	915,675	902	916,577
Public Safety Facilities and Equipment	1,054,400	1,158,067	1,158,067	-	1,158,067
	$ 6,597,060	$ 7,162,288	$ 6,017,245	$ 482,042	$ 6,499,287

Amounts reported for 2005 SPLOST current year expenditures are different because:	
Current year expenditures	$ 482,042
Capital Outlay using local funds	8,711
Total 2005 SPLOST expenditures (1)	$ 490,753

NOTE:
(1) Reconciliation to the non-major governmental funds combining statement of revenues, expenditures, and changes in fund balances, page 63.



Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Administrative Buildings	$ 118,780	$ 80,802	$ 80,802	$ -	$ 80,802
Recreational Facilities	2,256,827	1,930,958	336,368	354,188	690,556
Parking Facilities	2,256,780	2,035,585	20,615	42,622	63,237
Public Safety Facilities and Equipment	1,781,710	1,532,302	78,245	1,292,752	1,370,997
Roads, Streets & Bridges	5,463,953	4,777,218	36,140	4,367	40,507
	$ 11,878,050	$ 10,356,865	$ 552,170	$ 1,693,929	$ 2,246,099

Amounts reported for 2009 SPLOST current year expenditures are different because:	
Current year expenditures	$ 1,693,929
Capital Outlay using local funds	606,174
Total 2009 SPLOST expenditures (1)	$ 2,300,103

NOTE:
(1) Reconciliation to the statement of governmental funds statement of revenues, expenditures, and changes in fund balances, page 30.

AGENCY FUND

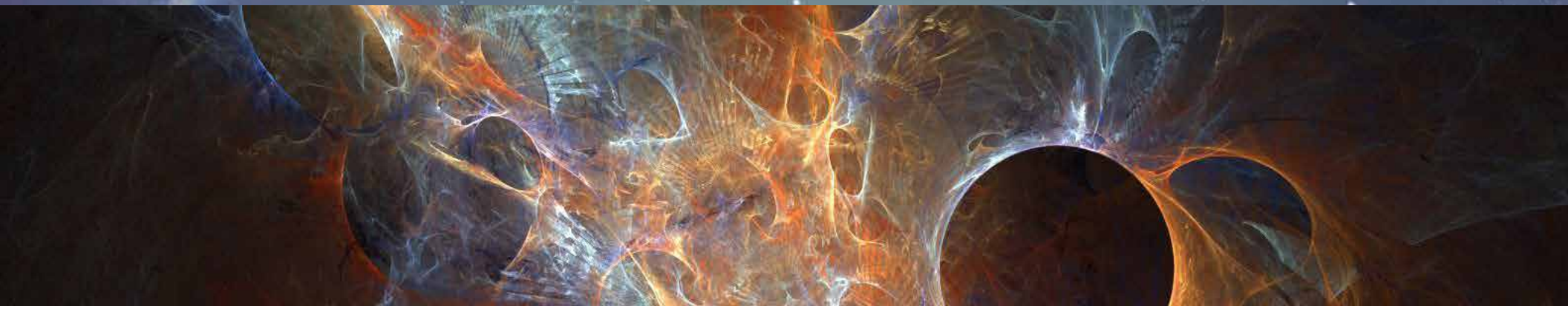
AGENCY FUND

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



AGENCY FUND - STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2012





	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Cash and cash equivalents	$ 68,843	$ 1,826,233	$ 1,809,565	$ 85,511
Accounts receivable	392	786	1,178	-
Total assets	69,235	1,827,019	1,810,743	85,511
Due to others	69,235	1,827,019	1,810,743	85,511
Total liabilities	$ 69,235	$ 1,827,019	$ 1,810,743	$ 85,511



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.



Parker in Old Town Suwanee

COMPONENT UNIT BALANCE SHEET
JUNE 30, 2012

		Downtown Development Authority
ASSETS		
Cash and cash equivalents	$	50,149
Total assets		50,149
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable		2,815
Total liabilities		2,815
Fund Balances:		
Unassigned		47,334
Total fund balances		47,334
Total liabilities and fund balances	$	50,149
Reconciliation of the balance sheet to the statement of net assets:		
Fund balance	$	47,334
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		346,275
Net assets of governmental activities	$	393,609

		Downtown Development Authority
REVENUES		
Investment income	$	49
Rental income		200
Contributions and donations		9,781
Total revenues		10,030
EXPENDITURES		
Current:		
Housing and development		5,772
Total expenditures		5,772
Excess of revenues over (under) expenditures		4.258
FUND BALANCES - beginning of year		43,076
FUND BALANCES - end of year	$	47,334
Reconciliation of the statement of revenues, expenditures, and changes in fund balance to the statement of activities:		
Net change in fund balance	$	4,258
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	$	(3,842)

COMPONENT UNIT - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ 100	$ 100	$ 49	$ (51)
Rental income	-	-	200	200
Contributions and donations	19,500	19,500	9,781	(9,719)
Total revenues	19,600	19,600	10,030	(9,570)
EXPENDITURES				
Current:				
Housing and development	19,600	19,600	5,772	13,828
Total expenditures	19,600	19,600	5,772	13,828
Excess of revenues over (under) expenditures	-	-	4,258	4,258
FUND BALANCES - beginning of year	43,076	43,076	43,076	-
FUND BALANCES - end of year	$ 43,076	$ 43,076	$ 47,334	$ 4,258

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-10
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

debt capacity S-14
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.

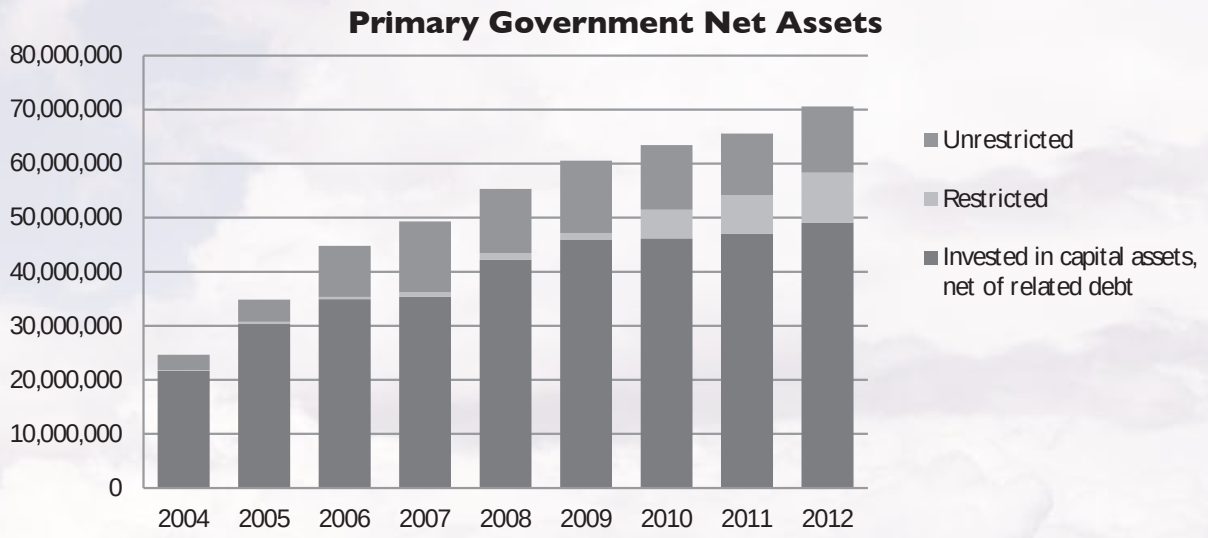
demographic and economic information S-17
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

operating information S-19
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

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

NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 44,567,430	$ 44,574,711	$ 46,621,467
Restricted	119,246	412,328	431,859	896,330	1,187,335	1,201,842	5,324,060	7,106,408	9,258,180
Unrestricted	2,834,037	4,286,986	9,364,267	12,900,880	11,627,299	13,062,447	11,357,212	11,402,670	12,074,139
Total governmental activities net assets	22,752,213	32,948,323	42,869,936	47,443,518	53,421,734	58,589,343	61,248,702	63,083,789	67,953,786
Business-type activities (2)									
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	1,600,503	2,493,896	2,462,489
Unrestricted	40,893	(212,792)	91,143	168,686	238,701	307,676	566,975	(18,533)	171,054
Total business-type activities net assets	1,911,351	1,883,103	1,934,975	1,848,673	1,892,702	1,943,996	2,167,478	2,475,363	2,633,543
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	46,167,933	47,068,607	49,083,956
Restricted	119,246	412,328	431,859	896,330	1,187,335	1,201,842	5,324,060	7,106,408	9,258,180
Unrestricted	2,874,930	4,074,194	9,455,410	13,069,566	11,866,000	13,370,123	11,924,187	11,384,137	12,245,193
Total primary government net assets	$ 24,663,564	$ 34,831,426	$ 44,804,911	$ 49,292,191	$ 55,314,436	$ 60,533,339	$ 63,416,180	$ 65,559,152	$ 70,587,329



NOTES:

(1) 2005 Unrestricted net assets growth is due to the 2004 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. Growth in 2010 is related to the 2009 SPLOST revenue received from Gwinnett County for future construction projects. In 2012, the growth in restricted net assets is due to a court order supersedeas sum restriction of $2,276,207 for the Settles Bridge Farm appeal.

(2) Business-type activities growth in 2010 net assets is due to the GEFA construction loan for $480,044. In accordance with Title VII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), GEFA agrees to forgive 40% of each principal and interest payment due on the loan. In fiscal year 2011, the City closed the 2010 GEFA construction loan and paid the remaining 60% balance due on the loan. The City also paid the balance of a 2007 GEFA loan, thereby eliminating all notes payable from the business type activities.


HARVEST FARM
White Street Park
30024
Suwanee

CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities:									
General government	$ 1,202,975	$ 1,385,716	$ 1,464,204	$ 1,772,717	$ 2,139,085	$ 2,126,146	$ 2,099,857	$ 2,322,019	$ 2,700,781
Judicial	213,200	236,030	273,744	338,893	375,035	381,887	313,015	292,492	301,056
Public safety	2,384,653	2,643,854	2,800,988	3,117,470	3,364,444	3,524,548	3,664,152	3,820,293	3,534,734
Public works [1]	1,334,086	1,742,494	1,697,500	3,139,104	3,005,155	3,663,485	3,288,472	3,571,459	3,420,275
Culture and recreation	146,780	185,431	359,366	445,790	523,503	464,973	404,798	986,196	865,504
Housing and development [2]	641,826	1,166,798	811,030	1,030,864	1,172,061	959,983	854,357	836,946	856,126
Tourism and trade	134,362	184,247	95,361	106,490	150,132	379,703	313,034	206,151	201,986
Interest on long-term debt	980,909	943,654	890,884	984,469	1,001,643	964,856	924,622	882,684	842,818
Total governmental activities expenses	7,038,791	8,488,224	8,393,077	10,935,797	11,731,058	12,465,581	11,862,307	12,918,240	12,723,280
Business-type activities:									
Water and sewer	71,267	102,649	89,076	221,391	121,573	163,963	127,954	131,913	110,069
Total business-type activities expenses	71,267	102,649	89,076	221,391	121,573	163,963	127,954	131,913	110,069
Total primary government expenses	$ 7,110,058	$ 8,590,873	$ 8,482,153	$ 11,157,188	$ 11,852,631	$ 12,629,544	$ 11,990,261	$ 13,050,153	$ 12,833,349
Program revenues									
Governmental activities:									
Charge for services:									
General government	$ 164,643	$ 157,176	$ 153,187	$ 191,775	$ 181,725	$ 192,180	$ 186,490	$ 187,156	$ 214,742
Public safety	977,670	1,049,768	1,099,754	1,598,134	1,398,958	1,119,116	1,388,226	1,315,848	1,209,555
Public works	376	118	3,428	-	-	-	-	-	-
Culture and recreation	-	-	-	44,603	40,017	13,260	11,086	19,363	32,111
Housing and development [3]	298,109	842,076	1,222,129	958,265	940,952	183,967	167,414	262,091	420,085
Operating grants and contributions [4]	1,685,783	70,721	112,663	15,878	56,104	101,024	105,380	136,876	2,160,502
Capital grants and contributions [5]	2,258,052	10,352,655	7,591,307	3,746,820	3,855,487	5,000,464	2,138,237	2,572,310	3,156,081
Total governmental activities program revenues	5,384,633	12,472,514	10,182,468	6,555,475	6,473,243	6,610,011	3,996,833	4,493,644	7,193,076
Business-type activities:									
Charge for services:									
Water and sewer	56,849	73,964	103,714	97,296	93,405	64,658	62,501	97,113	118,172
Capital grants and contributions [6]	-	-	-	-	-	-	-	192,018	-
Total business-type activities program revenues	56,849	73,964	103,714	97,296	93,405	64,658	62,501	289,131	118,172
Total primary government program revenues	$ 5,441,482	$ 12,546,478	$ 10,286,182	$ 6,652,771	$ 6,566,648	$ 6,674,669	$ 4,059,334	$ 4,782,775	$ 7,311,248
Net (expense)/revenue									
Governmental activities	$ (1,654,158)	$ 3,984,290	$ 1,789,391	$ (4,380,322)	$ (5,257,815)	$ (5,855,570)	$ (7,865,474)	$ (8,424,596)	$ (5,530,204)
Business-type activities	(14,418)	(28,685)	14,638	(124,095)	(28,168)	(99,305)	(65,453)	157,218	8,103
Total primary government net expenses	$ (1,668,576)	$ 3,955,605	$ 1,804,029	$ (4,504,417)	$ (5,285,983)	$ (5,954,875)	$ (7,930,927)	$ (8,267,378)	$ (5,522,101)

(continued)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 6,254,003	$ 5,801,792	$ 5,568,706
Franchise fees	618,509	714,216	851,466	982,694	1,521,682	1,777,986	1,694,211	1,825,464	1,897,907
Alcoholic beverage taxes	601,034	646,093	759,968	799,075	794,986	795,413	784,189	836,438	881,679
Other taxes	1,363,554	1,592,896	1,720,586	1,894,874	1,976,529	2,019,643	1,826,442	1,812,445	2,083,173
Rental Income	-	-	-	-	-	175,000	-	-	-
Unrestricted investment earnings	249,547	236,064	368,047	741,932	911,384	373,582	231,739	105,368	56,663
Miscellaneous	-	30,272	18,397	18,696	42,697	47,448	21,699	28,176	62,073
Transfers	-	-	(36,400)	(36,400)	(70,600)	(150,000)	(287,450)	(150,000)	(150,000)
Special item gain on sale of capital asset [7]	-	1,445,096	557,261	-	688,000	-	-	-	-
Total governmental activities	6,243,045	8,190,105	8,132,222	8,953,904	11,236,031	11,023,179	10,524,833	10,259,683	10,400,201
Business-type activities:									
Unrestricted investment earnings	71	437	834	1,393	1,597	599	1,485	667	77
Transfers	-	-	36,400	36,400	70,600	150,000	287,450	150,000	150,000
Total business-type activities	71	437	37,234	37,793	72,197	150,599	288,935	150,667	150,077
Total primary government	$ 6,243,116	$ 8,190,542	$ 8,169,456	$ 8,991,697	$ 11,308,228	$ 11,173,778	$ 10,813,768	$ 10,410,350	$ 10,550,278
Change in net assets									
Governmental activities	$ 4,588,887	$ 12,174,395	$ 9,921,613	$ 4,573,582	$ 5,978,216	$ 5,167,609	$ 2,659,359	$ 1,835,087	$ 4,869,997
Business-type activities	(14,347)	(28,248)	51,872	(86,302)	44,029	51,294	223,482	307,885	158,180
Total primary government	$ 4,574,540	$ 12,146,147	$ 9,973,485	$ 4,487,280	$ 6,022,245	$ 5,218,903	$ 2,882,841	$ 2,142,972	$ 5,028,177

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 significantly increased during 2005 thru 2008 due to rapid development. This activity significantly slowed down during fiscal years 2009 and 2010. Building activities are expected to maintain at the fiscal year 2011 level over the next four years.

(4) Operating grants and contributions increase in fiscal year 2012 is due to a negotiated intergovernmental payment for the settlement of service delivery strategy lawsuit with Gwinnett County.

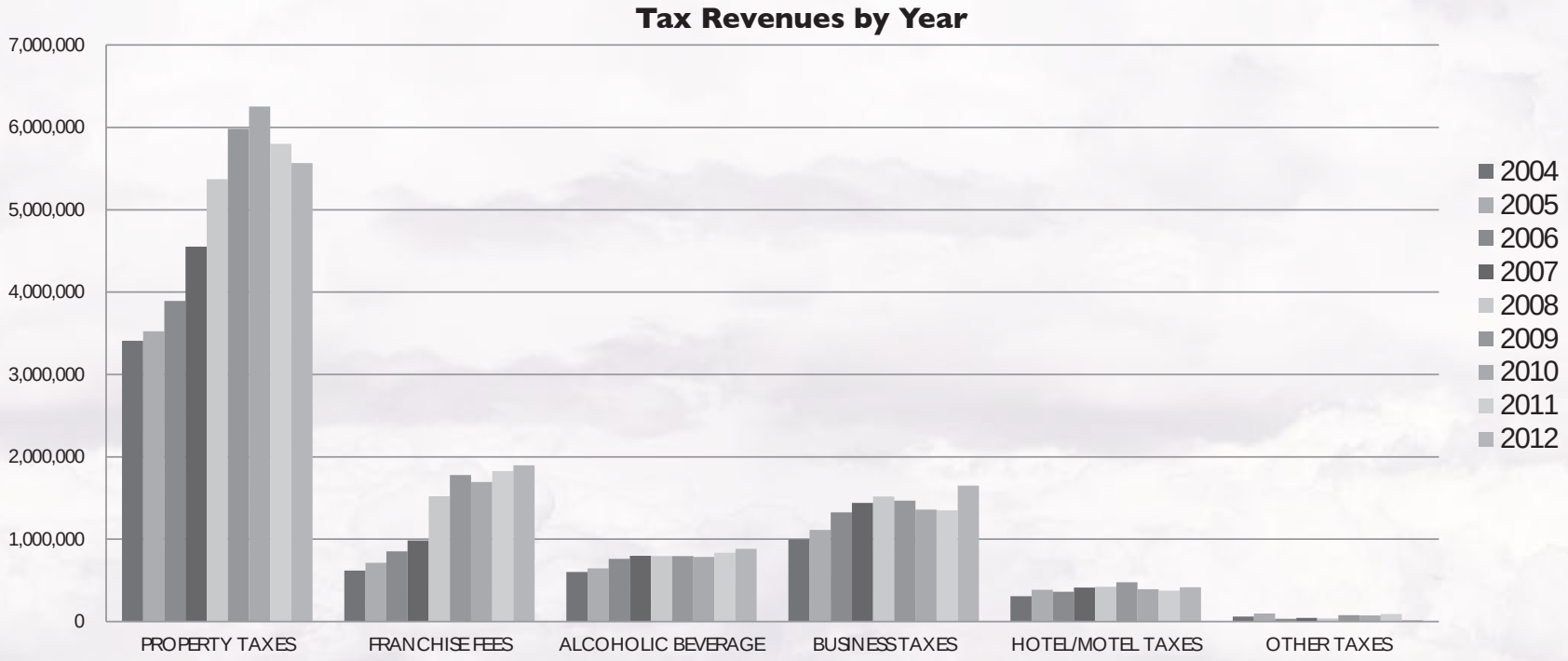
(5) Capital grants and contributions large increases reported in fiscal year 2005 and 2006 is due to donations of infrastructure by developers and annexed properties. Due to the slow growth in construction, no donated infrastructure was reported in fiscal year 2010. In fiscal year 2005, the City entered 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 the next four years (fiscal years 2005 - 2009). In fiscal year 2010, a new 2009 sales tax program was started. The City should receive $10,356,865 over the next five years (fiscal years 2010 - 2015).

(6) Business-type capital grants and contributions for fiscal year 2011 is due to the American Recovery and Reinvestment Act of 2009 (ARRA), whereby 40% of the loan and principal payments were forgiven.

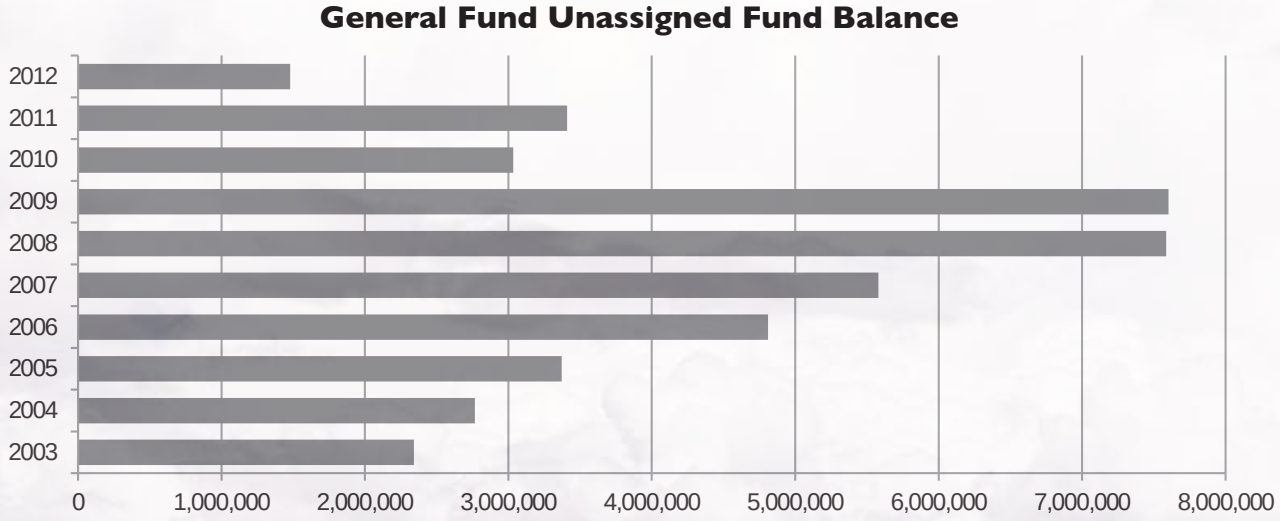
(7) During fiscal year 2005, 2006, and 2008 the City sold 4 tracks of land resulting in a gain of $1,445,096 in 2005, $557,261 in 2006, and $688,000 in 2008.

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST NINE FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
2004	$ 3,410,401	$ 618,509	$ 601,034	$ 997,542	$ 305,757	$ 60,255	$ **5,993,498**
2005	3,525,468	714,216	646,093	1,111,413	383,905	97,578	**6,478,673**
2006	3,892,897	851,466	759,968	1,325,263	361,321	34,002	**7,224,917**
2007	4,553,033	982,694	799,075	1,438,956	412,667	43,251	**8,229,676**
2008	5,371,353	1,521,682	794,986	1,517,270	421,497	37,762	**9,664,550**
2009	5,984,107	1,777,986	795,413	1,465,980	475,888	77,775	**10,577,149**
2010	6,254,003	1,694,211	784,189	1,360,254	393,156	73,032	**10,558,845**
2011	5,801,792	1,825,464	836,438	1,347,872	373,400	91,173	**10,276,139**
2012	5,568,706	1,897,907	881,679	1,648,831	417,319	17,023	**10,431,465**



	Fiscal Year									
	2003	2004	2005	2006	2007 (1)	2008 (2)	2009	2010 (3)	2011 (4)	2012 (5)
General fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 71,057
Restricted	-	-	-	-	-	-	-	-	-	2,276,207
Committed	-	-	-	-	-	-	-	4,122,132	3,948,073	4,000,813
Assigned	-	-	-	-	-	-	-	-	222,520	-
Unassigned	2,340,953	2,766,402	3,372,190	4,811,236	5,580,537	7,585,561	7,602,716	3,034,066	3,408,881	1,478,613
Total general fund	2,340,953	2,766,402	3,372,190	4,811,236	5,580,537	7,585,561	7,602,716	7,156,198	7,579,474	7,826,690
All other governmental funds										
Restricted	8,458,663	4,683,849	4,936,628	6,022,560	14,696,502	11,044,085	5,056,712	5,324,060	7,106,408	6,981,973
Assigned reported in:										
Capital projects funds	649,800	-	1,361,902	2,366,254	3,421,677	3,554,015	2,766,928	2,921,975	2,857,086	4,912,866
Total all other governmental funds	9,108,463	4,683,849	6,298,530	8,388,814	18,118,179	14,598,100	7,823,640	8,246,035	9,963,494	11,894,839
Total all governmental funds	$ 11,449,416	$ 7,450,251	$ 9,670,720	$ 13,200,050	$ 23,698,716	$ 22,183,661	$ 15,426,356	$ 15,402,233	$ 17,542,968	$ 19,721,529



NOTES:

(1) 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.

(2) 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.

(3) In fiscal year 2010, the City early implemented GASB 54 and adopted a new fund balance policy. The City also transferred $1,565,000 to capital projects for land purchases.

(4) Restricted fund balance increase in fiscal year 2011 is due to 2009 SPLOST revenues received for capital projects but not expended.

(5) In 2012, the growth in restricted fund balance is due to a court order supersedeas sum restriction of $2,276,207 for the Settles Bridge Farm appeal. The increase in restricted fund balance reduces the unassigned balance. Assigned capital projects fund balance increased due to an intergovernmental payment from Gwinnett County that has been assigned for future capital projects.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Revenues						
Taxes [1]	$ 5,398,952	5,729,646	$ 6,568,233	$ 6,964,788	$ 8,294,787	$ 9,691,558
Licenses and permits	406,198	427,549	944,046	1,295,038	1,112,874	1,057,705
Intergovernmental revenues [2]	578,561	2,236,158	1,246,165	1,791,220	2,404,446	1,839,454
Charges for services	125,183	68,244	124,957	121,907	252,617	227,015
Fines and forfeitures [3]	772,931	929,865	980,134	1,061,554	1,427,286	1,276,932
Investment income	462,793	249,547	236,064	368,047	741,932	911,384
Rental Income	-	-	-	-	-	-
Contributions and donations	48,298	232,061	107,259	107,765	89,459	120,792
Miscellaneous	116,248	15,140	25,982	18,397	18,696	35,147
Total revenues	7,909,164	9,888,210	10,232,840	11,728,716	14,342,097	15,159,987
Expenditures						
General government	1,040,264	1,195,145	1,269,468	1,425,760	1,790,183	1,819,852
Judicial	182,857	218,740	236,046	293,230	336,751	380,788
Public safety	2,251,708	2,376,153	2,614,816	2,857,796	3,263,380	3,352,436
Public works	494,649	617,473	855,276	727,045	945,779	1,244,904
Culture and recreation	51,478	109,103	213,019	252,213	397,830	408,287
Housing and development	617,171	623,757	1,158,423	820,148	1,043,695	1,186,880
Tourism and trade	160,021	134,362	184,247	95,361	106,490	150,132
Capital outlay [4]	10,384,662	7,218,559	1,121,063	1,279,304	1,593,194	7,090,436
Debt service: [5]						
Principal	521,610	551,608	1,697,556	429,648	460,637	737,594
Interest and fiscal charges	1,294,263	980,909	943,655	890,884	973,937	1,001,255
Bond issuance costs	(65,509)	-	-	-	260,392	-
Total expenditures	16,933,174	14,025,809	10,293,569	9,071,389	11,172,268	17,372,564
Excess of revenues over (under) expenditures	(9,024,010)	(4,137,599)	(60,729)	2,657,327	3,169,829	(2,212,577)
Other financing sources (uses)						
Proceeds from capital lease	92,459	94,266	68,725	133,403	139,247	72,573
Transfer in	1,655,063	1,865,619	4,196,919	2,897,396	2,688,110	2,952,926
Transfer out	(1,655,063)	(1,865,619)	(4,196,919)	(2,933,796)	(2,724,510)	(3,023,526)
Sale of capital assets	-	-	4,422	-	-	7,550
Bond proceeds [6]	1,464,320	-	-	-	6,620,000	-
Refunded bonds issued [7]	-	-	-	-	15,250,000	-
Bond premium	-	-	-	-	31,216	-
Bond discount	-	-	-	-	(4,660)	-
Payment to refunded bond escrow agent	-	-	-	-	(14,670,566)	-
Total other financing sources (uses)	1,556,779	94,266	73,147	97,003	7,328,837	9,523
Special item - Sale of land	-	-	2,208,051	775,000	-	688,000
Net change in fund balances	$ (7,467,231)	(4,043,333)	$ 2,220,469	$ 3,529,330	$ 10,498,666	$ (1,515,054)
Total non capital expenditures [8]	$ 4,891,320	5,198,535	$ 6,540,086	$ 6,552,674	$ 8,559,028	$ 8,641,844
Debt service as a percentage of non capital expenditures	37.1%	29.5%	40.4%	20.2%	19.8%	20.1%

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes [1]	$ 10,519,134	$ 10,151,444	$ 10,431,766	$ 10,446,731
Licenses and permits	368,872	349,965	441,763	613,838
Intergovernmental revenues [2]	2,409,230	2,120,383	2,042,536	4,186,284
Charges for services	111,630	64,237	72,455	106,325
Fines and forfeitures [3]	1,028,021	1,334,381	1,257,885	1,147,017
Investment income	373,583	258,468	127,186	73,733
Rental Income	4,375	22,134	32,502	50,982
Contributions and donations	101,024	96,504	121,672	123,460
Miscellaneous	47,448	21,699	25,529	37,904
Total revenues	14,963,317	14,419,215	14,553,294	16,786,274
Expenditures				
General government	1,968,513	1,907,235	2,191,393	2,275,762
Judicial	387,298	334,362	298,827	310,091
Public safety	3,616,191	3,664,123	3,830,303	3,896,084
Public works	1,508,438	1,392,588	1,464,606	1,621,691
Culture and recreation	350,835	264,219	372,874	375,405
Housing and development	1,031,681	857,222	871,702	953,767
Tourism and trade	379,703	313,034	206,151	201,986
Capital outlay [4]	10,678,581	3,735,144	1,370,219	3,217,098
Debt service: [5]				
Principal	779,215	784,861	775,959	765,795
Interest and fiscal charges	964,483	924,263	882,340	842,489
Bond issuance costs	-	-	-	-
Total expenditures	21,664,938	14,177,051	12,264,374	14,460,168
Excess of revenues over (under) expenditures	(6,701,621)	242,164	2,288,920	2,326,106
Other financing sources (uses)				
Proceeds from capital lease	94,316	-	-	-
Transfer in	4,192,169	4,461,099	3,365,144	2,783,515
Transfer out	(4,342,169)	(4,748,549)	(3,515,144)	(2,933,515)
Sale of capital assets	-	21,165	1,815	2,455
Bond proceeds [6]	-	-	-	-
Refunded bonds issued [7]	-	-	-	-
Bond premium	-	-	-	-
Bond discount	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	(55,684)	(266,285)	(148,185)	(147,545)
Special item - Sale of land	-	-	-	-
Net change in fund balances	$ (6,757,305)	$ (24,121)	$ 2,140,735	$ 2,178,561
Total non capital expenditures [8]	$ 8,680,600	$ 10,542,012	$ 10,342,579	$ 9,985,369
Debt service as a percentage of non capital expenditures	20.1%	16.2%	16.0%	16.1%

NOTES:

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

(2) In fiscal year 2004, the large increase in Intergovernmental funds is due to receiving $1,404,392 in Federal Transportation funds for phase III of the Suwanee Greenway Trail System. 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. In fiscal year 2010, a new 2009 sales tax program was started. The City should receive $10,356,865 over the next five years. Intergovernmental payments increased in fiscal year 2012 due to a negotiated intergovernmental payment for the settlement of the service delivery strategy lawsuit with Gwinnett County.

(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.

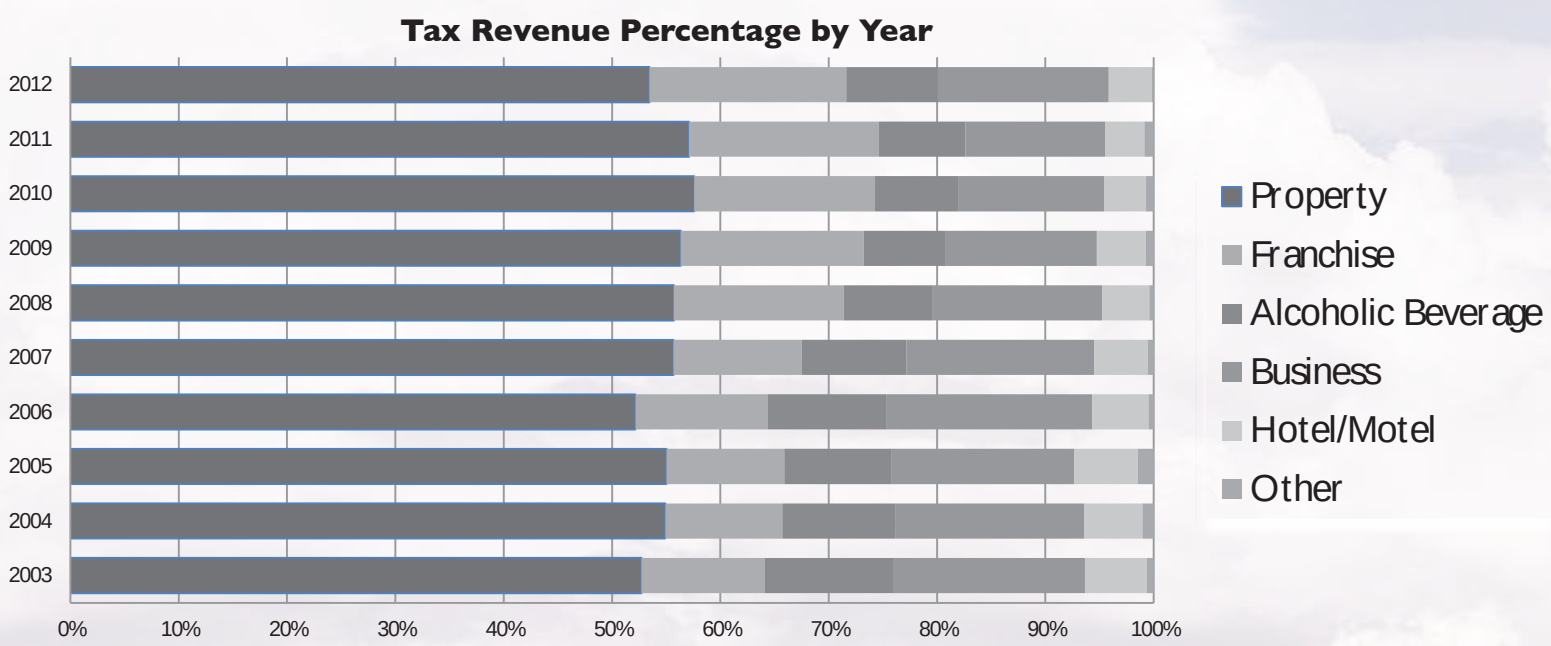
(6) In fiscal year 2007, the URA issued $6,620,000 in revenue bonds for the construction of the new City Hall at the URA property site.

(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	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
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	997,542	305,757	60,255	**5,729,646**
2005	3,615,028	714,216	646,093	1,111,413	383,905	97,578	**6,568,233**
2006	3,632,768	851,466	759,968	1,325,263	361,321	34,002	**6,964,788**
2007	4,618,144	982,694	799,075	1,438,956	412,667	43,251	**8,294,787**
2008	5,398,361	1,521,682	794,986	1,517,270	421,497	37,762	**9,691,558**
2009	5,926,092	1,777,986	795,413	1,465,980	475,888	77,775	**10,519,134**
2010	5,846,602	1,694,211	784,189	1,360,254	393,156	73,032	**10,151,444**
2011	5,957,419	1,825,464	836,438	1,347,872	373,400	91,173	**10,431,766**
2012	5,583,972	1,897,907	881,679	1,648,831	417,319	17,023	**10,446,731**



ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS

Calendar Year	Real Property		Personal Property		Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (2)
	Residential Property	Commercial Property	Motor Vehicle	Other (1)					
2002	252,571,320	225,944,082	34,262,410	55,460	12,903,800	499,929,472	5.999	1,249,823,680	40%
2003	271,224,790	261,460,110	37,014,660	23,780	15,026,160	554,697,180	5.89	1,386,742,950	40%
2004	297,238,210	309,531,654	37,110,630	33,880	17,319,720	626,594,654	5.81	1,566,486,635	40%
2005	313,871,478	347,844,146	36,509,110	25,290	16,549,490	681,700,534	5.77	1,704,251,335	40%
2006	381,837,510	419,657,837	36,827,660	62,720	20,575,480	817,810,247	5.77	2,044,525,618	40%
2007	489,632,600	479,933,633	43,015,330	62,720	28,238,160	984,406,123	5.77	2,461,015,308	40%
2008	522,795,234	531,603,102	47,323,460	46,560	30,126,440	1,071,641,916	5.77	2,679,104,790	40%
2009	520,627,280	633,975,788	50,619,070	41,480	30,550,320	1,174,713,298	5.77	2,936,783,245	40%
2010	486,407,830	582,302,567	44,682,260	47,560	29,172,760	1,084,267,457	5.70	2,710,668,643	40%
2011	481,932,370	589,573,770	46,381,880	15,360	31,418,600	1,086,484,780	5.65	2,716,211,950	40%

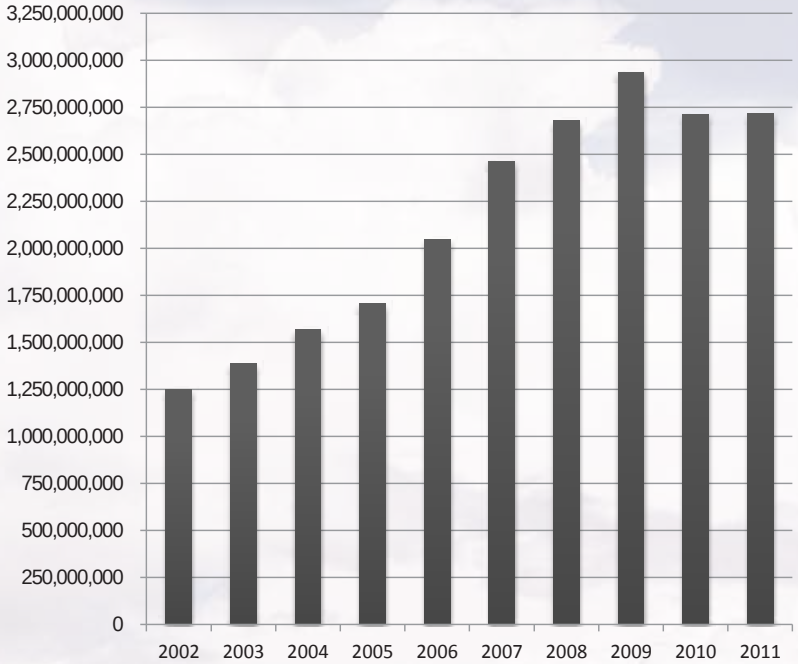
Source: Consolidated Digest Reports provided by Gwinnett County Tax Commissioner's Office.

NOTES:

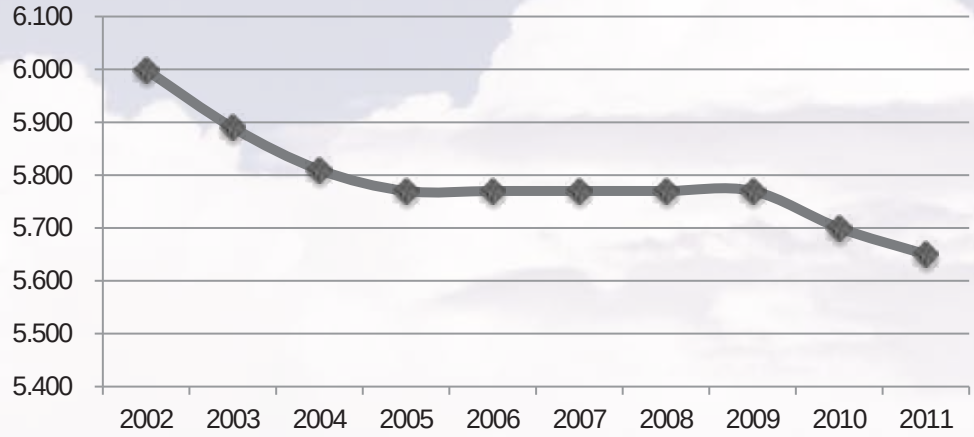
(1) Includes mobile homes, timber, and heavy equipment.

(2) Gwinnett County assesses property at 40% of actual value for all types of real and personal property.

Estimated Taxable Value 2002-2011



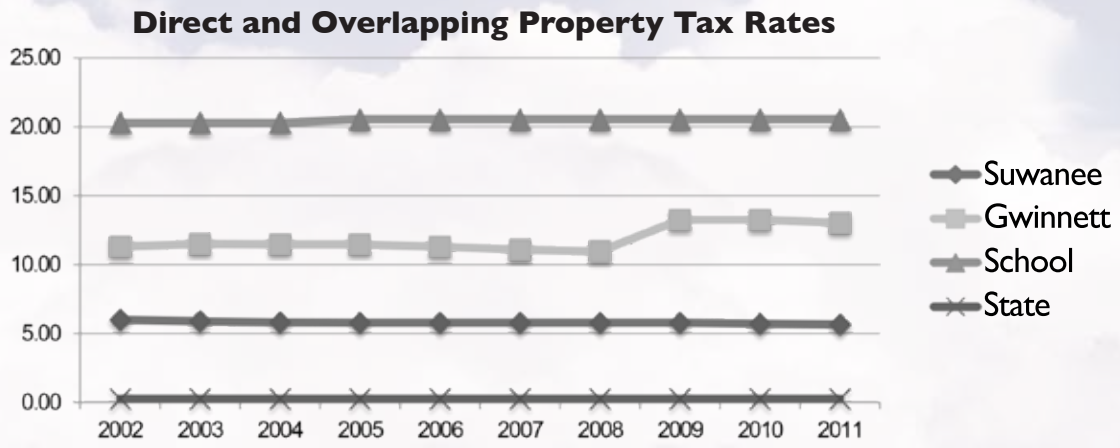
Millage Rate 2002-2011



PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Calendar Year	City of Suwanee Millage				Overlapping Rates									Total Direct & Overlapping Rates
					Gwinnett County Millage					Gwinnett County School Board Millage			State	
	Operating	Debt Service	Capital	Total	Operating	Debt Service	Fire Protection	Recreation	Total	Operations	Debt Service	Total		
2002	2.50	3.24	0.26	5.999	8.30	0.30	1.87	0.85	11.32	18.62	1.68	20.30	0.25	37.87
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	-	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	-	5.77	9.72	0.46	-	0.79	10.97	19.25	1.30	20.55	0.25	37.54
2009	3.84	1.93	-	5.77	11.78	0.47	-	1.00	13.25	19.25	1.30	20.55	0.25	39.82
2010	3.89	1.81	-	5.70	11.78	0.47	-	1.00	13.25	19.25	1.30	20.55	0.25	39.75
2011	3.89	1.76	-	5.65	11.78	0.24	-	1.00	13.02	19.25	1.30	20.55	0.25	39.47

Source: Gwinnett County Tax Commissioner website



PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO(1)

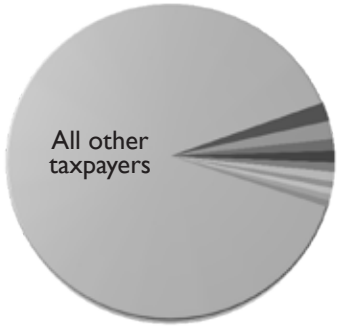
Taxpayer	2011 Taxable Assessed Value	2011 Rank	2011 Percentage of Total City Taxable Assessed Value	2002 Taxable Assessed Value	2002 Rank	2002 Percentage of Total City Taxable Assessed Value
AMLI Residential Properties LP	$ 21,165,600	1	1.9%			
Hewlett Packard Company	20,299,550	2	1.9%			
CMF 15 Portfolio, LLC	13,200,000	3	1.2%			
Flowers Bakery of Suwanee	12,548,640	4	1.2%			
Wal-Mart	10,656,580	5	1.0%			
Carlyle Centennial Suwanee Station LP	10,412,000	6	1.0%			
James Campbell Company LLC	7,103,800	7	0.7%			
Quality Investment Properties of Suwanee LLC	7,090,080	8	0.7%			
Google Inc.	7,040,210	9	0.6%			
CLPF-Horizon Creek LP	6,941,200	10	0.6%			
California State Teachers Retirement System				$ 11,343,880	1	2.3%
CRLP McGinnis Ferry Road LLC				9,643,880	2	1.9%
Falcons Nest II LTD				6,132,480	3	1.2%
E-deltacom/Interstate Fibernet				6,060,200	4	1.2%
Mrs. Smith Bakeries, LLC				5,338,120	5	1.1%
Gwinnett Prado LP				4,714,680	6	0.9%
Continental Dynamics Corporation				4,518,800	7	0.9%
Patillo Collier LLC				4,091,120	8	0.8%
Georgia Power Company				4,272,884	9	0.9%
Falcons Nest I LTD				3,200,000	10	0.6%
Totals	$ 116,457,660		10.7%	$ 59,316,044		11.9%

NOTES:

(1) Detail property records by owner names are not available prior to 2002.

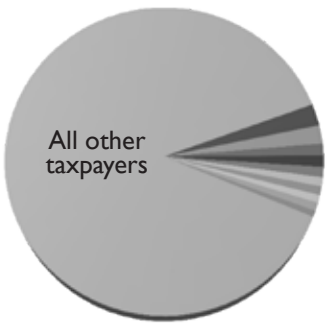
Source: 2011 and 2002 Tax Digest.

2011 Principal Property Taxpayers



- AMLI Residential Properties LP
- Hewlett Packard Company
- CMF 15 Portfolio, LLC
- Flowers Bakery of Suwanee
- Wal-Mart
- Carlyle Centennial Suwanee Station LP
- James Campbell Company LLC
- Quality Investment Properties of Suwanee
- Google Inc.
- CLPF-Horizon Creek LP
- All Other Taxpayers

2002 Principal Property Taxpayers



- California State Teachers Retirement System
- CRLP McGinnis Ferry Road LLC
- Falcons Nest II LTD
- E-deltacom/Interstate Fibernet
- Mrs. Smith Bakeries, LLC
- Gwinnett Prado LP
- Continental Dynamics Corporation
- Patillo Collier LLC
- Georgia Power Company
- Falcons Nest I LTD
- All Other Taxpayers

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended (1)	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date		Outstanding Delinquent Taxes (2)	Outstanding Delinquent Taxes as Percentage of Current Levy (2)
		Amount	Percentage of Levy		Amount	Percentage of Levy		
2003	$ 2,787,421	$ 2,779,439	$ 99.7%	$ 7,982	$ 2,787,421	100.0%	$ 94,681	3.4%
2004	2,909,099	2,875,854	98.9%	33,245	2,909,099	100.0%	162,072	5.6%
2005	3,291,780	3,255,174	98.9%	28,812	3,283,986	99.8%	132,844	4.0%
2006	3,518,199	3,266,243	92.8%	238,938	3,505,181	99.6%	354,740	10.1%
2007	4,296,745	4,201,861	97.8%	79,945	4,281,806	99.7%	272,965	6.4%
2008	5,113,824	4,948,534	96.8%	150,500	5,099,034	99.7%	247,824	4.8%
2009	5,655,551	5,441,113	96.2%	134,604	5,575,717	98.6%	311,371	5.5%
2010	5,972,640	5,467,352	91.5%	366,165	5,833,517	97.7%	739,476	12.4%
2011	5,568,361	5,323,252	95.6%	112,909	5,436,161	97.6%	592,526	10.6%
2012	5,192,082	5,056,083	97.4%	-	5,056,083	97.4%	547,264	10.5%

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 June of each year. Outstanding amount ties to all property taxes outstanding at fiscal year end.

Sources:

Consolidated Digest Reports provided by Gwinnett County Tax Commissioner.
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 Note Payable (3)	Total Primary Government	Percentage of Personal Income (4)	Per Capita (4)
	General Obligation Bonds (1)	Revenue Bonds (2)	Capital Leases				
2003	$ 17,385,000	$ 1,381,502	$ 193,841	$ -	$ 18,960,343	6.51%	$ 1,940
2004	17,065,000	1,259,830	178,171	57,833	18,560,834	6.03%	1,845
2005	16,740,000	-	134,170	106,685	16,980,855	4.85%	1,462
2006	16,405,000	-	172,925	367,384	16,945,309	4.30%	1,301
2007	17,195,000	6,620,000	201,535	381,562	24,398,097	4.86%	1,639
2008	16,795,000	6,390,000	166,514	368,250	23,719,764	4.83%	1,562
2009	16,370,000	6,150,000	146,615	354,392	23,021,007	4.54%	1,504
2010	15,920,000	5,900,000	61,754	679,449	22,561,203	4.38%	1,468
2011	15,455,000	5,640,000	10,795	-	21,105,795	4.58%	1,364
2012	14,970,000	5,370,000	-	-	20,340,000	4.07%	1,302

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 (GEFA) for improvements to the City's water system. During fiscal year 2007, the construction loan was closed and converted to an amortizing loan. In fiscal year 2010, the City was awarded a GEFA construction loan for $480,044. In accordance with Title VII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), GEFA agrees to forgive 40% of each principal and interest payment due on the loan.

(4) The schedule of Demographic and Economic Statistics on page S-17 provides information on personal income and population.

Fiscal Year	Governmental Activities							Business -type Activities Note Payable
	General Obligation Bond	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Revenue Bonds	Lease Payable	
2003	$ 17,385,000	$ 63,702	$ 17,321,298	1.39%	$ 1,773	$ 1,381,502	$ 193,841	$ -
2004	17,065,000	119,246	16,945,754	1.22%	1,684	1,259,830	178,171	57,833
2005	16,740,000	412,328	16,327,672	1.04%	1,405	-	134,170	106,685
2006	16,405,000	431,859	15,973,141	0.94%	1,227	-	172,925	367,384
2007	17,195,000	896,330	16,298,670	0.80%	1,095	6,620,000	201,535	381,562
2008	16,795,000	1,187,335	15,607,665	0.63%	1,028	6,390,000	166,514	368,250
2009	16,370,000	1,201,842	15,168,158	0.57%	991	6,150,000	146,615	354,392
2010	15,920,000	1,217,068	14,702,932	0.50%	957	5,900,000	61,754	679,449
2011	15,455,000	1,329,495	14,125,505	0.52%	913	5,640,000	10,795	-
2012	14,970,000	1,338,378	13,631,622	0.50%	872	5,370,000	-	-

NOTES:

(1) Details of estimated actual taxable value of property can be found on page S-11.

(2) Details of population data can be found on page S-17.

direct and overlapping governmental activities debt as of june 30, 2012

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Suwanee General Obligation Bonds	$ 14,970,000	100.00%	$ 14,970,000
Overlapping Debt: (1)			
Gwinnett County General Obligation Bonds	515,595,000	4.35%	22,428,382
Gwinnett County Board of Education	912,695,000	4.35%	39,702,233
Total Overlapping Debt	1,428,290,000		62,130,615
Total Direct General Obligation and Overlapping Debt	$ 1,443,260,000		$ 77,100,615

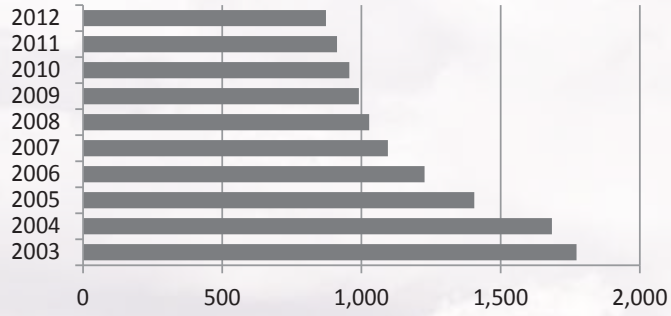
NOTES:

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

Sources:

Gwinnett County Comprehensive Annual Financial Report for December 31, 2011.
Gwinnett County Board of Education, June 30, 2012.

Debt Per Capita 2003-2012



LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed value of all taxable property	$ 499,929,472	$ 554,697,180	$ 626,594,654	$ 681,700,534	$ 817,810,247	$ 984,406,123	$ 1,071,641,916	$ 1,174,713,298	$ 1,084,267,457	$ 1,086,484,780
Debt limit: 10% of assessed value	49,992,947	55,469,718	62,659,465	68,170,053	81,781,025	98,440,612	107,164,192	117,471,330	108,426,746	108,648,478
Total net debt applicable to limit	17,321,298	16,945,754	16,327,672	15,973,141	16,298,670	15,607,665	15,168,158	14,702,932	14,125,505	13,631,622
Legal debt margin	$ 32,671,649	$ 38,523,964	$ 46,331,793	$ 52,196,912	$ 65,482,355	$ 82,832,947	$ 91,996,034	$ 102,768,398	$ 94,301,241	$ 95,016,856
Total net debt applicable to the limit as a percentage of debt limit	34.65%	30.55%	26.06%	23.43%	19.93%	15.85%	14.15%	12.52%	13.03%	12.55%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	$ 1,086,484,780
Debt limit: 10% of total assessed value	108,648,478
Debt applicable to limit	
General obligation bond	14,970,000
Less: Amount set aside for repayment of general obligation debt	1,338,378
Total net debt applicable to limit	13,631,622
Legal debt margin	$ 95,016,856

NOTES:

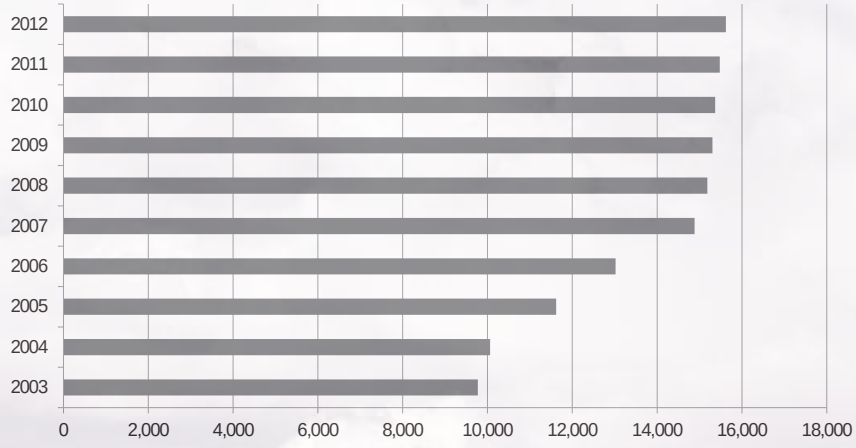
Under Georgia financing laws, the City's outstanding general obligation debt should not exceed 10 percent of the total assessed property value and may be offset by amounts set aside for repaying the general obligation bonds.

Fiscal Year	Population[(a)]	Personal Income[(b)]	Per Capita Personal Income	Unemployment Rate[(c)]	Residential Construction Value[(d)]	Commercial Construction Value[(d)]
2003	9,771	$ 291,439,617	$ 29,827	4.4%	$ 15,179,070	$ 21,854,673
2004	10,061	307,564,770	30,570	4.3%	16,150,315	17,122,370
2005	11,617	350,113,146	30,138	4.8%	54,164,261	20,788,787
2006	13,022	394,267,094	30,277	4.5%	72,932,181	25,619,202
2007	14,883	502,156,972	31,186	3.9%	56,535,984	172,569,393
2008	15,186	490,644,474	32,309	4.1%	35,471,399	91,217,370
2009	15,305	507,559,715	33,163	3.7%	17,641,225	72,360,272
2010	15,368	515,242,936	33,527	3.9%	7,997,527	3,137,027
2011	15,479	490,343,762	31,678	4.0%	12,322,129	17,788,046
2012	15,624	499,764,888	31,987	5.6%	15,110,337	12,864,539

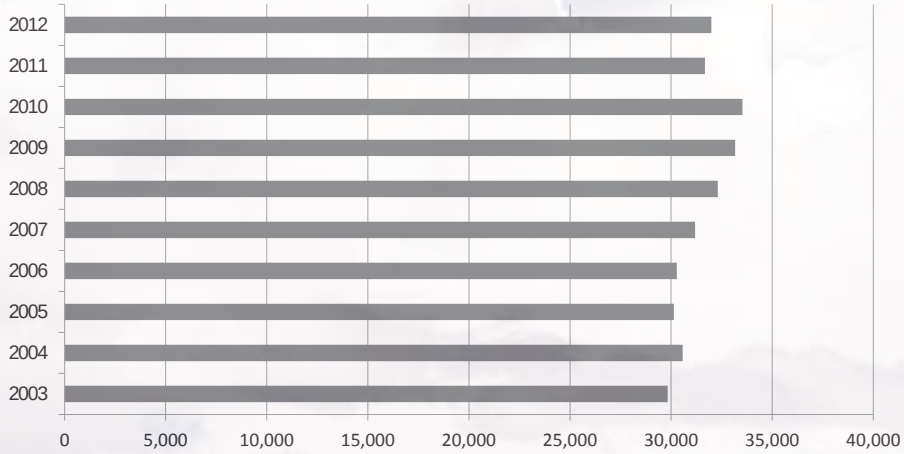
Sources:
- *(a) City of Suwanee Planning Department Fiscal Year 2003 - 2012.*
- *(b) Bureau of Economic Analysis.*
- *(c) Georgia Department of Labor, not seasonally adjusted.*
- *(d) City of Suwanee Planning and Development Permit Summary Calendar Year.*

Note: Population estimates fiscal years 2002-2009 have been restated to reflect the 2010 United States census.

Population Changes 2003-2012



Per Capita Personal Income 2003-2012



PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Employer	2012			2002		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Southeastern Freight Lines, Inc.	365	1	3.97%	360	2	5.83%
Wal-Mart	313	2	3.40%	379	1	6.14%
Meggit Training Systems, Inc.	273	3	2.97%			
Dish Network/Echosphere Corporation	242	4	2.63%	350	3	5.67%
Staffing Solutions Southeast	228	5	2.48%			
Tatitlek Training Services, Inc.	209	6	2.27%			
Flowers Bakers	165	7	1.79%			
Publix Supermarkets (1)	157	8	1.71%	270	6	4.37%
Kroger Company	153	9	1.66%	126	8	2.04%
Quality Technology Service, Inc.	134	10	1.46%			
Cracker Barrel Old County Store, Inc.				134	7	2.17%
Mrs. Smith's/Schwans Bakery Operations				330	4	5.34%
Systemax-Global Computer Supplies, Inc. (2)				300	5	4.86%
Klockner Namasco Corporation				100	9	1.62%
State Farm Insurance Company				99	10	1.60%

NOTES:

(1) Publix Supermarket closed one store in fiscal year 2007. Previously, they had two stores open in Suwanee.
(2) Systemax-Global Computer Supplies moved outside of the Suwanee city limits in 2005.

Source:
City of Suwanee Business License Division.

Function	Full-time Equivalent Employees as of June 30, 2012									
	2003	2004	2005	2006	2007	2008	2009 (1)	2010 (2)	2011 (3)	2012
General Government										
Chief Executive	3	3	3	4	4	4	3	3	3	3
General Administration	2	2	3	2	2	2	2	2	2	2
Financial Administration	5	5	5	5	5	7	7	7	7	7
Public Information	-	-	-	-	1	1	1	1	1	1
Judicial	2	2	2	3	4	4	3	3	3	3
Public Safety										
Police Administration	3	3	3	3	3	3	3	3	3	3
Criminal Investigation	2	2	3	3	3	4	4	4	3	3
Patrol	23	23	23	22	23	24	26	25	28	28
Records and Identification	1	1	1	1	1	1	1	1	1	1
Police Training	-	-	-	-	-	-	-	1	1	1
Dispatcher	6	6	6	7	7	7	7	7	7	7
Public Relations	1	1	1	1	1	1	1	1	1	1
Targeted Police	-	1	2	2	2	2	2	2	-	-
Public Works	5	7	8	9	10	13	15	15	15	15
Housing and Development										
Protective Inspection	4	4	4	4	4	4	1	1	1	1
Planning & Zoning	3	3	3	4	4	4	5	5	5	5
Economic Development	1	1	1	1	1	2	3	3	4	4
Total	**61**	**64**	**68**	**71**	**75**	**83**	**84**	**84**	**85**	**85**

NOTES:

(1) 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.
(2) In fiscal year 2010, one police sergeant position was moved from patrol to police training.
(3) In fiscal year 2011, one police Lieutenant position was moved from Criminal Investigation to Patrol and employees in Targeted Police were also moved to the Patrol division.

Source:
City of Suwanee Payroll Department.

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Business licenses issued	1,048	1,319	1,219	1,376	1,501	1,563	1,687	1,721	1,720	1,775
Number of parcels and improvements	6,747	6,902	7,260	7,854	9,018	10,950	11,693	11,859	11,897	12,004
Judicial										
Cases processed	8,400	8,979	8,945	11,860	11,102	12,447	9,680	12,411	14,883	13,089
Non-jury trials	*	*	*	325	300	240	288	335	319	462
Jury trials	*	*	*	130	80	98	84	171	220	370
Warrants issued	235	250	321	510	347	242	205	180	236	297
Police										
Calls for service	26,340	26,845	26,668	27,125	25,076	28,153	37,511	39,453	41,964	43,926
Traffic accidents	893	1,085	1,099	1,140	1,223	1,219	1,141	1,113	1,158	1,086
Part I offenses	342	368	445	416	408	511	633	528	505	452
Traffic citations	8,103	8,377	9,981	11,407	10,650	10,271	10,627	11,715	12,865	11,797
Public works										
Work orders	*	*	*	3,699	3,780	4,176	4,690	6,151	3685 (1)	5,294
Street overlay (lane miles)	2.87	1.14	1.26	1.73	1.16	4.91	3.85	1.51	-	3.88
Hours of litter pick-up service provided	385	499	434	516	538	645	791	585	605	985
Culture and recreation										
Number of annual city- sponsored events	8	13	16	14	16	25	21	17	21	17
Number of annual non-city sponsored events	*	*	2	10	8	7	11	15	16	16
Suwanee Day attendance	4,000	10,000	30,000	30,000	28,000	40,000	42,000	8,000	40,000	45,000
Protective Inspection										
Number of residential permits	82	117	295	557	460	184	101	65	108	173
Number of total construction permits	319	384	538	793	686	538	359	174	224	242
Number of sign permits	223	214	210	250	292	380	373	255	268	295
Planning and Zoning										
Zoning certification letters	11	17	24	29	25	29	12	7	6	12
Rezoning cases processed	21	22	13	14	18	11	2	1	5	5
Special use permits processed	3	6	4	2	4	6	10	2	5	5
Variances processed	23	11	16	13	16	24	17	7	6	7
Development review	32	29	24	35	40	52	26	6	9	19
Development permits	27	26	21	26	34	25	14	6	9	8
Water										
Average daily consumption in gallons	43,049	40,970	45,128	46,848	48,508	46,817	48,739	43,306	44,625	46,257

* Detailed information not available.
(1) Overhauled work order system-some work orders combined.

Source:
Various City departments

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Administration										
Vehicles	2	2	2	2	2	2	1	1	1	1
Police										
Patrol Units	22	24	27	26	30	32	39	41	40	41
Other Police Vehicles	3	4	4	5	4	4	4	4	4	4
Public Works										
Vehicles	6	6	5	6	8	10	11	15	15	16
Street (miles) (1)	40	44	44	54	59	60	60	62	63	62
Streetlights	510	609	620	710	710	791	835	855	911	928
Culture and Recreation										
Acreage	217	226	233	233	246	293	342	366	372	372
Park sites	10	12	13	13	15	15	15	15	15	15
Public Art	3	3	3	5	4	4	5	5	7	11
Water										
Water mains (miles)	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5	6.8	6.8
Storage capacity (2)	60,000	60,000	60,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Housing and development										
Vehicles	5	5	5	5	5	5	4	4	4	4

NOTES:

(1) In FY 2012 the newly adopted SDS (service delivery strategy) between the County and City(ies) resulted in a slight adjustment in street mileage maintained.
(2) In 2006 the City completed major renovations and improvements to the water system.

Source:
Various City departments

SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2012[1]

Type of Insurance	Coverage	Liability Limit	Company[2]	Policy Number	Policy Period From	Policy Period To	Annual Premium
LIABILITY							
General Liability	Damages of bodily injury or property caused by an occurrence	$1,000,000 limit each claim with a $5,000,000 aggregate $1,000 deductible	GIRMA	SU-3	05/01/12	04/30/13	$ 24,223
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	05/01/12	04/30/13	59,177
Automobile Liability	Damages of bodily injury or property caused by an occurrence	$1,000,000 combined single limit $1,000 deductible	GIRMA	SU-3	05/01/12	04/30/13	40,711
Law Enforcement Liability	False arrest/wrongful imprisonment Assault & Battery	$1,000,000 limit each claim no aggregate limit $1,000 deductible	GIRMA	SU-3	05/01/12	04/30/13	15,209
PROPERTY							
Property Including Equipment	Blanket building & content Business interruption Property in Transit	$20,386,119 total insured value building & content replacement cost	GIRMA	SU-3	05/01/12	04/30/13	$ 9,425
Boiler & Machinery	Blanket building & content	$20,386,119 total insured value building & content replacement cost	GIRMA	SU-3	05/01/12	04/30/13	3,196
Environment Impairment Liability	Pollution coverage	combined single limit $1,000,000 with a $2,000,000 aggregate per occurrence deductible $1,000	GIRMA	SU-3	05/01/12	04/30/13	23,033
OTHER CASUALTY							
Workers Compensation Self Insurance Fund	While Working		GMA	Cust # 312	01/01/12	12/31/12	$ 144,238
Automobile Physical Damage	All risks for scheduled City vehicles only	Automatic coverage for vehicles up to $100,000 deductible $1,000	GIRMA	SU-3	05/01/12	04/30/13	9,851
Crime Coverage	Public employee dishonesty per loss	$500,000 limit with $1,000 deductible	GIRMA	SU-3	05/01/12	04/30/13	1,220
OTHER INSURANCE							
Employee Life Insurance	Basic Life	Varies by employee salary / max. 75,000	Mutual of Omaha	GLUG-AGDS	07/01/11	06/30/12	8,518
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)	Mutual of Omaha	GLUG-AGDS	07/01/11	06/30/12	(3)
Long Term Disability	90 day elimination period 60% benefit up to $5,000, until age 65	N/A	Mutual of Omaha	GLUG-AGDS	07/01/11	06/30/12	11,526
Short Term Disability	1st day accident/8th day illness 13 week/ 60% weekly compensation up to $1000	N/A	Mutual of Omaha	GLUG-AGDS	07/01/11	06/30/12	13,161
Medical	1st of the month following 30 days HMO	Lifetime Maximum - Unlimited In Network $1,000 individual / $3,000 family deductible 100% coinsurance after deductible	Blue Cross/ Blue Shield HMO	1018871	07/01/11	06/30/12	673,615
	1st of the month following 30 days POS	Lifetime Maximum - Unlimited in Network / $5,000,000 maximum out of Network $500 individual / $1,500 family deductible in-network $1,000 ind. / $3,000 family deductible out of network coinsurance after deductible: 100% in-network / 60% out of network	Blue Cross/ Blue Shield POS	1018871	07/01/11	06/30/12	(4)
Dental	Employee and Family	$1,500 Max benefit per person per year $1,500 Ortho Benefit	Met Life	TM05761673 -G	07/01/11	06/30/12	$ 66,779

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 POS are included together under the HMO premiums total.

Sources:

City of Suwanee Human Resource Department


COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

Honorable Mayor and Members
Of the 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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 27, 2012. 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

Management of the City is responsible for establishing and maintaining effective 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 previously.

Compliance and Other Matters

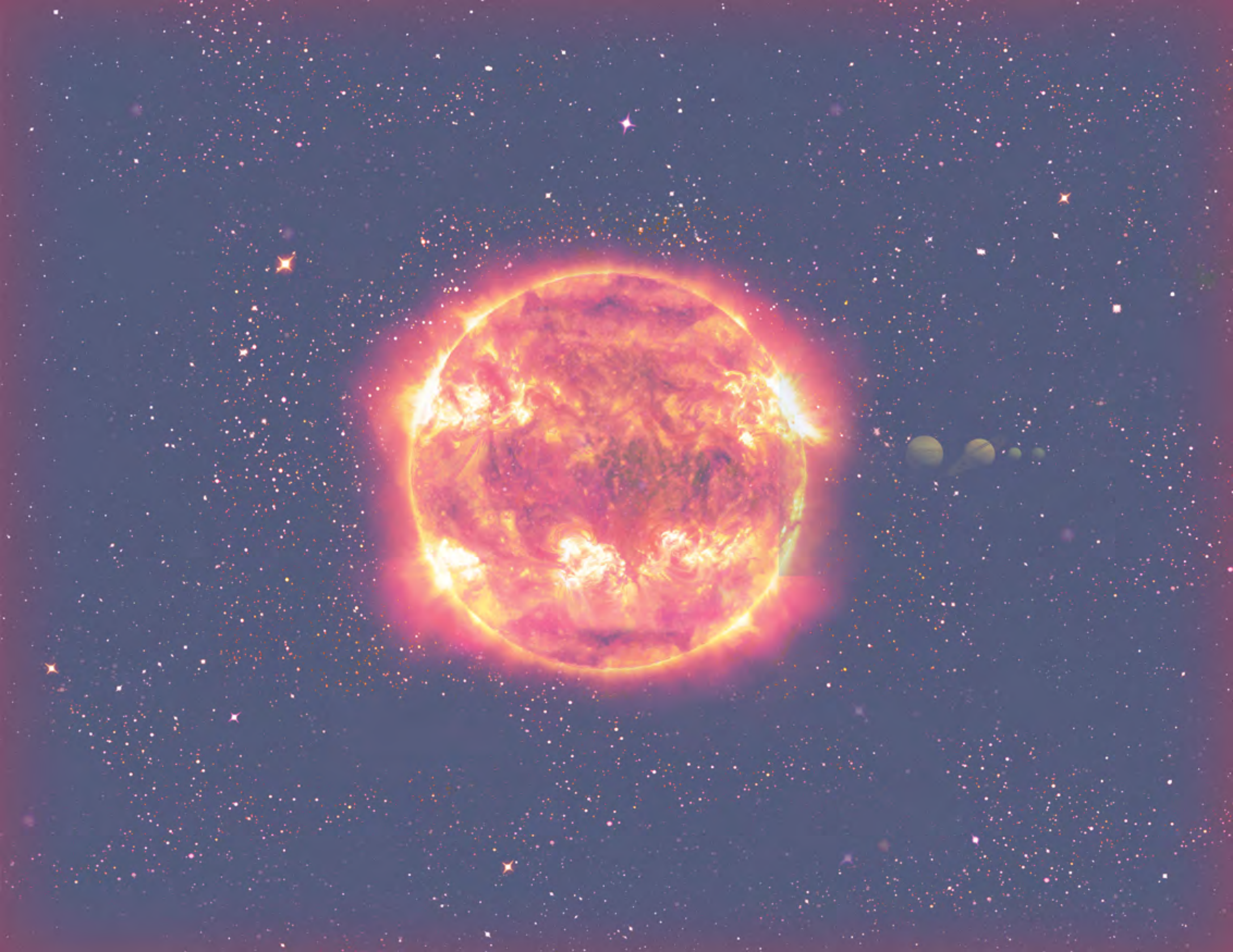
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

We noted certain matters that we reported to management of the City in a separate letter dated December 27, 2012.

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 27, 2012





CITY OF SUWANEE -330 TOWN CENTER AVE. SUWANEE, GA 30024 - WWW.SUWANEE.COM