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Comprehensive Annual Financial Report

city of SUWANEE, GEORGIA

year ended

JUNE 30, 2014



CITY OF SUWANEE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
year ended june 30, 2014

prepared by:
FINANCIAL SERVICES DEPARTMENT



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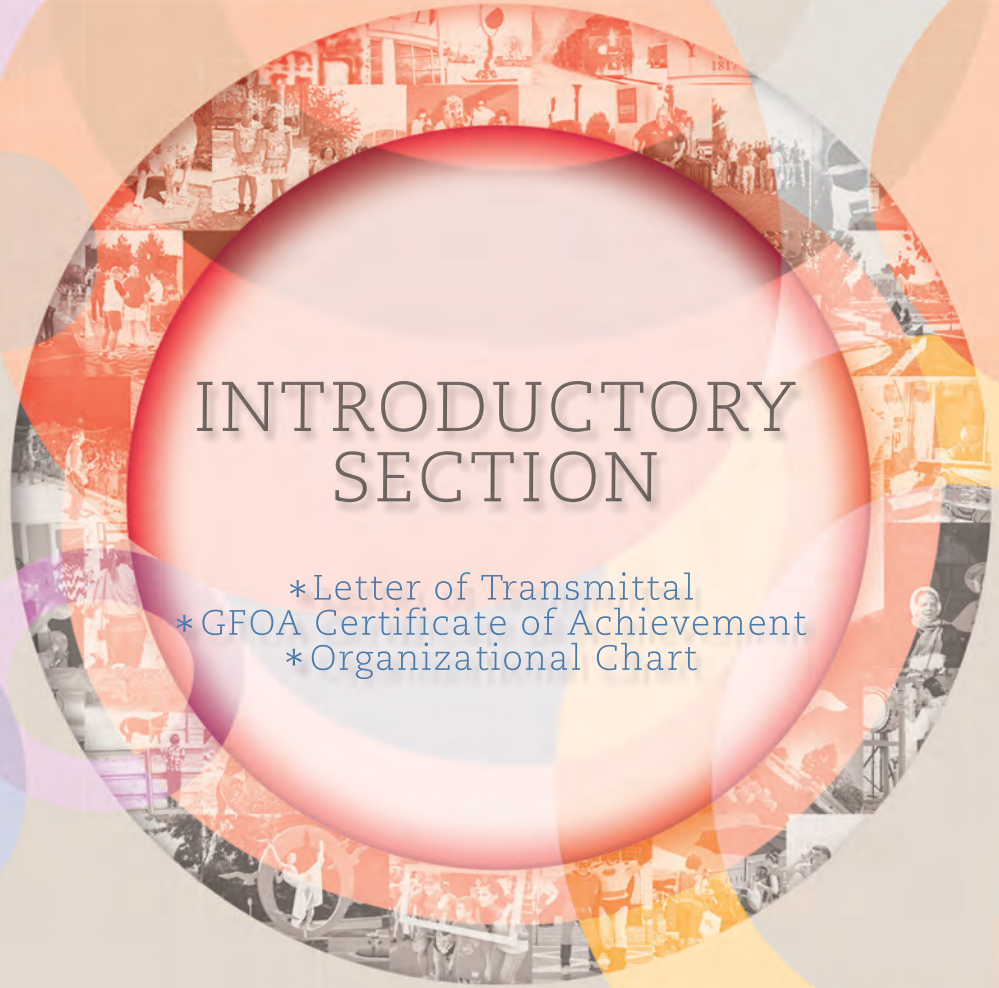
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2014 Comprehensive Annual Financial Report



SculpTour by **City of Suwanee**

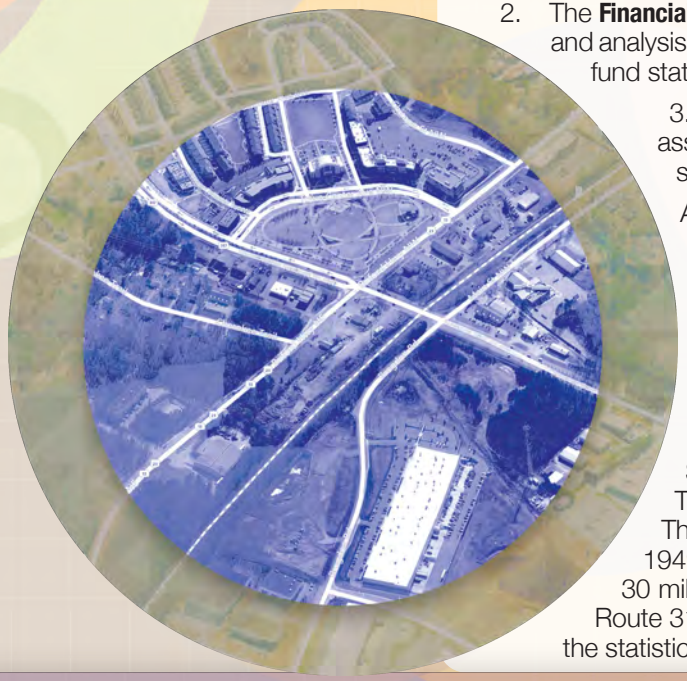


INTRODUCTORY SECTION

* Letter of Transmittal
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100 REASONS TO LIVE, LOVE AND LAUGH IN SUWANEE

Reason #10:
TOWN CENTER, THE COOLEST "FRONT YARD" EVER.



December 22, 2014
Citizens,
Mayor, and
Members of the City Council
Suwanee, Georgia:

Suwanee makes Money's 2013 Best Places list. *Money* magazine has once again named the City of Suwanee one of America's best places to live, coming in at number 33 on the list of best small towns. Suwanee is excited to be recognized as the best small town in Georgia and is committed to continually improving our community and the quality of life for our residents.

As a part of embracing Suwanee's continued commitment to improving our community, the City is proud to present this CAFR for the year ended June 30, 2014. 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:

1. The **Introductory Section** will 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.
2. 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.
3. 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.

A **compliance section** is also included in this report in order to satisfy other legal requirements. 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, including one blended component unit. 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.

DEMOGRAPHICS

Suwanee originated 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.

REASON #82:
WITH 16,000 FRIENDS AND NEIGHBORS, SUWANEE IS JUST THE RIGHT SIZE.

REASON #19:
SUWANEE'S GOT GAME AT GEORGE PIERCE PARK.

GOVERNMENT STRUCTURE

The City operates under a council-manager form of government. The City Council consists of five members elected at large to 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

Suwanee makes it to the big leagues of bond ratings with a AAA from S&P. Standard & Poor's (S&P), one of the big three among financial rating agencies, upgraded the City of Suwanee's rating for its general obligation bond debt to AAA, the highest rating available. After completing a March 2014 review of the City's rating, which had been AA, S&P upgraded the City to AAA with a stable outlook based on the City's continued economic expansion. "We consider the City's economy to be very strong," S&P says in its report. "The stable outlook reflects our anticipation that the City will maintain its very strong liquidity and budgetary flexibility." Reflecting the City's sound financial base, in June 2013 Fitch Ratings affirmed Suwanee's AA+ bond rating, having determined that the City "has a solid history of conservative budgeting, and its consistently strong reserve levels are evidence of prudent financial management."

Population. The Planning Department estimates the population of Suwanee at 17,081 residents as of June 30, 2014. Suwanee's population has grown by 5,464 since 2005.

Development. Suwanee had 113 single-family housing starts in calendar year 2013, which is about the same as the previous year with 115 single-family housing starts. As of June 30, 2014, the Planning Department estimates there are 4,249 single family detached residences, 723 single family attached residences (townhomes) and 1,679 multi-family unites in Suwanee. There is approximately 7,400,000 square feet of industrial space, 1,800,000 square feet of multi-tenant retail space, 1,150,000 square feet of stand-alone retail and 876,000 square feet of office space.

Unemployment. Gwinnet County is near the national average and is faring better than the state and metro Atlanta average with an unemployment rate of 6.8 percent. 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 tracts had an estimated unemployment rate of 4.8 percent in June 2014.

Property Values. According to Zillow the average home sales price in Suwanee in June 2014 was $318,000. This increased by 10.8 percentage points from June 2013. Gwinnett County's average home sales price was $167,000 in June 2014 which increased by 20 percentage points over the past 12 months. Suwanee has the second highest average home value in Gwinnett County behind Berkeley Lake which had an average home value of $395,000 in June 2014.



photo by Bill Mahan

REASON #61:
WATCHING TRAINS GO BY FROM CITY HALL PARK

REASON #95:
IT'S LIKE MAYBERRY, BUT COOLER.

Foreclosures. The number of foreclosures is rapidly declining. The average monthly number of foreclosure filings in Gwinnett County was 1,560 in 2012. In 2013, the average monthly number of filings decreased to 774.

Active Development. There are three active developments in Suwanee that include a single family residential component. These projects are authorized for a total of 403 single-family attached and detached housing units. Of these authorized 403 single family units 66 percent (267 units) are occupied houses while the remaining 34 percent (136 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 136 unoccupied units, 43 percent are platted but vacant lots, 2 percent is authorized but undeveloped, 16 percent are builder-owned residences, and 39 percent are under construction.

MAJOR INITIATIVES

Suwanee's new disc golf course scores big with players. Suwanee's new disc golf course opened on May 3, 2014. Designed by John David, a member of the Professional Disc Golf Association's Hall of Fame, Suwanee's moderate-level course begins and ends near the Buckeye Pavilion near the Suwanee Creek Greenway trailhead and meanders largely along a soft surface trail.

Suwanee's brand is bubbling with change as the City has adopted a new logo. The City's new logo replaces the lamp post logo that and had been used since 1998. The Suwanee S, another branding mark utilized by the City will continue to be used along with the new official logo. The logo was created by Hein van der Heijden, an Atlanta-based, award-winning designer with 25 years of experience. "Suwanee is an uncommon city", says van der Heijden. "Its residents have fun living there and there's a lot going on. I wanted the community's logo to reflect that. I used a mix of lowercase and uppercase letters and dropped the capital S in the logo's word art to help suggest the community's originality and playfulness. The graphic offers a bird's-eye view of Suwanee, bubbling with color, activities, and energy."

Credit cards now accepted. Suwanee implemented new accounting software. This new accounting software enabled the City to accept credit card payments on line and at City Hall. It also provided new payment options to our businesses and citizens, enhanced the City's accounting and reporting capabilities, and advanced our green approach for paperless administration at City Hall.

Pedestrian friendly. Sidewalks were extended along Buford Highway from George Pierce Park to north of Dollar Circle, then from north of Park Point subdivision to the City limit, connecting with Ruby Forest subdivision. Another extension connected the entrance to the library drive on Suwanee Dam Road to the pedestrian tunnel under the railroad on Main Street, extending the reach from Town Center Park.

Annual road resurfacing and repairs. The City resurfaced 1.6 miles of streets, making the ride smoother and neighborhoods more attractive. Roads resurfaced included Mill Creek Run, White Rock Court, and portions thereof along Silver Peak Parkway, Burnette Road and Ansley Park Drive.

REASON #62: WE HAVE AN ARTIFACT FROM THE WORLD TRADE CENTER TOWERS IN REMEMBRANCE OF 9/11

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

Stormwater flows better. Ditch improvements, pipe replacements and other improvements help stormwater flow. Stormwater infrastructure improvements on Jackson Street, Goldfield Trace, Timberlost Trail, Suwanee Creek Trail, Landover Crossing, King Street, Surveyors Point and Main Street helped businesses, homeowners, and trail users to enjoy the City, while getting the water where it needs to go when it rains.

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, and continued focus in the Suwanee Gateway area.

Reconstruction of Buford Highway. Suwanee will use 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 multiple 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, multi-use trails, landscaped medians, streetscaping, operational improvements such as turn lanes, and a roundabout in order to accommodate additional modes of transportation, calm existing traffic, promote Town Center styled development, and provide safer pedestrian access.

Brushy Creek Greenway. The City received a federal Transportation Enhancement grant for $450,000. This grant will be used to improve the Suwanee Dam Road/Peachtree Industrial Boulevard intersection and to construct a greenway along Brushy Creek, connecting to the Gwinnett County Public Library and PlayTown Suwanee.

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.



Buford Highway **Reconstruction Concept**

Recent improvements in the Gateway have included opening of the new Suwanee police training facility; extension of McGinnis Ferry Road; the recently completed streetscaping project around the interstate interchange; opening of Movie Tavern, QT, and other businesses; development of Northolt Parkway; construction of 335 apartment units, and development of a 64 bed transitional care facility.

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 advanced the goals and objectives of City Council. The CIP is a comprehensive five-year plan that helps identify priorities, provide project cost estimates and identify financial resources. Longer range planning is accomplished through the City's Comprehensive 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 statutes require an annual audit by an independent Certified Public Accountant.

Mauldin & Jenkins, LLC, issued an unmodified ("clean") opinion on the City of Suwanee's financial statements for the year ended June 30, 2014. 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 2014 awards:

- One of three "Best Small Cities to Raise a Family," RealEstate.com (2014)
- Distinguished Budget Presentation Award for fiscal year 2014 budget, Government Finance Officers Association (2014)
- Included in top 10 list of "Best Cities for Homeownership in Georgia," NerdWallet.com (2014)
- 2013 CREATE Community Award from the Atlanta Regional Commission in the Arts & Culture category for the City's public arts initiative
- Best Creative Idea, Gold, for Suwanee Day sponsor gifts, Southeast Festivals and Events Association (2014)

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.

- Best Event Photo, Bronze, Southeast Festivals and Events Association (2014)
- Community Impact Award – Arts Leader for public arts initiative, presented by ArtWorks! Gwinnett (2014)
- Georgia's 2014 eCity Award and one of the country's digital capitals, Google (2014)
- Green Community "bronze level" re-certification, Atlanta Regional Commission (2014)

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, 2013. This was the eleventh 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

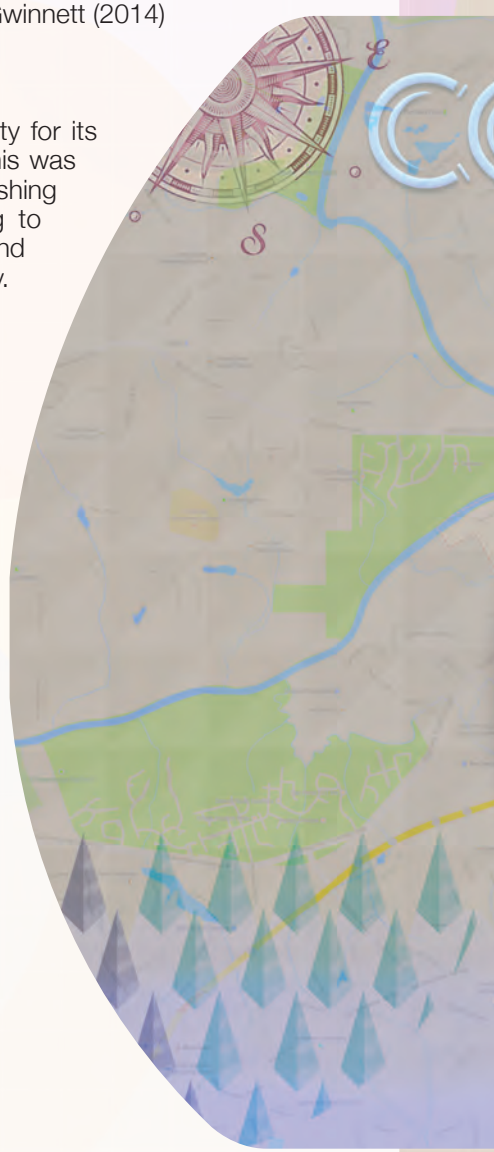
The preparation and production of this document would not be possible without the dedication and cooperation of all City departments. Their willingness to work together has enabled Suwanee to exceed expectations, to go beyond ordinary, striving to be unique, remarkable, and quirky in providing a quality 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 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

Amie Sakmar
Financial Services Director

Marty Allen
City Manager





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

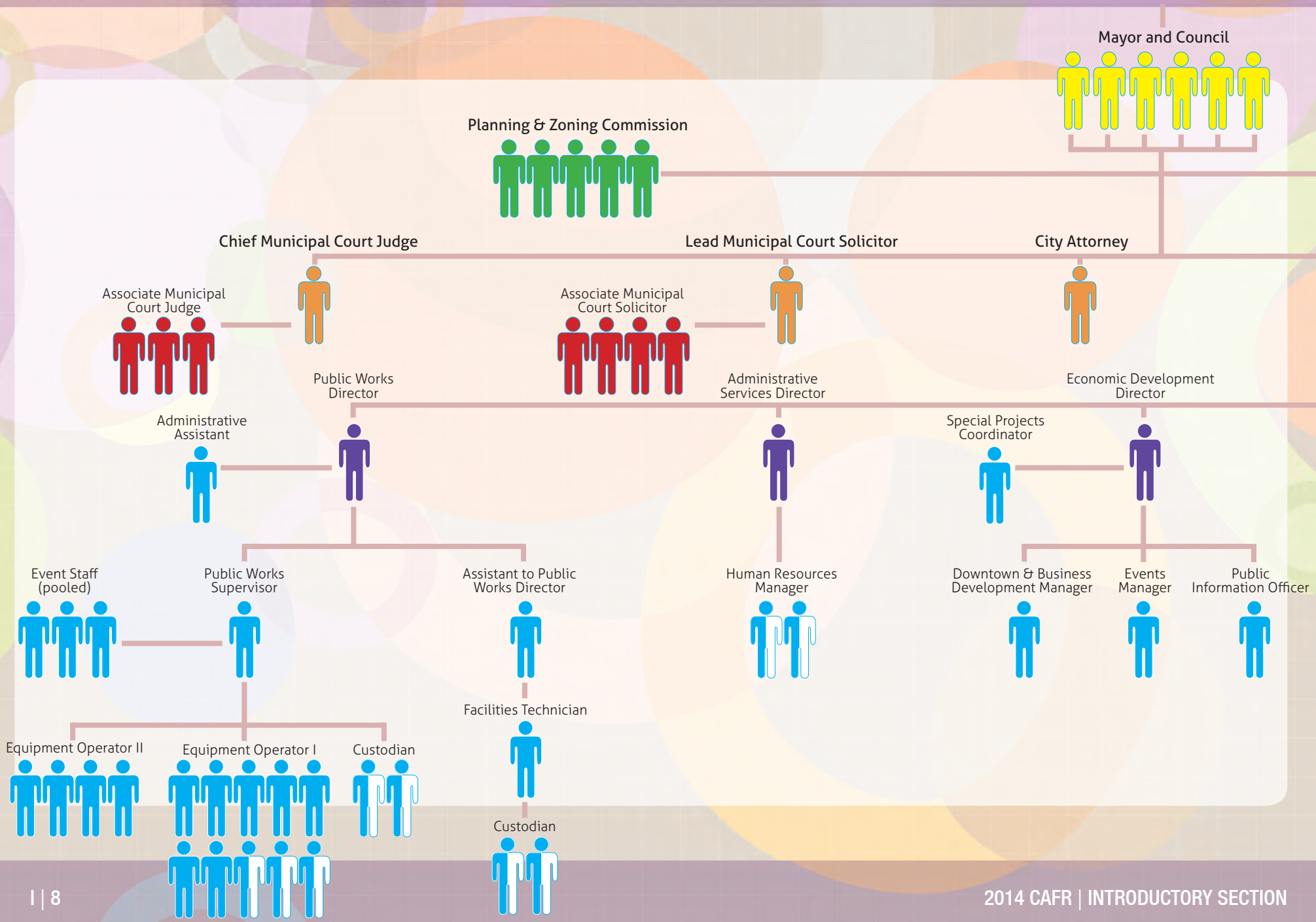
City of Suwanee

Georgia

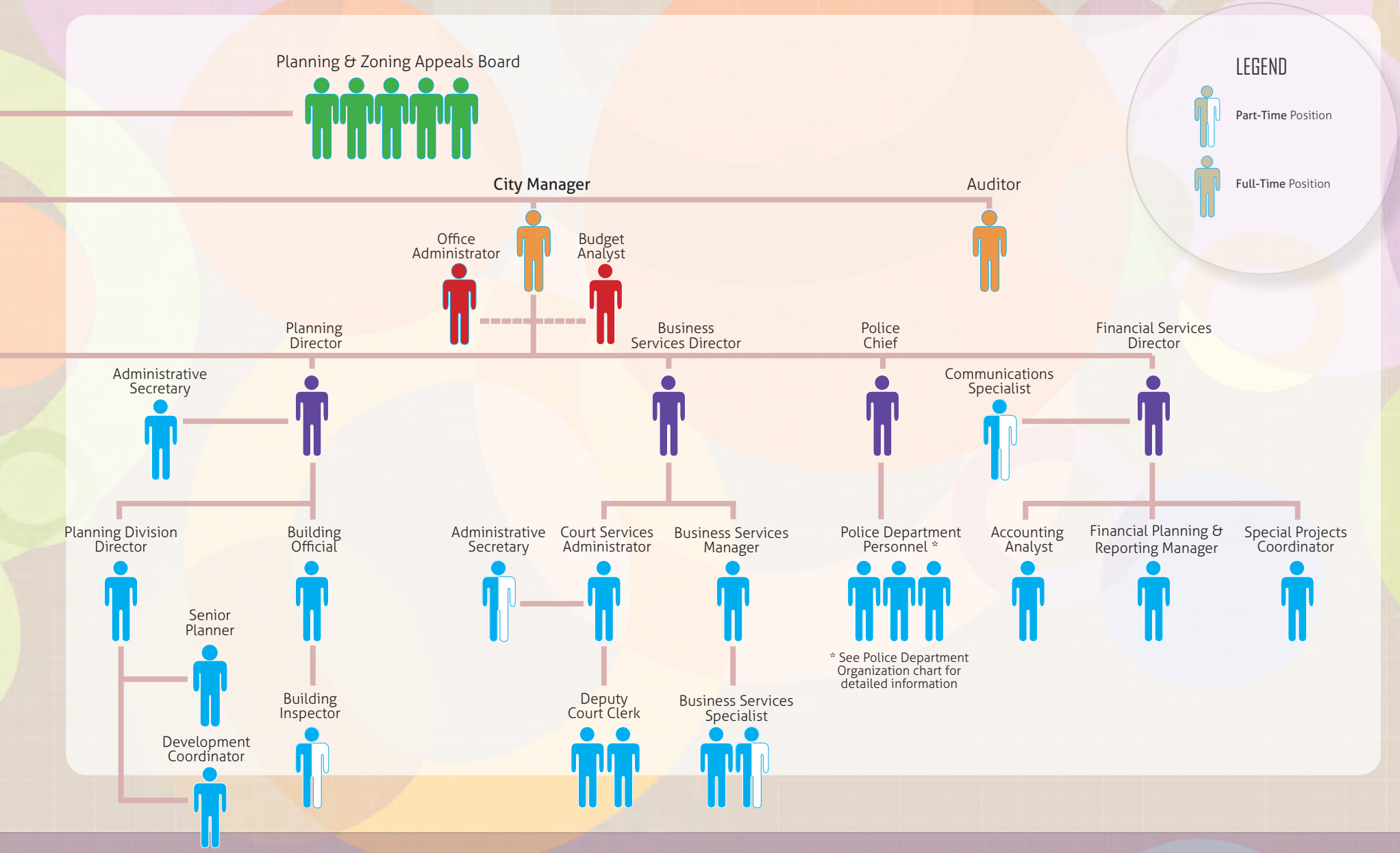
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

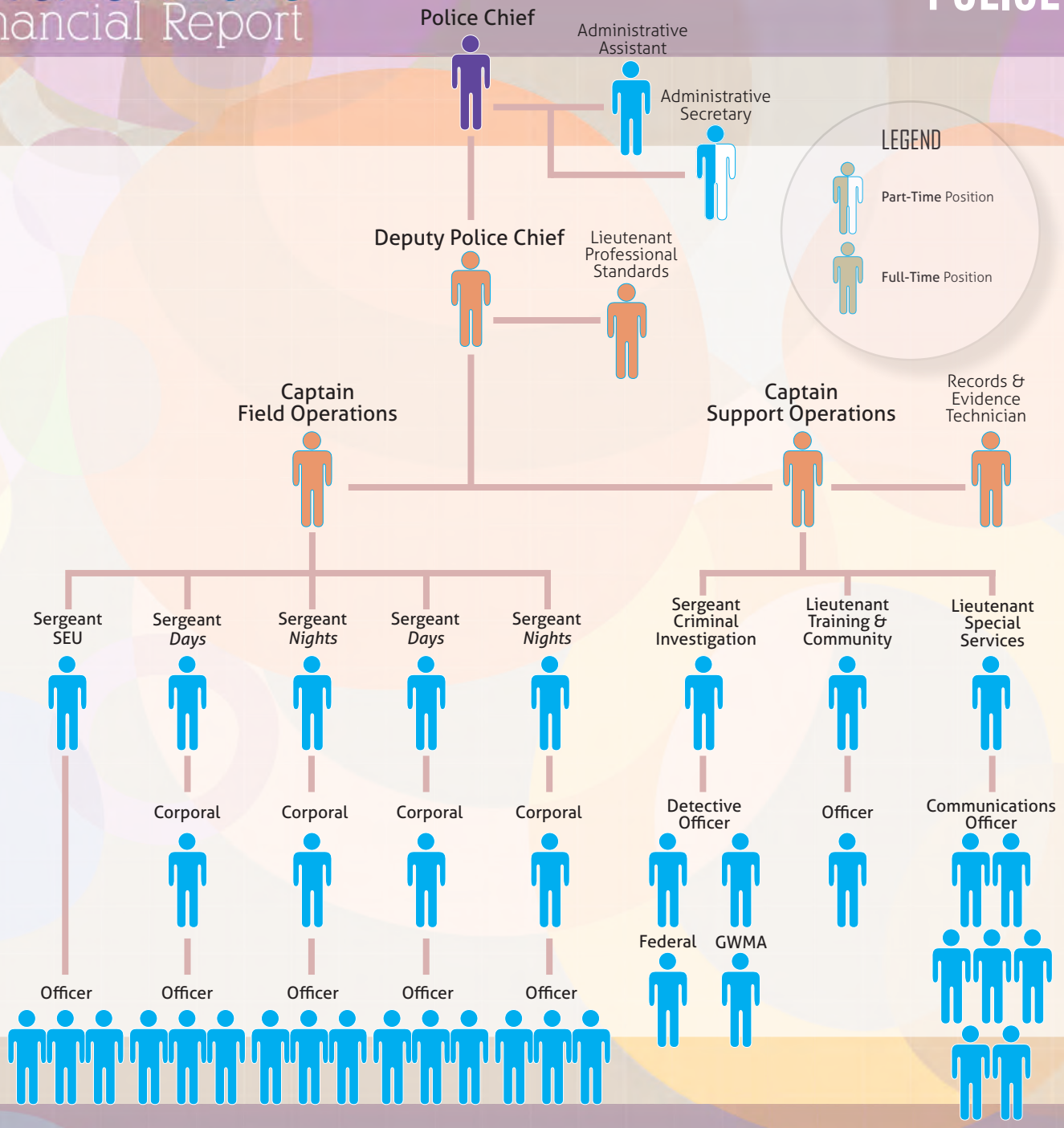
Executive Director/CEO


Citizens
Mayor and Council
Planning & Zoning Commission
Chief Municipal Court Judge
Lead Municipal Court Solicitor
City Attorney
Associate Municipal Court Judge
Associate Municipal Court Solicitor
Public Works Director
Administrative Services Director
Economic Development Director
Administrative Assistant
Special Projects Coordinator
Event Staff (pooled)
Public Works Supervisor
Assistant to Public Works Director
Human Resources Manager
Downtown & Business Development Manager
Events Manager
Public Information Officer
Facilities Technician
Equipment Operator II
Equipment Operator I
Custodian
Custodian

ADMINISTRATION
organizational chart



POLICE DEPARTMENT
organizational chart





FINANCIAL SECTION

* Independent Auditor's Report
* Management's Discussion and Analysis

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Suwanee, Georgia as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14-26 and Schedule of Funding Progress on page 59 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Suwanee, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and 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.

The combining and individual fund financial statements and schedules (the "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014 on our consideration of the City of Suwanee, Georgia'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* in considering the City of Suwanee, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 22, 2014

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, 2014. 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 and deferred outflows of resources of the City's governmental activities exceeded liabilities by $70,511,806. This is an increase of $1,763,975 or 2.6%, as compared to the prior year amount of $68,747,831. The majority of the governmental activities increase is due to 2009 and 2014 SPLOST (Special Purpose Local Option Sales Tax) revenues recieved from the one cent sales tax that will be expended in future periods.

Assets of the City's business-type activities exceeded liabilities by $2,993,008 an increase of $114,952, or 4.0%, as compared to the prior year amount of $2,878,056. The majority of this increase is from a general fund transfer of $100,000.

In total, net position increased by $1,878,927 to $73,504,814. Of this amount, unrestricted net position on June 30, 2014 was $15,973,782 or 21.7% of the City's total net position.

Fund level

As of June 30, 2014, the City's governmental funds reported a combined ending fund balance $22,895,734, an increase of $1,831,067, or 8.7% increase from fiscal year 2013. This increase is due to intergovernmental revenues received from the 2009 and 2014 SPLOST that were received but not expended along with general fund revenues exceeding expenditures. Enterprise fund assets exceeded liabilities by $2,993,008 of which $2,435,908 was invested in capital assets leaving an unrestricted balance of $557,100.

Long-term debt

In total the City's bonds payable outstanding decreased by $810,000 or 4.1% during fiscal year 2014. 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 50-51.

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 position 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 position 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 deferred outflows of resources, liabilities and deferred inflows of resources, for all fund types except for fiduciary funds, with the difference between these items reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year. The focus is on both the gross and net cost of governmental and business-type 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 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 FINANCIAL STATEMENTS

(continued)

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 thirteen 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 62. 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 pages 32 and 33. Budgetary comparisons for other governmental funds with legally adopted annual budgets start on page 66.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 39-58.

OTHER INFORMATION

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

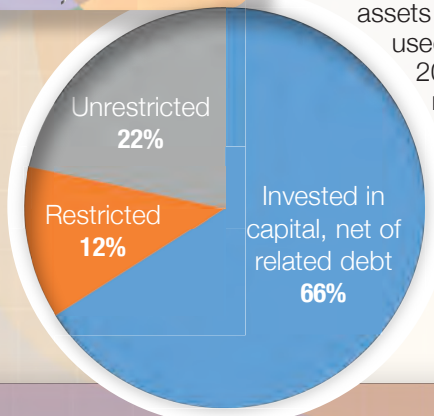
GOVERNMENT WIDE FINANCIAL ANALYSIS

As noted earlier, changes in net position 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 and deferred outflows of resources exceeded its liabilities by $73,504,814 and $71,625,887 at June 30, 2014 and 2013 respectively. This represents an increase of $1,878,927, or 2.6 percent from fiscal year 2013. The following is a condensed version of the government-wide statement of net position.

Net Position on June 30th

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	$ 25,194,093	$ 23,059,280	$ 600,099	$ 464,869	$ 25,794,192	$ 23,524,149
Capital assets	64,563,349	65,579,243	2,437,911	2,417,932	67,001,260	67,997,175
Total assets	89,757,442	88,638,523	3,038,010	2,882,801	92,795,452	91,521,324
Deferred outflows of resources	311,391	342,751	-	-	311,391	342,751
Liabilities						
Long-term liabilities outstanding	19,057,804	19,846,018	-	-	19,057,804	19,846,018
Other liabilities	499,223	387,425	45,002	4,745	544,225	392,170
Total liabilities	19,557,027	20,233,443	45,002	4,745	19,602,029	20,238,188
Net Position						
Net investment in capital assets	46,099,920	46,345,264	2,435,908	2,417,932	48,535,828	48,763,196
Restricted	9,014,457	7,751,943	-	-	9,014,457	7,751,943
Unrestricted	15,397,429	14,650,624	557,100	460,124	15,954,529	15,110,748
Total net position	$ 70,511,806	$ 68,747,831	$ 2,993,008	$ 2,878,056	$ 73,504,814	$ 71,625,887

PRIMARY GOVERNMENT NET POSITION JUNE 30, 2014



The largest portion of the City's net position, 66%, 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. Net investment in capital assets decreased by $227,368 or less than 1%. This reduction is due to annual depreciation of capital assets. 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. City has restrictions of $9,014,457 of net position to be used on debt service, capital projects and special programs. The large increase in restricted net position is due to 2009 and 2014 SPLOST restricted revenues that were received but not expended during the fiscal period. The remaining portion of unrestricted net position, 22%, 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 2014 due to the annual contribution from the general fund to the water fund. The City plans to continue the annual contributions of $100,000 to the water system to prevent future ongoing operational concerns. Overall growth in net position is a positive economic indicator of the City's improved financial position from 2013.

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by $1,763,975 thereby accounting for 94% of the total growth in net position. This increase in governmental activities is related to capital grant contributions for 2009 and 2014 SPLOST sales tax revenues ($2,285,044). 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 position changed during fiscal year 2014.

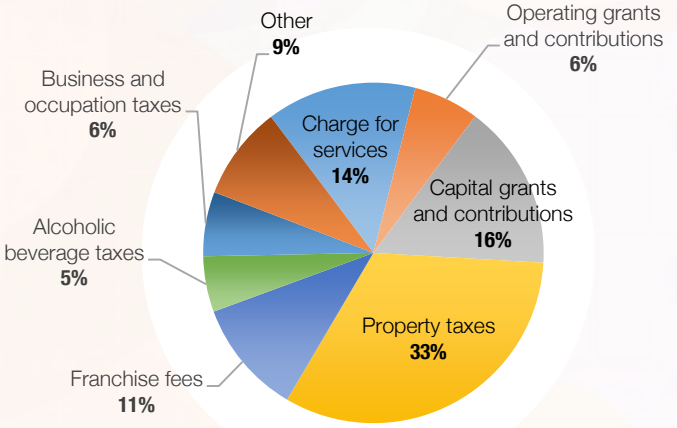
Change in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charge for services	$ 2,247,551	$ 1,737,366	$ 133,790	$ 153,714	$ 2,381,341	$ 1,891,080
Operating grants and contributions	982,857	1,115,960	-	-	982,857	1,115,960
Capital grants and contributions	2,482,730	2,553,174	-	-	2,482,730	2,553,174
General revenues						
Property taxes	5,134,943	4,790,195	-	-	5,134,943	4,790,195
Franchise fees	1,724,565	1,755,375	-	-	1,724,565	1,755,375
Alcoholic beverage taxes	835,071	865,862	-	-	835,071	865,862
Business and occupation taxes	965,165	928,362	-	-	965,165	928,362
Other	1,366,972	1,299,297	-	-	1,366,972	1,299,297
Unrestricted investment earnings	41,835	31,708	929	357	42,764	32,065
Total revenues	15,781,689	15,077,299	134,719	154,071	15,916,408	15,231,370
Expenses						
General government	2,292,068	2,305,973	-	-	2,292,068	2,305,973
Judicial	330,822	292,101	-	-	330,822	292,101
Public safety	4,196,704	3,967,481	-	-	4,196,704	3,967,481
Public works	4,102,997	4,373,999	-	-	4,102,997	4,373,999
Culture and recreation	860,294	903,031	-	-	860,294	903,031
Housing and development	1,100,089	1,043,376	-	-	1,100,089	1,043,376
Tourism and trade	257,322	223,291	-	-	257,322	223,291
Interest on long term debt	777,418	807,603	-	-	777,418	807,603
Water and sewer	-	-	119,767	109,558	119,767	109,558
Total expenses	13,917,714	13,916,855	119,767	109,558	14,037,481	14,026,413
Increase (decrease) in net position before transfers	1,863,975	1,160,444	14,952	44,513	1,878,927	1,204,957
Transfers	(100,000)	(200,000)	100,000	200,000	-	-
Change in net position	1,763,975	960,444	114,952	244,513	1,878,927	1,204,957
Net position - July 1	68,747,831	67,787,387	2,878,056	2,633,543	71,625,887	70,420,930
Net position - June 30	$ 70,511,806	$ 68,747,831	$ 2,993,008	$ 2,878,056	$ 73,504,814	$ 71,625,887

REVENUES BY SOURCE GOVERNMENTAL ACTIVITIES

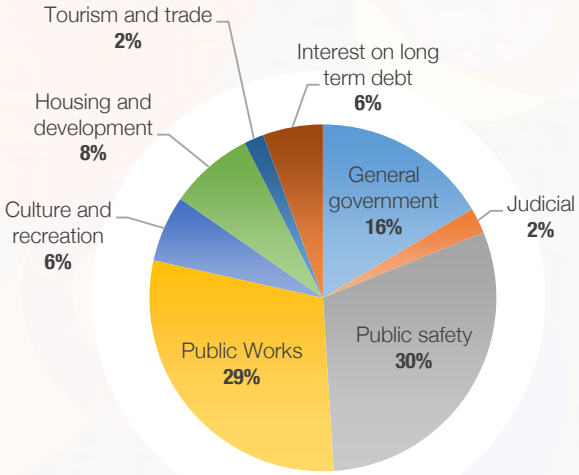
Governmental activities revenues totaled $15,781,689 for fiscal year 2014 and $15,077,299 for fiscal year 2013, reporting a increase of $704,390. The major difference between the two fiscal years is due to **1)** an increase in property tax revenues for title ad valorem tax ($290,197) in fiscal year 2014 **2)** an increase in municipal fine revenues ($570,437) in fiscal year 2014 **3)** and a decrease in building permit revenues ($68,351) in fiscal year 2014.

Property tax revenue in fiscal year 2014 increased compared to fiscal year 2013, primarily due to the growth in the title ad valorem tax. Growth in the title ad valorem tax is expected to continue over the next few fiscal years as the annual motor vehicle ad valorem is expected to decrease. An overall increase and decrease in these two respective revenue sources will net a a neutral overall revenue stream. Property taxes are the largest revenue source for governmental activities accounting for 33% 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 16%. Charges for services, which include municipal court fines and building permits, are the third largest revenue sources, accounting for 14% of governmental revenues for the year.

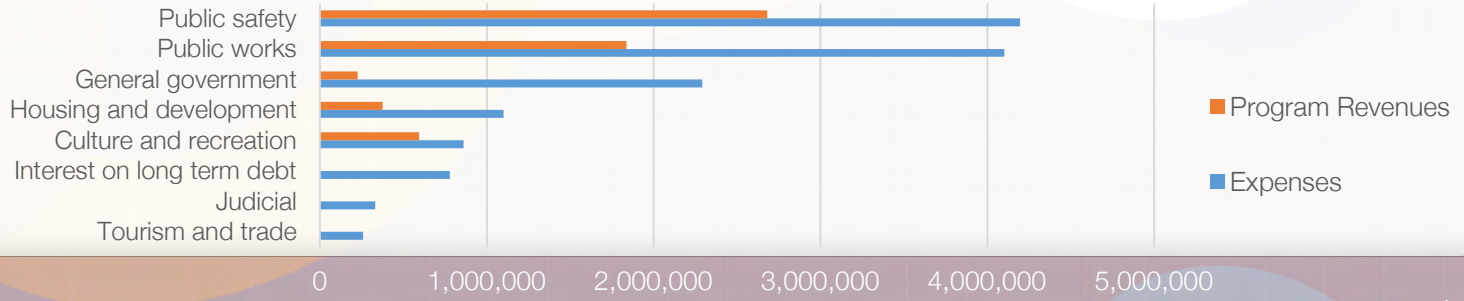


EXPENSES BY SOURCE GOVERNMENTAL ACTIVITIES

Governmental expenses totaled $13,917,714 for the fiscal year. Of the expenses, 30%, or $4,196,704, is related to public safety, while public works accounted for $4,102,997, or 29%. Interest on long term debt accounted for 6% of overall governmental expenses. The chart below compares governmental activities with their respective program revenues, if any.

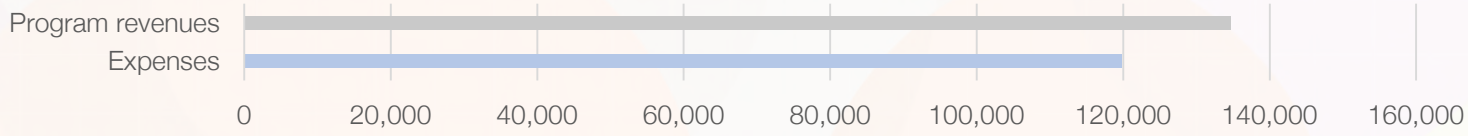


GOVERNMENTAL ACTIVITIES EXPENSES AND PROGRAM REVENUES



BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by $114,952 accounting for 6% of the City's net position increase in fiscal year 2014. This increase is related to the $100,000 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, 2014, the City's governmental funds reported a combined ending fund balance of $22,895,734, an increase of $1,831,067 in comparison with the prior year. The majority of this increase is due to 2009 and 2014 SPLOST revenues received but not expended in the current period ($1,377,336). 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.

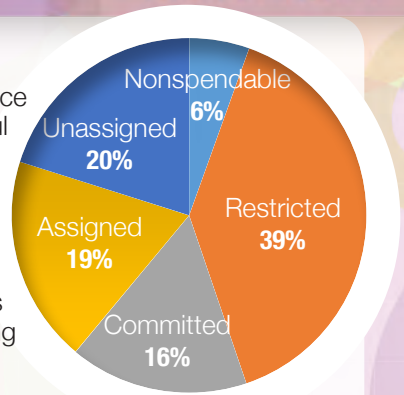
Unassigned

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

As of June 30, 2014, Suwanee's total fund balance for governmental funds was $22,895,734 of which $1,255,842 was nonspendable, $8,995,204 was restricted, $3,726,627 was committed, $4,314,150 was assigned, and $4,603,911 was unassigned. Additional information on fund balance can be found on Note 1 on pages 45-46.

GOVERNMENTAL FUND BALANCES

The general fund is the chief operating fund of the City. On June 30, 2014, unassigned fund balance of the general fund was $4,603,911. 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 40% of total general fund expenditures and transfers, compared to 39% in the prior year. The increase in unassigned fund balance of $69,286 shows a stablization of the general fund revenues and expenditures. Overall, fund balance of the general fund decreased by $248,577 during the current fiscal year. This decrease was due to a large general fund transfer to the 2009 SPLOST fund ($1,532,200) combined with the excess of general fund revenues over expenditures ($1,404,905). The general fund transfer to the 2009 SPLOST fund provided additional local funding for the Buford Highway reconstruction and alternative transportation plan capital projects.



REVENUES CLASSIFIED BY SOURCE GENERAL FUND

	FY 2014		FY 2013		Increase/ (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	$ 7,865,938	71.93%	$ 9,489,870	77.64%	$ (1,623,932)	-17.11%
Licenses and permits	588,696	5.38%	648,686	5.31%	(59,990)	-9.25%
Intergovernmental	802,196	7.34%	997,894	8.16%	(195,698)	-19.61%
Charge for services	110,438	1.01%	106,532	0.87%	3,906	3.67%
Fines and forfeitures	1,494,216	13.66%	916,625	7.50%	577,591	63.01%
Other	74,776	.68%	63,778	.52%	10,998	17.24%
Total	$ 10,936,260	100.00%	$ 12,223,385	100.00%	$ (1,287,125)	-10.53%

The following provides an explanation of revenues by source changes from 2013 to 2014:

- **Taxes.** Real and personal property tax collections decreased by ($1,821,731) from fiscal year 2013. During fiscal year 2014, Suwanee implemented a new accounting system. The new accounting system receipts property tax collection based on the operating and debt service millage rates into the general fund and the debt service fund respectively. Based on this change in technology, fiscal year 2014 general fund property tax collections appear to have a large decease. However, if you combine the general fund and the debt service real and personal property collections, the decrease in revenue is $313,285. This decrease is due to the large delinquent property taxes collected during fiscal year 2013 and a reduction in the motor vehicle ad valorem tax. Franchise fees decreased by ($30,810), mainly in electric fees from the prior year. Business taxes increased by $31,215, due to improvements in Suwanee's economy from the previous year. Other taxes increased by $185,513. The majority of this increase is due to the growth in the title ad valorem tax. The title ad valorem tax will continue to increase over the next few years as older vehicles are replaced with new vehicles, the title tax only applies to new or used vehicle purchases. The increase in the title tax revenues will be offset in future periods with the decrease in the motor vehicle ad valorem tax.
- **License and permits.** Building permits decreased by $68,351. Due to the size of Suwanee, one large building permit can reflect significant change when comparing fiscal years. Suwanee's anticipated norm for building permits is between $350,000 and $450,000 depending on when the permits are pulled. The variance noted above falls into the predicted revenue range.

- **Intergovernmental.** Intergovernmental revenues decreased by $195,698 from the prior period. In fiscal year 2013, Suwanee received $981,452 from Gwinnett County for 911 dispatch and police services provided by the City. In fiscal year 2014, Suwanee received $802,196. This annual payment for 911 and police services provided by the Suwanee was part of the Service Delivery Strategy (SDS) settlement agreed upon in March 2012. Payments are based on actual expenditures incurred. These annual payments will continue until the next SDS negoitations in 2019.
- **Fines and forfeitures.** Municipal court fees increased by $577,591. During fiscal year 2013, several police positions were unfilled due to injuries, deployment, and vacancies. With reduced man power, special enforcements units were re-allocated to patrol resulting in a decrease in higher fine tickets.

EXPENDITURES BY FUNCTION GENERAL FUND

	FY 2014		FY 2013		Increase/ (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function						
General government	$ 2,022,499	21.22%	$ 2,089,026	22.72%	$ (66,527)	-3.18%
Judicial	336,529	3.53%	297,447	3.23%	39,082	13.14%
Public safety	4,161,509	43.66%	3,987,609	43.37%	173,900	4.36%
Public works	1,754,412	18.41%	1,656,227	18.01%	98,185	5.93%
Culture and recreation	267,476	2.81%	270,055	2.94%	(2,579)	-.10%
Housing and development	988,930	10.37%	895,061	9.73%	93,869	10.49%
Total	$ 9,531,355	100.00%	$ 9,195,425	100.00%	$ 335,930	3.65%

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

- **General government.** Expenditures decreased by ($66,527) or -3.18%. The majority of this decrease is due to reductions in legal fees ($11,477), annual support fees for accounting software ($41,576), and professional services for the biennial National Citizen Survey ($11,400). The National Citizen Survey will be part of the fiscal year 2015 expenditures.
- **Judicial.** Expenditures increased by 39,082 or 13.14%. The majority of this increase is due to the addition of one part time employee and additional travel cost related to solicitors and judges annual conferences.
- **Public Safety.** Expenditures increased by $173,900 or 4.36%. The majority of this increase is the result of upgrading one part time dispatcher position upgraded to a full time position, the addition of one police detective position, and the addition of one part time administrative secretary position.
- **Public works.** Expenditures increased by $98,185 or 5.93%. This increase is due to additional equipment and vehicle purchases ($46,300) in fiscal year 2014, full year of landscape maintenance of right of way ($35,734), and additional stormwater professional services ($9,000) for stormwater permitting requirements.
- **Culture and recreation.** Expenditures decreased by ($2,579) of -.10%. Fiscal year 2014 maintained the same service and expenditure levels as fiscal year 2013.
- **Housing and development.** Expenditures increased by $93,869 or 10.49%. The majority of this increase is related to prior period vacancies ($35,000), funding for the new Youth Leadership Program ($5,000), and printing and mailing of the updated Down Town Suwanee business map and promotional brochures ($22,300).

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 2014, the City had two capital project funds considered major funds: the 2009 SPLOST and Other Capital Projects.

The **2009 SPLOST** fund consists of eleven separate projects. These projects include: greenway rehabilitation/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 Plan, police sub-station, parking facilities, park enhancements, recreation projects, and a sign reflectivity program. The City has entered into an intergovernmental agreement with Gwinnett County to allocated $10,356,865 collected from the County and to be distributed to the City over a five-year period. As of June 30, 2014, all funds from this intergovernmental agreement have been allocated to the City. The fund had a restricted fund balance of $6,409,107, comprised entirely of 2009 SPLOST funds received and unspent, and an assigned balance of $2,938,469, comprised of general fund and non-major governmental funds transfer of resources. During fiscal year 2014, fund balance increased by $2,315,735. This increase is due to net SPLOST funds received ($1,716,203), motor vehicle title tax revenues ($146,801), general fund transfer ($1,532,200), and investment earnings ($18,641) less funds from capital expenditures ($1,098,110). During fiscal year 2014, the majority of the capital expenditures were for street resurfacing ($142,663), Town Center well and irrigation ($74.056), storm water system improvements ($126,815), Buford Highway reconstruction ($218,401), alternative transportation system improvements ($352,496), and the Suwanee Disc Golf course ($147,126).

Other capital projects fund accounts for the local financial resources used for the purchase and construction of capital equipment, facilities, and community stabilization. As of June 30, 2014, the fund had nonspendable fund balance of $1,245,335 (redevelopment land held for resale), restricted fund balance of $122,763 (intergovernmental grant funding for road repairs), and assigned fund balance of $1,269,064. During fiscal year 2014, fund balance decreased by ($627,420). This decrease is due to planned capital outlay expenditures.

DEBT SERVICES

The debt service restricted fund balance was $1,265,165 as of June 30, 2014, 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 $14,023 compared to an operating income of $44,156 in the prior year. Operating revenues decreased by $19,924 due to a reduction in water consumption. Fiscal year 2014 outdoor watering needs were reduced by above average rain fall. Operating expenses increased by $10,209. Changes in net position was $114,952, the majority of this increase was from a general fund transfer of $100,000, not income from operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget ($12,164,990) and the final amended budget ($12,355,160) amounted to an overall increase of $190,170. Operational functions were increased by $19,550, or less than 1%. Capital transfers were increased by $1,770,580, the transfer to the Tax Allocation District was decreased by $10,000, and the debt service transfer out was reduced by $1,589,960 due to the implementation of new accounting software that receipts property tax collections based on operating (general fund) and debt service millage rates into the general and debt service fund respectively. Listed below is a summary of the additional capital transfers:

GENERAL FUND BUDGETARY HIGHLIGHTS

(continued)

- $1,532,200 was added to the 2009 SPLOST fund to provide local funding for the Buford Highway reconstruction project ($1,000,000) and the alternative transportation plan ($532,200).
- $33,380 was added to cemetery fund (non-major governmental funds) to provide local funding for cemetery site improvements.
- $30,000 was added to other capital projects fund to provide local funding for road resurfacing projects.
- $75,000 was added to other capital projects fund to provide local funding for stormwater projects.
- $100,000 was added to the water fund for water system improvement projects.

A detail budgetary comparison schedule for the fiscal year ended June 30, 2014 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	$ 9,438,280	$ 8,134,320	$ 7,865,938	$ (268,382)
Licenses and permits	486,700	556,700	588,696	31,996
Intergovernmental revenues	790,700	790,700	802,196	11,496
Charges for services	107,500	107,500	110,438	2,938
Fines and forfeitures	1,103,030	1,524,610	1,494,216	(30,394)
Investment income	45,000	45,000	32,432	(12,568)
Miscellaneous revenues	21,000	23,550	42,344	18,794
Other financing sources	172,780	172,780	234,308	61,528
Total	12,164,990	11,355,160	11,170,568	(184,592)
Expenditures and transfers out:				
Expenditures	10,447,820	10,467,370	9,531,355	936,015
Transfer out	1,717,170	1,887,790	1,887,790	-
Total	12,164,990	12,355,160	11,419,145	936,015
Change in fund balance	$ -	$ (1,000,000)	$ (248,577)	$ 751,423

During the year, general fund revenues and expenditures were less than budgetary estimates. Actual revenues and other financing sources were $184,592 lower than estimates and expenditures were $936,015 lower than the final budgetary appropriations. Listed below are the major areas that expenditures were lower than appropriations.

- Salaries and benefits expenditures were $396,714 less than appropriations. This was due to vacancies, lower workers compensation rates, and the lower than expected workers compensation claim payments.
- Purchased professional services expenditures were $157,321 less than appropriations. The major consultant areas were development reviews, legal services and landscape maintenance.

- Other purchase services expenditures were $180,251 less than appropriations. This classification includes training, education, travel, printing, and dues and fees.
- Supplies expenditures were $94,181 less than appropriations. This was due to utilities and gasoline projections being higher than actual costs.
- Purchase property services were $43,963 less than appropriations. This was due to repairs and rental projections being higher than actual costs.
- Capital outlay expenditures were $63,585 less than appropriations.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital assets

On June 30, 2014, the City's investments in capital assets in both governmental and business-type activities amounted to $67,001,260, 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 $2,797,358 and not the result of disposal of assets. The deletions to construction in progress represents transfers to buildings for the completed projects. Projects completed during fiscal year 2014 included the Suwanee Creek Greenway rehab, Town Center Park well, Buford Highway sidewalks, and the I-85 Streetscape project.

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

CAPITAL ASSETS-NET OF ACCUMULATED DEPRECIATION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	$ 13,280,858	$ 13,280,858	$ 7,500	$ 7,500	$ 13,288,358	$ 13,288,358
Land improvements	2,230,105	2,219,811	1,114	1,361	2,231,219	2,221,172
Buildings	25,853,927	23,908,910	-	-	25,853,927	23,908,910
Water system	-	-	2,349,115	2,389,631	2,349,115	2,389,631
Machinery and equipment	1,914,276	1,681,105	78,179	19,440	1,992,455	1,700,545
Vehicles	466,878	483,991	-	-	466,878	483,991
Infrastructure	20,351,693	21,995,262	-	-	20,351,693	21,995,262
Construction in progress	465,612	2,009,306	2,003	-	467,615	2,009,306
Total	$ 64,563,349	$ 65,579,243	$ 2,437,911	$ 2,417,932	$ 67,001,260	$ 67,997,175

LONG-TERM DEBT

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of $18,750,000 comprised of general obligation debt ($13,940,000) backed by the full faith and credit of the City, and revenue bonds ($4,810,000) obligated through an intergovernmental agreement with the Urban Redevelopment Agency.

The City's total long-term bonds decreased by $810,000 or 4.1% during the current fiscal year. The City's bond rating is AAA from Standard & Poor's (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 $109,691,953; current general obligation debt is below this limit with 11.54% of the legal debt limit used. Additional information regarding long-term debt can be found in Note 7 on pages 50-51 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The United States economy grew at an annual rate of 4 percentage points during the second quarter of 2014 (calendar). This follows a 2.1 percentage point decrease during the previous quarter. Overall, the economy grew at a rate of 1.9 percent during calendar year 2013, which is less than 2.8 percent growth rate of 2012. 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

Unemployment has been steadily improving since its peak in 2010. According to the U.S. Bureau of Labor Statistics, the national unemployment rate in June 2014 was 6.7 percent. Georgia is among several states that exceed the national average with a June 2014 unemployment rate of 7.4 percent. Gwinnett County is near the national average and is faring better than the state and metro Atlanta average with an unemployment rate of 6.8 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 4.8 percent in June 2014.

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, 2011, and 2012. New residential construction decreased slightly in 2013, with the average number of housing starts decreasing from 9.6 homes per month in 2012 to 9.4 homes per month in 2013.

Active developments

There are three active developments in Suwanee that include a single family residential component. These projects are authorized for a total of 403 single-family attached and detached housing units. Of these authorized 403 single family units 66 percent (237 units) are occupied while the remaining 34 percent (136 units) are unoccupied. Of the 136 unoccupied units, 43 percent are platted but vacant lots, 2 percent are authorized but undeveloped, 16 percent are builder-owned residences, and 39 percent are under construction.

Housing values

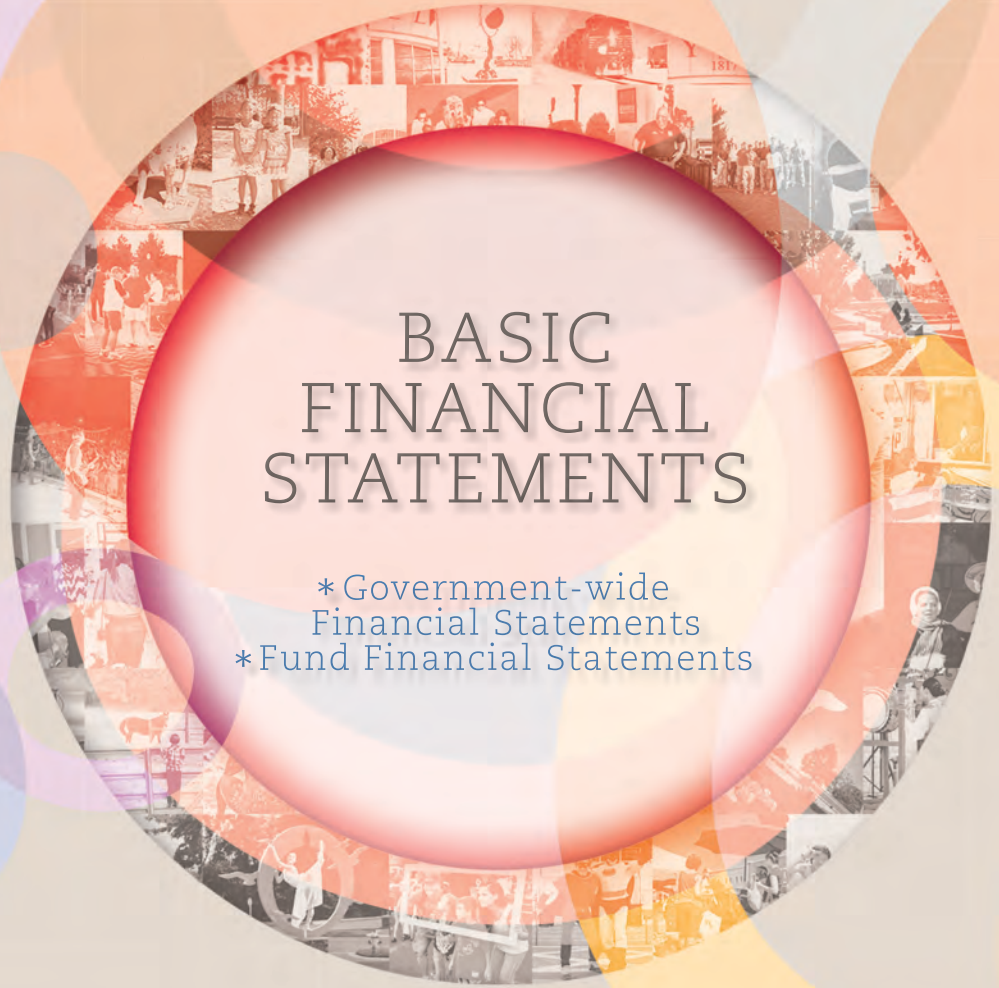
According to Zillow, the average home sales price in Suwanee in June 2014 was $318,000. This increased by 1.7 percentage points from the previous quarter and by 10.8 percentage points from June 2013. Gwinnett County's average home sales price was $167,000 which increased by 20 percentage points over the past 12 months. Suwanee has the second highest average home value in Gwinnett County behind Berkeley Lake which had an average home value of $395,000 in June 2014.

General fund budget

The City takes a conservative approach on budgeting, placing emphasis on ensuring financial stability and long term sustainability. Suwanee recognizes the balancing of results (current services, new services, and capital projects) and resources (long term sustainability, debt and long term obligations, and the community's tax burden). The balancing of results to resources creates public value in city services. The fiscal year 2015 annual budget for the general fund is $11,179,880; this is a decrease of ($1,175,280) or -9.5% from the final amended 2014 budget. The difference in the fiscal year 2014 final budget and the fiscal year 2015 budget is due to the fourth quarter fiscal year 2014 capital improvements prefunding of $1,740,580. Prefunding Suwanee's capital improvement program is part of Suwanee's pay-as-you go financing for capital projects.

REQUEST FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

* Government-wide Financial Statements
* Fund Financial Statements

STATEMENT OF NET POSITION
june 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 12,472,494	$ 237,948	$ 12,710,442
Investments	8,897,254	350,461	9,247,715
Receivables:			
Property taxes	206,999	-	206,999
Other	260,984	8,265	269,249
Due from other governments	499,382	-	499,382
Inventory land held for resale	1,245,335	-	1,245,335
Prepaid items	10,507	-	10,507
Net pension asset	1,601,138	-	1,601,138
Restricted cash	-	3,425	3,425
Capital assets, nondepreciable	13,746,470	9,503	13,755,973
Capital assets, depreciable, net of accumulated depreciation	50,816,879	2,428,408	53,245,287
Total assets	89,757,442	3,038,010	92,795,452
DEFERRED OUTFLOW OF RESOURCES			
Deferred loss on refunding of bonds	311,391	-	311,391
LIABILITIES			
Current liabilities:			
Accounts payable	406,559	39,574	446,133
Retainage payable	9,539	2,003	11,542
Liabilities payable from restricted assets	-	3,425	3,425
Unearned revenue	83,125	-	83,125
Noncurrent liabilities:			
General obligation bonds due within one year	545,000	-	545,000
General obligation bonds due in more than one year	13,412,340	-	13,412,340
Revenue bonds due within one year	295,000	-	295,000
Revenue bonds due in more than one year	4,512,941	-	4,512,941
Compensated absences due within one year	93,607	-	93,607
Compensated absences due more than one year	198,916	-	198,916
Total liabilities	19,557,027	45,002	19,602,029
NET POSITION			
Net investment in capital assets	46,099,920	2,435,908	48,535,828
Restricted for:			
Capital projects	7,340,396	-	7,340,396
Debt service	1,284,418	-	1,284,418
Special programs	389,643	-	389,643
Unrestricted	15,397,429	557,100	15,954,529
Total net position	$ 70,511,806	$ 2,993,008	$ 73,504,814

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

STATEMENT OF ACTIVITIES
year ended june 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type	Total
Governmental activities:							
General government	$ 2,292,068	$ 225,269	$ -	$ -	$ (2,066,799)	$ -	$ (2,066,799)
Judicial	330,822	-	-	-	(330,822)	-	(330,822)
Public safety	4,196,704	1,616,598	804,746	260,319	(1,515,041)	-	(1,515,041)
Public works	4,102,997	-	-	1,837,008	(2,265,989)	-	(2,265,989)
Culture and recreation	860,294	30,941	178,111	385,403	(265,839)	-	(265,839)
Housing and development	1,100,089	374,743	-	-	(725,346)	-	(725,346)
Tourism and trade	257,322	-	-	-	(257,322)	-	(257,322)
Interest on long term debt	777,418	-	-	-	(777,418)	-	(777,418)
Total governmental activities	13,917,714	2,247,551	982,857	2,482,730	(8,204,576)	-	(8,204,576)
Business-type activities:							
Water and Sewer	119,767	133,790	-	-	-	14,023	14,023
Total	$ 14,037,481	$ 2,381,341	$ 982,857	$ 2,482,730	$ (8,204,576)	$ 14,023	$ (8,190,553)
General revenues:							
Taxes:							
Property taxes					$ 5,134,943	$ -	$ 5,134,943
Franchise fees					1,724,565	-	1,724,565
Alcoholic beverage tax					835,071	-	835,071
Business and occupation taxes					965,165	-	965,165
Hotel/motel taxes					489,208	-	489,208
Insurance premium taxes					792,072	-	792,072
Other taxes					5,979	-	5,979
Unrestricted investment earnings					41,835	929	42,764
Miscellaneous					79,713	-	79,713
Transfers					(100,000)	100,000	-
Total general revenues and transfers					9,968,551	100,929	10,069,480
Change in net position					1,763,975	114,952	1,878,927
Net position - beginning					68,747,831	2,878,056	71,625,887
Net position - ending					$ 70,511,806	$ 2,993,008	$ 73,504,814

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

GOVERNMENTAL FUNDS BALANCE SHEET
june 30, 2014

	General	Debt Service	2009 SPLOST	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 3,314,347	$ 250,539	$ 6,701,962	$ 1,501,793	$ 703,853	$ 12,472,494
Investments	4,968,052	1,012,220	2,728,865	-	188,117	8,897,254
Receivables:						
Property taxes	185,340	21,659	-	-	-	206,999
Due from other governments	-	-	100,009	-	399,373	499,382
Other	206,865	-	-	-	54,119	260,984
Prepaid items	10,507	-	-	-	-	10,507
Inventory land held for resale	-	-	-	1,245,335	-	1,245,335
Total assets	$ 8,685,111	$ 1,284,418	$ 9,530,836	$ 2,747,128	$ 1,345,462	$ 23,592,955
LIABILITIES						
Accounts payable	$ 165,321	$ -	$ 183,260	$ 17,302	$ 40,676	$ 406,559
Retainage payable	-	-	-	9,539	-	9,539
Unearned revenue	-	-	-	83,125	-	83,125
Total liabilities	165,321	-	183,260	109,966	40,676	499,223
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	178,745	19,253	-	-	-	197,998
Total deferred inflows of resources	178,745	19,253	-	-	-	197,998
FUND BALANCES						
Nonspendable	10,507	-	-	1,245,335	-	1,255,842
Restricted	-	1,265,165	6,409,107	122,763	1,198,169	8,995,204
Committed	3,726,627	-	-	-	-	3,726,627
Assigned						
Capital project funds	-	-	2,938,469	1,269,064	106,617	4,314,150
Unassigned	4,603,911	-	-	-	-	4,603,911
Total fund balances	8,341,045	1,265,165	9,347,576	2,637,162	1,304,786	22,895,734
Total liabilities, deferred inflows of resources and fund balances	$ 8,685,111	$ 1,284,418	$ 9,530,836	$ 2,747,128	$ 1,345,462	
Amounts reported for governmental activities in the statement of net position are different because:						
Net pension asset is not recorded in the governmental fund statements.						1,601,138
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						64,563,349
Deferred outflows, deferred losses on bond refunding, are not financial resources and therefore are not reported in the governmental funds.						311,391
Deferred inflows in the governmental funds for unavailable revenue are susceptible to full accrual on the government wide statements.						197,998
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(19,057,804)
Net position of governmental activities						$ 70,511,806

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, 2014

	General	Debt Service	2009 SPLOST	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 3,233,973	$ 1,498,446	$ -	$ -	$ -	$ 4,732,419
Franchise taxes	1,724,565	-	-	-	-	1,724,565
Alcoholic beverage taxes	835,071	-	-	-	-	835,071
Business taxes	1,757,237	-	-	-	-	1,757,237
Hotel/motel taxes	-	-	-	-	489,208	489,208
Other taxes	315,092	-	146,801	-	24,958	486,851
Licenses and permits	588,696	-	-	-	-	588,696
Intergovernmental revenues	802,196	-	1,716,203	122,763	571,241	3,212,403
Charges for services	110,438	-	-	-	-	110,438
Fines and forfeitures	1,494,216	-	-	-	42,870	1,537,086
Investment income	32,432	5,974	18,641	2,677	1,333	61,057
Rental income	5,487	-	-	43,391	5,844	54,722
Contributions and donations	2,550	-	-	-	175,711	178,261
Miscellaneous revenue	34,307	-	-	2,015	-	36,322
Total revenues	10,936,260	1,504,420	1,881,645	170,846	1,311,165	15,804,336
EXPENDITURES						
Current:						
General government	2,022,499	-	1,089	130,616	-	2,154,204
Judicial	336,529	-	-	-	-	336,529
Public safety	4,161,509	-	-	-	16,931	4,178,440
Public works	1,754,412	-	-	-	9,532	1,763,944
Culture and recreation	267,476	-	-	-	110,888	378,364
Housing and development	988,930	-	-	134,476	-	1,123,406
Tourism and trade	-	-	-	-	257,322	257,322
Capital outlay	-	-	1,097,021	743,906	261,294	2,102,221
Debt service:						
Principal	-	810,000	-	-	-	810,000
Interest and fiscal charges	-	777,121	-	-	-	777,121
Total expenditures	9,531,355	1,587,121	1,098,110	1,008,998	655,967	13,881,551
Excess (deficiency) of revenues over (under) expenditures	1,404,905	(82,701)	783,535	(838,152)	655,198	1,922,785
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	8,282	-	-	-	-	8,282
Transfers in	226,026	-	1,532,200	222,210	44,858	2,025,294
Transfers out	(1,887,790)	-	-	(11,478)	(226,026)	(2,125,294)
Total other financing sources (uses)	(1,653,482)	-	1,532,200	210,732	(181,168)	(91,718)
Net change in fund balances	(248,577)	(82,701)	2,315,735	(627,420)	474,030	1,831,067
FUND BALANCES - beginning of year	8,589,622	1,347,866	7,031,841	3,264,582	830,756	21,064,667
FUND BALANCES - end of year	$ 8,341,045	$ 1,265,165	$ 9,347,576	$ 2,637,162	$ 1,304,786	$ 22,895,734

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.			$	1,831,067
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements. Revenues earned that are deferred in governmental funds due to availability criteria.				(78,348)
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.				
Additions	$	1,733,976		
Net effect of deletions		(5,377)		
Depreciation expense		(2,744,493)		(1,015,894)
The Governmental Funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure.				
Principal payment				810,000
The current year's increase in the net pension asset is accrued while reducing net expenses of the functions only on the government wide statements.				270,296
Governmental Funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are accrued and amortized in the statement of activities. This amount is the net effect of these differences.				
Amortization of:				
Premium/Discount	$	1,449		
Loss on Refunding		(31,360)		(29,911)
Long-term compensated absences are reported in the Government-Wide Statement of Activities, 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.				(23,235)
Change in net position of governmental activities.			$	1,763,975

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	$ 4,965,350	$ 3,375,390	$ 3,233,973	$ (141,417)
Franchise taxes	1,748,950	1,748,950	1,724,565	(24,385)
Alcoholic beverage taxes	860,500	860,500	835,071	(25,429)
Business taxes	1,765,480	1,782,480	1,757,237	(25,243)
Other taxes	98,000	367,000	315,092	(51,908)
Total taxes	9,438,280	8,134,320	7,865,938	(268,382)
Licenses and permits:				
Alcoholic beverage fees	176,500	176,500	193,050	16,550
Business licenses	37,000	37,000	32,219	(4,781)
Building permits	273,200	343,200	363,427	20,227
Total licenses and permits	486,700	556,700	588,696	31,996
Intergovernmental revenues:				
Local grants	790,700	790,700	802,196	11,496
Total intergovernmental revenues	790,700	790,700	802,196	11,496
Charges for services:				
Planning and development fees	10,000	10,000	11,316	1,316
Public safety services	80,500	80,500	79,512	(988)
Special events	17,000	17,000	19,610	2,610
Total charges for services	107,500	107,500	110,438	2,938
Fines and forfeitures	1,103,030	1,524,610	1,494,216	(30,394)
Investment income	45,000	45,000	32,432	(12,568)
Rental income	6,000	6,000	5,487	(513)
Contributions and donations	5,000	7,550	2,550	(5,000)
Miscellaneous revenue	10,000	10,000	34,307	24,307
Total revenues	11,992,210	11,182,380	10,936,260	(246,120)
EXPENDITURES				
Current:				
General Government:				
Governing body	136,200	136,200	122,396	13,804
Legislative committees	8,750	6,850	3,243	3,607
Chief executive	459,270	459,270	396,674	62,596
General administration	279,750	279,750	220,523	59,227
Financial administration	710,030	710,030	634,683	75,347
Accounting	37,000	37,000	32,500	4,500
Law	55,000	55,000	22,696	32,304
Data processing	196,950	196,950	160,450	36,500
General government building and plant	287,000	322,000	293,304	28,696
Public information	141,040	147,240	136,030	11,210
Total general government	$ 2,310,990	$ 2,350,290	$ 2,022,499	$ 327,791

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

(continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Judicial	$ 381,770	$ 381,770	$ 336,529	$ 45,241
Public safety:				
Police administration	380,010	404,960	382,680	22,280
Criminal investigation	393,220	323,140	293,165	29,975
Patrol	2,523,600	2,571,780	2,469,122	102,658
Records and identification	75,860	78,910	73,019	5,891
Police training	155,710	156,510	132,712	23,798
Special detail services	50,000	56,000	44,136	11,864
Police stations and buildings	188,050	178,250	155,783	22,467
Police substation and training center	64,100	60,850	39,124	21,726
Dispatcher	523,340	525,290	486,391	38,899
Public relations	91,580	92,330	85,377	6,953
Total public safety	4,445,470	4,448,020	4,161,509	286,511
Public works:				
Public works administration	1,714,360	1,736,260	1,620,867	115,393
Paved streets	133,070	117,070	93,378	23,692
Storm drainage	52,220	52,220	40,167	12,053
Total public works	1,899,650	1,905,550	1,754,412	151,138
Culture and recreation:				
Special facilities and activities	150,000	119,300	110,793	8,507
Park areas	174,540	180,640	156,683	23,957
Total culture and recreation	324,540	299,940	267,476	32,464
Housing and development:				
Protective inspection administration	147,040	145,790	133,015	12,775
Planning and zoning	458,620	460,120	422,109	38,011
Code enforcement	40,920	42,570	38,875	3,695
Economic development and assistance	333,030	343,180	316,216	26,964
Downtown Suwanee	105,790	90,140	78,715	11,425
Total housing and development	1,085,400	1,081,800	988,930	92,870
Total expenditures	10,447,820	10,467,370	9,531,355	936,015
Excess of revenues over expenditures	1,544,390	715,010	1,404,905	689,895
OTHER FINANCING SOURCES (USES):				
Transfer in	170,280	170,280	226,026	55,746
Transfer out	(1,717,170)	(1,887,790)	(1,887,790)	-
Sale of capital assets	2,500	2,500	8,282	5,782
Total other financing sources (uses)	(1,544,390)	(1,715,010)	(1,653,482)	61,528
Net change in fund balances	-	(1,000,000)	(248,577)	751,423
FUND BALANCES - beginning of year	8,589,622	8,589,622	8,589,622	-
FUND BALANCES - end of year	$ 8,589,622	$ 7,589,622	$ 8,341,045	$ 751,423

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

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
june 30, 2014

	Major Enterprise Fund Water & Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 237,948
Investments	350,461
Receivables:	
Accounts	8,265
Total current assets	596,674
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	3,425
Capital assets, nondepreciable	9,503
Capital assets, depreciable, net of accumulated depreciation	2,428,408
Total noncurrent assets	2,441,336
Total assets	3,038,010
LIABILITIES	
Current liabilities:	
Accounts payable	39,574
Retainage payable	2,003
Total current liabilities	41,577
Noncurrent liabilities:	
Payable from restricted assets:	
Customer deposits payable	3,425
Total liabilities	45,002
NET POSITION	
Investment in capital assets	2,435,908
Unrestricted	557,100
Total net position	$ 2,993,008

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	$ 133,790
Total operating revenues	133,790
OPERATING EXPENSES	
Salaries and benefits	27,269
Contracted services	15,564
Supplies	24,069
Depreciation	52,865
Total operating expenses	119,767
Operating income (loss)	14,023
NONOPERATING REVENUES (EXPENSES)	
Investment income	929
Total nonoperating revenues (expenses)	929
Income (loss) before transfers	14,952
Transfer in	100,000
Change in net position	114,952
Total net position - beginning of year	2,878,056
Total net position - ending	$ 2,993,008

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

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
year ended june 30, 2014

	Major Enterprise Fund Water & Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 133,779
Payments to employees	(27,269)
Payments to suppliers for goods and services	(39,385)
Net cash provided (used) by operating activities	67,125
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from other fund	100,000
Net cash provided by noncapital financing activities	100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital asset	(32,775)
Net cash used by capital and related financing activities	(32,775)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investment	(249,427)
Interest received	308
Net cash used by investing activities	(249,119)
Net decrease in cash and cash equivalents	(114,769)
Cash and cash equivalents - beginning	356,142
Cash and cash equivalents - ending	$ 241,373
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 14,023
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	52,865
Change in assets and liabilities	
(Increase) decrease in accounts receivable	49
Increase (decrease) in accounts payable not related to a capital assets	248
Increase (decrease) in customer deposits	(60)
Net cash provided (used) by operating activities	$ 67,125

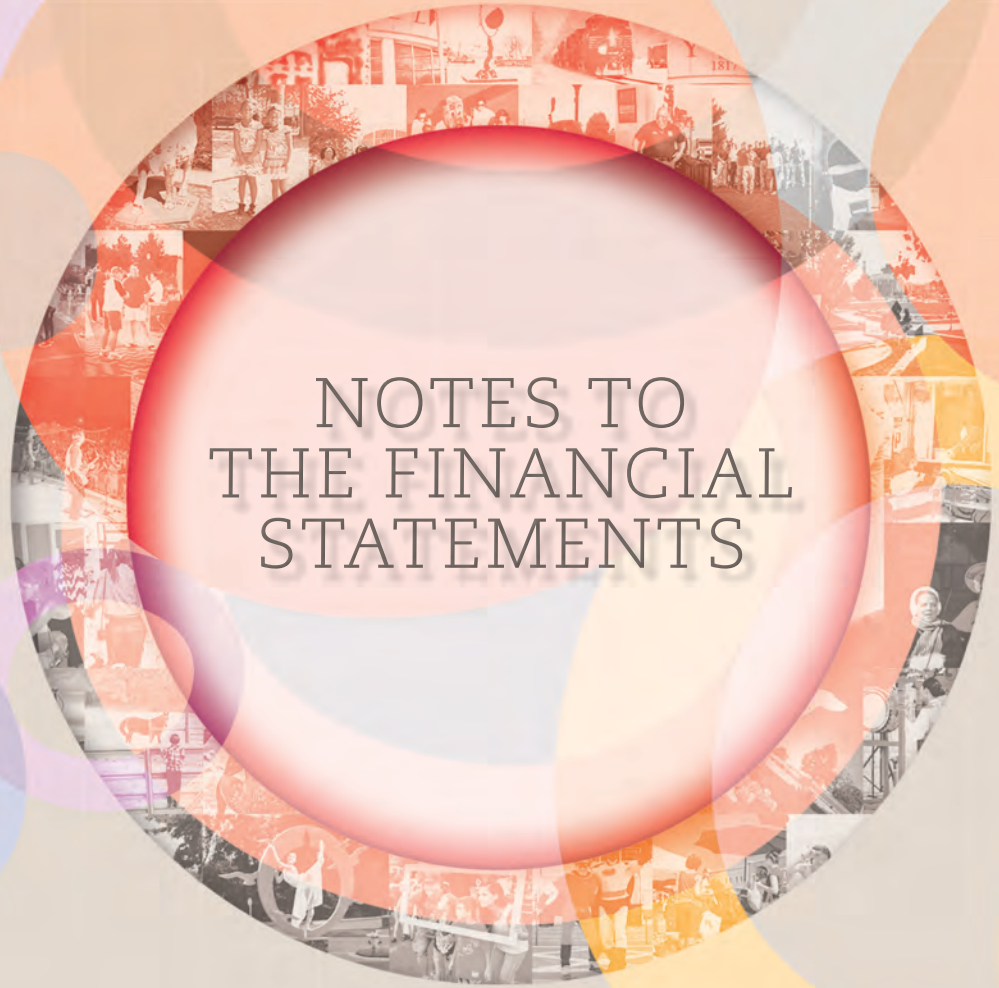
The notes to the financial statements are an integral part of these statements.

	Agency Fund
ASSETS	
Cash and cash equivalents	$ 171,048
Total assets	171,048
LIABILITIES	
Due to others	171,048
Total liabilities	$ 171,048

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



SculpTour by **City of Suwanee**



NOTES TO THE FINANCIAL STATEMENTS

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.

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", as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", and GASB Statement No. 61, "The Financial Reporting Enitity", the component unit's financial statements have been included as a blended component unit.

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 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 position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. (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 if there are any reported. The statement of net position 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.

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.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

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.

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. Deferred Outflow/Inflow of Resources

The City implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and Statement No. 65, "Items Previously Reported as Assets and Liabilities," as of July 1, 2012. These standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports the deferred charge ($311,391) on refunding in the government-wide statement of net position. The deferred charge on refunding resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of deferred inflow-unavailable revenue, which arise only under a modified accrual basis of accounting and qualifies for reporting in this category on the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes ($197,998), as these amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. 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.

F. 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."

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid assets and are recognized as expenditures when consumed (consumption method).

H. Inventory Land Held for Resale

Land held for resale is valued at the lower of cost or market. The current value for inventory land held for resale is the purchase price of the property. Additional costs for demolition were expended, since these costs are not anticipated to be recovered.

I. 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.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

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

J. 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.

K. 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 are accrued 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 expenses in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in government-wide financial statements and proprietary fund financial statements, which utilizes the economic resources measurement focus. Net position in the statement of net position is 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.

M. 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.

N. Fund Balance

GASB Statement Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions," 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 the following nonspendable fund balances:
   - General Fund - $10,507 prepaid items.
   - Other Capital Projects Fund - $1,245,335 in inventory land held for resale.
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:
   - Debt Service Fund - $1,265,165 externally imposed by bond covenant for debt.
   - 2009 SPLOST Fund - $6,409,107 externally imposed by laws or regulations of other governments for capital projects.
   - Other Capital Projects Fund - $122,763 externally imposed by laws or regulations of other governments for capital projects.
   - Other Governmental Funds - $1,198,169 externally imposed by grantors and laws or regulations of other governments. Of this amount, $808,526 is for capital projects, $173,624 for public safety, $111,943 for economic development, and $104,076 for cultural and recreation.
3. **Committed.** Fund balances are reported as committed when they can be used only for specific purposes pursuant to contraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council, through a resolution, may modify or rescind the commitment. The City has committed $3,726,627 in the general fund by resolution adopted on June 24, 2014 for stabilization. The stabilization account consists of a minimum of four months of general fund expenditures and transfers.

   If it becomes necessary for the City to draw funds from the stabilization account, a new resolution will need to be adopted to authorize any use, the City will develop a plan to replenish the account to the minimum level from net

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level. It is the goal of the City Council to authorize use of the stabilization account only in instances where unassigned fund balance is no longer available and the need to access the account is not expected to routinely occur.

4. **Assigned.** Assigned fund balance includes the portion of fund balance that reflects the City's intended use of resources. Such intent is established by formal action of the City Council, including an allocation of resources by approved budget adjustment, and City Council has not delegated the ability to assign fund balance to any member of management. 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 - $2,938,469 assigned by City Council for capital projects appropriation.
   - Other Capital Funds - $1,269,064 assigned by City Council for capital projects appropriation.
   - Other Governmental Funds - $106,617 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 $4,603,911 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 position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. 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 $19,057,804 difference are as follows:

Compensated absences payable	$	292,523
Bonds payable		18,765,281
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	$	19,057,804

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 25, 2013. 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 ($170,620). These funds were transferred to provide funding for fiscal year 2015 capital improvement program. Transfer of these local funds provided the necessary resources to maintain the current capital projects budgets for fiscal year 2015.

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, 2014, 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, 2014 the City has no uncollateralized deposits.

Investments. At June 30, 2014, 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, 2013 and were mailed to taxpayers on October 1, 2013. The due date for these taxes was December 20, 2013, and after that date, both penalty and interest are accrued until the taxes are collected. The lien date was January 1, 2014. Receivables are recorded when taxes are levied and billed (October 1).

Receivables at June 30, 2014 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.

NOTE 5 RECEIVABLES

(continued)

	General	Debt Service	2009 SPLOST	Other Governmental Funds	Water and Sewer	Total
Receivables						
Property taxes	$ 185,340	$ 21,659	$ -	$ -	$ -	$ 206,999
Due from other governments	-	-	100,009	399,373	-	499,382
Other	206,865	-	-	54,119	8,265	269,249
Net total receivables	$ 392,205	$ 21,659	$ 100,009	$ 453,492	$ 8,265	$ 975,630

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 is as follows:

	Beginning Balances	Increases	Decreases	Transfer	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 13,280,858	$ -	$ -	$ -	$ 13,280,858
Construction in progress	2,009,306	911,730	-	(2,455,424)	465,612
Total	15,290,164	911,730	-	(2,455,424)	13,746,470
Capital assets, being depreciated:					
Land improvements	2,951,232	157,733	-	-	3,108,965
Buildings and improvements	26,813,892	19,830	-	2,455,424	29,289,146
Machinery and equipment	2,919,139	449,897	(27,468)	-	3,341,568
Vehicles	1,536,594	102,527	(69,281)	-	1,569,840
Infrastructure	41,236,224	92,259	-	-	41,328,483
Total	75,457,081	822,246	(96,749)	2,455,424	78,638,002
Less accumulated depreciation for:					
Land improvements	731,421	147,439	-	-	878,860
Buildings and improvements	2,904,982	530,237	-	-	3,435,219
Machinery and equipment	1,238,034	211,348	(22,090)	-	1,427,292
Vehicles	1,052,603	119,641	(69,282)	-	1,102,962
Infrastructure	19,240,962	1,735,828	-	-	20,976,790
Total	25,168,002	2,744,493	(91,372)	-	27,821,123
Total capital assets, being depreciated, net	50,289,079	(1,922,247)	(5,377)	2,455,424	50,816,879
Governmental activities capital assets, net	$ 65,579,243	$ (1,010,517)	$ (5,377)	$ -	$ 64,563,349

Business capital assets activity for the year ended June 30, 2014 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
Construction in progress	-	2,003	-	2,003
Total	7,500	2,003	-	9,503
Capital assets, being depreciated:				
Land improvements	4,944	-	-	4,944
Machinery and equipment	34,566	62,191	-	96,757
Water system	3,017,657	8,650	-	3,026,307
Total	3,057,167	70,841	-	3,128,008
Less accumulated depreciation for:				
Land improvements	3,583	247	-	3,830
Machinery and equipment	15,126	3,452	-	18,578
Water system	628,026	49,166	-	677,192
Total	646,735	52,865	-	699,600
Total capital assets, being depreciated, net	2,410,432	17,976	-	2,428,408
Business-type activities capital assets, net	$ 2,417,932	$ 19,979	$ -	$ 2,437,911

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

Governmental activities	
General government	$ 168,777
Judicial	5,506
Public safety	233,102
Public works	1,826,285
Culture and recreation	494,272
Housing and development	16,551
Total depreciation expenses-governmental activities	$ 2,744,493

NOTE 7 LONG TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2014.

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	$ 14,465,000	$ -	$ (525,000)	$ 13,940,000	$ 545,000
Add: Issuance Premium	19,086	-	(1,746)	17,340	-
Total general obligation bonds payable	14,484,086	-	(526,746)	13,957,340	545,000
Revenue bonds	5,095,000	-	(285,000)	4,810,000	295,000
Less: Issuance discount	(2,356)	-	297	(2,059)	-
Total revenue bonds payable	5,092,644	-	(284,703)	4,807,941	295,000
Compensated absences	269,288	223,875	(200,640)	292,523	93,607
Governmental activities long term liabilities	$ 19,846,018	$ 223,875	$ (1,012,089)	$ 19,057,804	$ 933,607

For governmental activities, compensated absences are liquidated by the General Fund.

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, 2014 is $13,940,000.

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

Year ending June 30,		Principal		Interest
2015	$	545,000	$	571,074
2016		570,000		547,380
2017		590,000		522,730
2018		610,000		497,993
2019		635,000		473,093
2020 - 2024		3,580,000		1,950,851
2025 - 2029		4,350,000		1,132,469
2030 - 2032		3,060,000		200,810
Total	$	13,940,000	$	5,896,400

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, 2014 is $4,810,000.

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

Year ending June 30,		Principal		Interest
2015	$	295,000	$	176,173
2016		305,000		165,848
2017		320,000		155,173
2018		330,000		143,973
2019		340,000		132,423
2020- 2024		1,900,000		467,941
2025 - 2027		1,320,000		102,143
Total	$	4,810,000	$	1,343,674

NOTE 8 INTERFUND TRANSFERS

The composition of interfund transfers for the year ended June 30, 2014 is as follows:

Transfer In	Transfer Out	Amount
General fund	Non-major governmental funds	$ 226,026
2009 SPLOST fund	General fund	1,532,200
Other capital projects fund	General fund	222,210
Non-major governmental funds	General fund	33,380
Non-major governmental funds	Other capital projects fund	11,478
Water and Sewer fund	General fund	100,000
		$ 2,125,294

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 and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten (10) county Atlanta area, is a member of the Atlanta Regional Commission (the ARC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2014, the City's membership dues were paid by Gwinnett County, Georgia. The City did not pay any annual dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia.

The ARC 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 the ARC. 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 ICMA-RC, International City/ County Management Association Retirement Center. 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 $4,911,304, including $466,199 of payroll covered by this plan. Contributions by the City totaled $23,310 for the fiscal year ended June 30, 2014. 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%

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 2.06%. However, the City has elected to contribute at a higher rate of 9% for employer contributions. This rate was determined by a separate actuarial study that was performed in 2013 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 position reports a net pension asset of $1,601,138.

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.

NOTE 10 PENSION PLAN

(continued)

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, 2014, the Plan consisted of the following:	
Retired participants and beneficiaries currently receiving benefits	3
Terminated participants and beneficiaries entitled to benefits, but not yet receiving benefits	15
Active participants	77
Total	95

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 9% instead of the plan's contribution amount of 2.06%. 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	$	68,496
Interest on net pension asset		(16,647)
Adjustment of net pension asset		16,647
Annual pension cost		68,496
Actual contributions to plan		338,792
Increase in net pension assets[1]		270,296
Net pension asset as of July 1, 2013		1,330,842
Net pension asset as of June 30, 2014	$	1,601,138

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
7/1/2011	$ 151,635	$ 389,788	257%	$ 1,049,411
7/1/2012	117,418	398,849	340%	1,330,842
7/1/2013	68,496	338,792	495%	1,601,138

Basis of Most Recent Valuation	
Valuation date	January 1, 2014
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 50% of market value in 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014.
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.25%
Cost of living adjustments	0.00%
Expected annual inflation	3.50%

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)
01/01/2014	$ 5,360,505	$ 3,266,389	$ (2,094,116)	164.11%	$ 3,267,054	-64.1%

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

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

NOTE 10 PENSION PLAN (continued)

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, 2014.

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.

As 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, 2014, the City has contractual commitments on uncompleted contracts of approximately $485,875 for the following projects: $471,102 for Buford Highway Reconstruction and Streetscape and $14,773 Brushy Creek Trail design.

Litigation:

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

Grant Contingencies:

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

NOTE 13 HOTEL/ MOTEL TAX

The City believes it is in compliance with OCGA Section 36-81-7 related to the disbursement of hotel/motel taxes collected. Obligated collections were $489,208 as reported in the City's Hotel/Motel Tax Fund. Expenditures and transfers totaled $466,678 leaving a fund balance of $111,943 to be used for tourism and trade.



SculpTour by **City of Suwanee**



SculpTour by **City of Suwanee**



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)
1/1/2012	$ 3,882,828	$ 2,394,788	162.14%	$ (1,488,040)	$ 3,538,106	-42.06%
1/1/2013	4,586,068	2,756,786	166.36%	(1,829,282)	3,504,150	-52.20%
1/1/2014	5,360,505	3,266,389	164.11%	(2,094,116)	3,267,054	-64.10%

NOTE:

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

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

SPECIAL REVENUE

Suwanee Fest	The purpose of the Suwanee Fest is to provide a high-quality two day 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 participates in the Federal Drug Task Force and the Joint Gwinnett Municipal Drug Task Force. These task forces provide the participants a percentage of the amount of funds/property seized. Currently, Suwanee has one police officer assigned to each of these task forces.
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.

CAPITAL PROJECTS

2005 SPLOST	The 2005 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.
2014 SPLOST	The 2014 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 2013. This is a continuation of the 2005 and 2009 SPLOST programs. The 2014 SPLOST program focuses on various transportation projects, sidewalk improvement projects, and recreational improvements.

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
june 30, 2014

	SPECIAL REVENUE					
	Suwanee Fest	Public Art	Confiscated Assets	Community Garden	Hotel/Motel Tax	Total
ASSETS						
Cash and cash equivalents	$ 27,907	$ 37,801	$ 113,005	$ 31,996	$ 103,422	$ 314,131
Investments	-	-	60,619	-	-	60,619
Receivables:						
Due from other governments	-	-	-	-	-	-
Other	-	6,500	-	90	47,529	54,119
Total assets	27,907	44,301	173,624	32,086	150,951	428,869
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	218	-	-	-	39,008	39,226
Total liabilities	218	-	-	-	39,008	39,226
Fund Balances:						
Restricted	27,689	44,301	173,624	32,086	111,943	389,643
Assigned	-	-	-	-	-	-
Total fund balances	27,689	44,301	173,624	32,086	111,943	389,643
Total liabilities and fund balances	$ 27,907	$ 44,301	$ 173,624	$ 32,086	$ 150,951	$ 428,869

CAPITAL PROJECTS

	2005 SPLOST	Cemetery	Tax Allocation District	2014 SPLOST	Total	Total Non-major Governmental Funds
ASSETS						
Cash and cash equivalents	$ 75,164	$ 108,067	$ 12,063	$ 194,428	$ 389,722	$ 703,853
Investments	-	-	127,498	-	127,498	188,117
Receivables:						
Due from other governments	-	-	-	399,373	399,373	399,373
Other	-	-	-	-	-	54,119
Total assets	75,164	108,067	139,561	593,801	916,593	1,345,462
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	1,450	-	-	1,450	40,676
Total liabilities	-	1,450	-	-	1,450	40,676
Fund Balances:						
Restricted	75,164	-	139,561	593,801	808,526	1,198,169
Assigned	-	106,617	-	-	106,617	106,617
Total fund balances	75,164	106,617	139,561	593,801	915,143	1,304,786
Total liabilities and fund balances	$ 75,164	$ 108,067	$ 139,561	$ 593,801	$ 916,593	$ 1,345,462

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

year ended june 30, 2014

	SPECIAL REVENUE					
	Suwanee Fest	Public Art	Confiscated Assets	Community Garden	Hotel/Motel Tax	Total
REVENUES						
Hotel/motel taxes	$ -	$ -	$ -	$ -	$ 489,208	$ 489,208
Other taxes	-	-	-	-	-	-
Intergovernmental revenues	-	2,400	-	-	-	2,400
Fines and forfeitures	-	-	42,870	-	-	42,870
Investment income	-	-	259	17	107	383
Rental income	-	-	-	5,844	-	5,844
Contributions and donations	136,279	38,797	-	635	-	175,711
Total revenues	136,279	41,197	43,129	6,496	489,315	716,416
EXPENDITURES						
Current:						
Public safety	-	-	16,931	-	-	16,931
Public works	-	-	-	-	-	-
Culture and recreation	106,880	2,872	-	1,136	-	110,888
Tourism and trade	-	-	-	-	257,322	257,322
Capital outlay	-	-	-	-	-	-
Total expenditures	106,880	2,872	16,931	1,136	257,322	385,141
Excess of revenues over (under) expenditures	29,399	38,325	26,198	5,360	231,993	331,275
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	(209,356)	(209,356)
Total other financing sources (uses)	-	-	-	-	(209,356)	(209,356)
Net change in fund balances	29,399	38,325	26,198	5,360	22,637	121,919
FUND BALANCES - beginning of year (deficit)	(1,710)	5,976	147,426	26,726	89,306	267,724
FUND BALANCES - end of year	$ 27,689	$ 44,301	$ 173,624	$ 32,086	$ 111,943	$ 389,643

CAPITAL PROJECTS

	2005 SPLOST	Cemetery	Tax Allocation District	2014 SPLOST	Total	Total Non-major Governmental Funds
REVENUES						
Hotel/motel taxes	$ -	$ -	$ -	$ -	$ -	$ 489,208
Other taxes	-	-	-	24,958	24,958	24,958
Intergovernmental	-	-	-	568,841	568,841	571,241
Fines and forfeitures	-	-	-	-	-	42,870
Investment income	581	-	363	6	950	1,333
Rental income	-	-	-	-	-	5,844
Contributions and donations	-	-	-	-	-	175,711
Total revenues	581	-	363	593,805	594,749	1,311,165
EXPENDITURES						
Current:						
Public safety	-	-	-	-	-	16,931
Public works	-	9,532	-	-	9,532	9,532
Culture and recreation	-	-	-	-	-	110,888
Tourism and trade	-	-	-	-	-	257,322
Capital outlay	261,290	-	-	4	261,294	261,294
Total expenditures	261,290	9,532	-	4	270,826	655,967
Excess of revenues over (under) expenditures	(260,709)	(9,532)	363	593,801	323,923	655,198
OTHER FINANCING SOURCES (USES)						
Transfer in	-	44,858	-	-	44,858	44,858
Transfer out	(16,670)	-	-	-	(16,670)	(226,026)
Total other financing sources (uses)	(16,670)	44,858	-	-	28,188	(181,168)
Net change in fund balances	(277,379)	35,326	363	-	352,111	474,030
FUND BALANCES - beginning of year	352,543	71,291	139,198	-	563,032	830,756
FUND BALANCES - end of year	$ 75,164	$ 106,617	$ 139,561	$ 593,801	$ 915,143	$ 1,304,786

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
budget and actual-year ended june 30, 2014

SUWANEE FEST

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ 250	$ 250	$ -	$ (250)
Contributions and donations	91,750	122,700	136,279	13,579
Total revenues	92,000	122,950	136,279	13,329
EXPENDITURES				
Current:				
Culture and recreation	92,000	122,950	106,880	16,070
Total expenditures	92,000	122,950	106,880	16,070
Net change in fund balances	-	-	29,399	29,399
FUND BALANCES - beginning of year (deficit)	(1,710)	(1,710)	(1,710)	-
FUND BALANCES - end of year	$ (1,710)	$ (1,710)	$ 27,689	$ 29,399

PUBLIC ART

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 2,500	$ 2,500	$ 2,400	$ (100)
Contributions and donations	53,000	53,000	38,797	(14,203)
Total revenues	55,500	55,500	41,197	(14,303)
EXPENDITURES				
Current:				
Culture and recreation	55,500	55,500	2,872	52,628
Total expenditures	55,500	55,500	2,872	52,628
Net change in fund balances	-	-	38,325	38,325
FUND BALANCES - beginning of year	5,976	5,976	5,976	-
FUND BALANCES - end of year	$ 5,976	$ 5,976	$ 44,301	$ 38,325

CONFISCATED ASSETS

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ 100,000	$ 100,000	$ 42,870	$ (57,130)
Investment income	250	250	259	9
Total revenues	100,250	100,250	43,129	(57,121)
EXPENDITURES				
Current:				
Public safety	100,250	100,250	16,931	83,319
Total expenditures	100,250	100,250	16,931	83,319
Net change in fund balances	-	-	26,198	26,198
FUND BALANCES - beginning of year	147,426	147,426	147,426	-
FUND BALANCES - end of year	$ 147,426	$ 147,426	$ 173,624	$ 26,198

COMMUNITY GARDEN

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ 20	$ 20	$ 17	$ (3)
Rental Income	5,600	5,600	5,844	244
Contributions and donations	1,000	1,000	635	(365)
Total revenues	6,620	6,620	6,496	(124)
EXPENDITURES				
Current:				
Culture and recreation	6,620	6,620	1,136	5,484
Total expenditures	6,620	6,620	1,136	5,484
Net change in fund balances	-	-	5,360	5,360
FUND BALANCES - beginning of year	26,726	26,726	26,726	-
FUND BALANCES - end of year	$ 26,726	$ 26,726	$ 32,086	$ 5,360

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
budget and actual-year ended june 30, 2014

HOTEL/MOTEL TAX

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hotel/motel taxes	$ 396,000	$ 532,000	$ 489,208	$ (42,792)
Investment income	-	-	107	107
Total revenues	396,000	532,000	489,315	(42,685)
EXPENDITURES				
Current:				
Tourism and trade	225,720	321,720	257,322	64,398
Total expenditures	225,720	321,720	257,322	64,398
Excess of revenues over expenditures	170,280	210,280	231,993	21,713
OTHER FINANCING SOURCES (USES)				
Transfer out	(170,280)	(210,280)	(209,356)	924
Net change in fund balances	-	-	22,637	22,637
FUND BALANCES - beginning of year	89,306	89,306	89,306	-
FUND BALANCES - end of year	$ 89,306	$ 89,306	$ 111,943	$ 22,637

DEBT SERVICE

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	$ -	$ 1,589,970	$ 1,498,446	$ (91,524)
Investment income	4,000	4,000	5,974	1,974
Total revenues	4,000	1,593,970	1,504,420	(89,550)
EXPENDITURES				
Debt Service:				
Principal retirement	810,000	810,000	810,000	-
Interest	779,970	779,970	774,971	4,999
Fiscal agent fees	4,000	4,000	2,150	1,850
Total expenditures	1,593,970	1,593,970	1,587,121	6,849
Deficiency of revenues over expenditures	(1,589,970)	-	(82,701)	(82,701)
OTHER FINANCING SOURCES				
Transfer in	1,589,970	-	-	-
Total other financing sources	1,589,970	-	-	-
Net change in fund balances	-	-	(82,701)	(82,701)
FUND BALANCES - beginning of year	1,347,866	1,347,866	1,347,866	-
FUND BALANCES - end of year	$ 1,347,866	$ 1,347,866	$ 1,265,165	$ (82,701)

SPLOST 2005

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, streets & bridges	$ 4,642,660	$ 5,031,422	$ 4,708,096	$ 248,086	$ 4,956,182
Recreational facilities	900,000	1,031,364	1,018,160	13,204	1,031,364
Public safety facilities and equipment	1,054,400	1,158,067	1,158,067	-	1,158,067
	$ 6,597,060	$ 7,220,853	$ 6,884,323	$ 261,290	$ 7,145,613

NOTE:
(1) Transfers out reported on page 65 include tranfers of local funds and do not include 2005 SPLOST sources.

SPLOST 2009

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	992,994	171,090	1,164,084
Parking facilities	2,256,780	2,035,585	63,237	-	63,237
Public safety facilities and equipment	1,781,710	1,532,302	1,500,244	6,129	1,506,373
Roads, streets & bridges	5,463,953	4,777,218	566,512	622,490	1,189,002
	$ 11,878,050	$ 10,356,865	$ 3,203,789	$ 799,709	$ 4,003,498

Amounts reported for 2009 SPLOST current year expenditures are different because:	
Current year expenditures	$ 799,709
Capital outlay using federal funds	147,433
Capital outlay using local funds	150,968
Total 2009 SPLOST expenditures (1)	$ 1,098,110

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

SPLOST 2014

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, streets & bridges	$ 7,239,371	$ 5,926,691	$ -	$ 4	$ 4
Recreational facilities	804,375	658,520	-	-	-
	$ 8,043,746	$ 6,585,211	$ -	$ 4	$ 4

		O.C.G.A. Reference:		
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): _____ Special Revenue Fund _____ Enterprise Fund __X__ General Fund Expenditures (UCOA Activity 3800)			
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary) _____ _____	46-5-134(e)	$ $	_____ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:			
3a	Lease costs	46-5-134(f)(1)(A)	$	
3b	Purchase costs	46-5-134(f)(1)(A)	$	
3c	Maintenance costs	46-5-134(f)(1)(A)	$	
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	$	
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2			
5a	Salaries and wages	46-5-134(f)(1)(C)	$	274,789
5b	Employee benefits	46-5-134(f)(1)(C)	$	86,412
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$	
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	$	4,680
8	Building used as a public safety answering point:			
8a	Lease costs	46-5-134(f)(1)(F)	$	
8b	Purchase costs	46-5-134(f)(1)(F)	$	1,104
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:			
9a	Lease costs	46-5-134(f)(1)(G)	$	99,974
9b	Purchase costs	46-5-134(f)(1)(G)	$	5,297
9c	Maintenance costs	46-5-134(f)(1)(G)	$	
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	$	
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:			
11a	Lease costs	46-5-134(f)(1)(I)	$	
11b	Purchase costs	46-5-134(f)(1)(I)	$	
11c	Maintenance costs	46-5-134(f)(1)(I)	$	2,335

(continued)

(Continued)

		O.C.G.A. Reference:		
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	$	
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center			
13a	Lease costs	46-5-134(f)(2(B)(ii)	$	
13b	Purchase costs	46-5-134(f)(2(B)(ii)	$	
13c	Maintenance costs	46-5-134(f)(2(B)(ii)	$	
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	$	
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations			
15a	Lease costs	46-5-134(f)(2(B)(iv)	$	
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$	
15c	Maintenance costs	46-5-134(f)(2(B)(iv)	$	
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems			
16a	Lease costs	46-5-134(f)(2(B)(v)	$	11,800
16b	Purchase costs	46-5-134(f)(2(B)(v)	$	
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$	
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.			
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		$	486,391

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), ection 46-5-134. I understand that, in accordance with OCGA Section 46-5-134 (m) (2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official _____ **Date** 12/05/2014

Print Name of Chief Elected Official Jimmy Burnette

Title of Chief Elected Official Mayor

Signature of Chief Financial Officer Amie Sakmar **Date** 12/05/2014

Print Name of Chief Financial Officer Amie Sakmar



AGENCY FUND

AGENCY FUND

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





Municipal court by **City of Suwanee**

AGENCY FUND-STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

year ended june 30, 2014

MUNICIPAL COURT

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
ASSETS				
Cash and cash equivalents	$ 224,079	$ 2,164,631	$ 2,217,662	$ 171,048
Total assets	224,079	2,164,631	2,217,662	171,048
LIABILITIES				
Due to others	224,079	2,164,631	2,217,662	171,048
Total liabilities	$ 224,079	$ 2,164,631	$ 2,217,662	$ 171,048



STATISTICAL SECTION

STATISTICAL SECTION

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

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-12
These schedules contain information to help the reader assess the City's most significant local revenue source and property taxes.

Debt Capacity.....S-16
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.

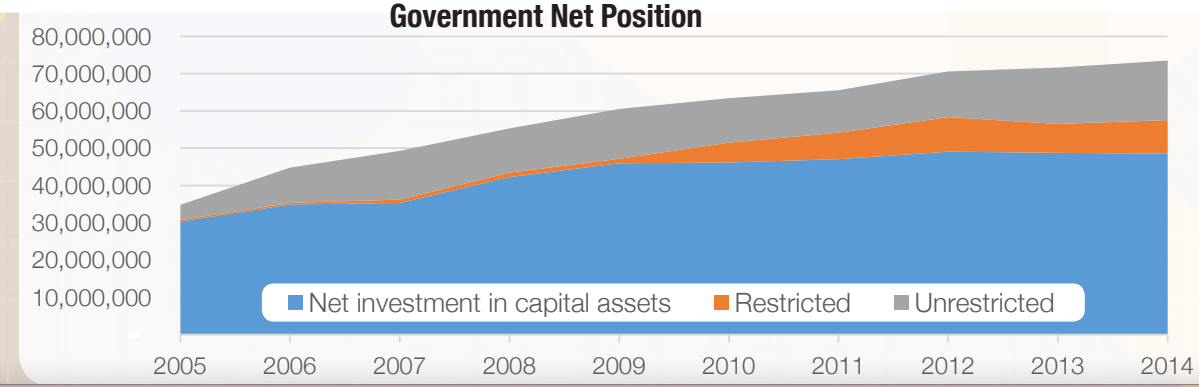
Demographic and Economic Information.....S-19
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information.....S-21
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.

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
accrual basis of accounting

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	$ 28,249,009	$ 33,073,810	$ 33,646,308	$ 40,607,100	$ 44,325,054	$ 44,567,430	$ 44,574,711	$ 46,621,467	$ 46,345,264	$ 46,099,920
Restricted	412,328	431,859	896,330	1,187,335	1,201,842	5,324,060	7,106,408	9,258,180	7,751,943	9,014,457
Unrestricted	4,286,986	9,364,267	12,900,880	11,627,299	13,062,447	11,357,212	11,402,670	12,074,139	14,650,624	15,397,429
Total governmental activities net position	32,948,323	42,869,936	47,443,518	53,421,734	58,589,343	61,248,702	63,083,789	67,953,786	68,747,831	70,511,806
Business-type activities [1]										
Net investment in capital assets	2,095,895	1,843,832	1,679,987	1,654,001	1,636,320	1,600,503	2,493,896	2,462,489	2,417,932	2,435,908
Unrestricted	(212,792)	91,143	168,686	238,701	307,676	566,975	(18,533)	171,054	460,124	557,100
Total business-type activities net position	1,883,103	1,934,975	1,848,673	1,892,702	1,943,996	2,167,478	2,475,363	2,633,543	2,878,056	2,993,008
Primary government										
Net investment in capital assets	30,344,904	34,917,642	35,326,295	42,261,101	45,961,374	46,167,933	47,068,607	49,083,956	48,763,196	48,535,828
Restricted	412,328	431,859	896,330	1,187,335	1,201,842	5,324,060	7,106,408	9,258,180	7,751,943	9,014,457
Unrestricted	4,074,194	9,455,410	13,069,566	11,866,000	13,370,123	11,924,187	11,384,137	12,245,193	15,110,748	15,954,529
Total government net position	$ 34,831,426	$ 44,804,911	$ 49,292,191	$ 55,314,436	$ 60,533,339	$ 63,416,180	$ 65,559,152	$ 70,587,329	$ 71,625,887	$ 73,504,814



NOTES:

(1) Business-type activities growth in 2010 net position 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.



SculpTour by **City of Suwanee**

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
accrual basis of accounting

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses					
Governmental activities:					
General government	$ 1,385,716	$ 1,464,204	$ 1,772,717	$ 2,139,085	$ 2,126,146
Judicial	236,030	273,744	338,893	375,035	381,887
Public safety	2,643,854	2,800,988	3,117,470	3,364,444	3,524,548
Public works [1]	1,742,494	1,697,500	3,139,104	3,005,155	3,663,485
Culture and recreation	185,431	359,366	445,790	523,503	464,973
Housing and development [2]	1,166,798	811,030	1,030,864	1,172,061	959,983
Tourism and trade	184,247	95,361	106,490	150,132	379,703
Interest on long-term debt	943,654	890,884	984,469	1,001,643	964,856
Total governmental activities expenses	8,488,224	8,393,077	10,935,797	11,731,058	12,465,581
Business-type activities:					
Water and sewer	102,649	89,076	221,391	121,573	163,963
Total business-type activities expenses	102,649	89,076	221,391	121,573	163,963
Total government expenses	$ 8,590,873	$ 8,482,153	$ 11,157,188	$ 11,852,631	$ 12,629,544
Program revenues					
Governmental activities:					
Charge for services:					
General government	$ 157,176	$ 153,187	$ 191,775	$ 181,725	$ 192,180
Public safety	1,049,768	1,099,754	1,598,134	1,398,958	1,119,116
Public works	118	3,428	-	-	-
Culture and recreation	-	-	44,603	40,017	13,260
Housing and development [3]	842,076	1,222,129	958,265	940,952	183,967
Operating grants and contributions [4]	70,721	112,663	15,878	56,104	101,024
Capital grants and contributions [5]	10,352,655	7,591,307	3,746,820	3,855,487	5,000,464
Total governmental activities program revenues	12,472,514	10,182,468	6,555,475	6,473,243	6,610,011
Business-type activities:					
Charge for services:					
Water and sewer	73,964	103,714	97,296	93,405	64,658
Capital grants and contributions [6]	-	-	-	-	-
Total business-type activities program revenues	73,964	103,714	97,296	93,405	64,658
Total government program revenues	$ 12,546,478	$ 10,286,182	$ 6,652,771	$ 6,566,648	$ 6,674,669
Net (expense)/revenue					
Governmental activities	$ 3,984,290	$ 1,789,391	$ (4,380,322)	$ (5,257,815)	$ (5,855,570)
Business-type activities	(28,685)	14,638	(124,095)	(28,168)	(99,305)
Total government net expenses	$ 3,955,605	$ 1,804,029	$ (4,504,417)	$ (5,285,983)	$ (5,954,875)

(continued)

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General government	$ 2,099,857	$ 2,322,019	$ 2,700,781	$ 2,305,973	$ 2,292,068
Judicial	313,015	292,492	301,056	292,101	330,822
Public safety	3,664,152	3,820,293	3,534,734	3,967,481	4,196,704
Public works [1]	3,288,472	3,571,459	3,420,275	4,373,999	4,102,997
Culture and recreation	404,798	986,196	865,504	903,031	860,294
Housing and development [2]	854,357	836,946	856,126	1,043,376	1,100,089
Tourism and trade	313,034	206,151	201,986	223,291	257,322
Interest on long-term debt	924,622	882,684	842,818	807,603	777,418
Total governmental activities expenses	11,862,307	12,918,240	12,723,280	13,916,855	13,917,714
Business-type activities:					
Water and sewer	127,954	131,913	110,069	109,558	119,767
Total business-type activities expenses	127,954	131,913	110,069	109,558	119,767
Total government expenses	$ 11,990,261	$ 13,050,153	$ 12,833,349	$ 14,026,413	$ 14,037,481
Program revenues					
Governmental activities:					
Charge for services:					
General government	$ 186,490	$ 187,156	$ 214,742	$ 214,416	$ 225,269
Public safety	1,388,226	1,315,848	1,209,555	1,046,161	1,616,598
Public works	-	-	-	-	-
Culture and recreation	11,086	19,363	32,111	33,695	30,941
Housing and development [3]	167,414	262,091	420,085	443,094	374,743
Operating grants and contributions [4]	105,380	136,876	2,160,502	1,115,960	982,857
Capital grants and contributions [5]	2,138,237	2,572,310	3,156,081	2,553,174	2,482,730
Total governmental activities program revenues	3,996,833	4,493,644	7,193,076	5,406,500	5,713,138
Business-type activities:					
Charge for services:					
Water and sewer	62,501	97,113	118,172	153,714	133,790
Capital grants and contributions [6]	-	192,018	-	-	-
Total business-type activities program revenues	62,501	289,131	118,172	153,714	133,790
Total government program revenues	$ 4,059,334	$ 4,782,775	$ 7,311,248	$ 5,560,214	$ 5,846,928
Net (expense)/revenue					
Governmental activities	$ (7,865,474)	$ (8,424,596)	$ (5,530,204)	$ (8,510,355)	$ (8,204,576)
Business-type activities	(65,453)	157,218	8,103	44,156	14,023
Total government net expenses	$ (7,930,927)	$ (8,267,378)	$ (5,522,101)	$ (8,466,199)	$ (8,190,553)

(continued)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
accrual basis of accounting

(continued)

	Fiscal Year				
	2005	2006	2007	2008	2009
General revenues and other changes in net position					
Governmental activities:					
Taxes					
Property taxes	$ 3,525,468	$ 3,892,897	$ 4,553,033	$ 5,371,353	$ 5,984,107
Franchise fees	714,216	851,466	982,694	1,521,682	1,777,986
Alcoholic beverage taxes	646,093	759,968	799,075	794,986	795,413
Other taxes	1,592,896	1,720,586	1,894,874	1,976,529	2,019,643
Rental Income	-	-	-	-	175,000
Unrestricted investment earnings	236,064	368,047	741,932	911,384	373,582
Miscellaneous	30,272	18,397	18,696	42,697	47,448
Transfers	-	(36,400)	(36,400)	(70,600)	(150,000)
Special item gain on sale of capital asset [7]	1,445,096	557,261	-	688,000	-
Total governmental activities	8,190,105	8,132,222	8,953,904	11,236,031	11,023,179
Business-type activities:					
Unrestricted investment earnings	437	834	1,393	1,597	599
Transfers	-	36,400	36,400	70,600	150,000
Total business-type activities	437	37,234	37,793	72,197	150,599
Total government	$ 8,190,542	$ 8,169,456	$ 8,991,697	$ 11,308,228	$ 11,173,778
Change in net position					
Governmental activities	$ 12,174,395	$ 9,921,613	$ 4,573,582	$ 5,978,216	$ 5,167,609
Business-type activities	(28,248)	51,872	(86,302)	44,029	51,294
Total government	$ 12,146,147	$ 9,973,485	$ 4,487,280	$ 6,022,245	$ 5,218,903

NOTES:

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

(2) Fiscal year 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 2005 Special Purpose Local Option Sales Tax. In total the City was allocated $6,597,000 over 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.

(continued)

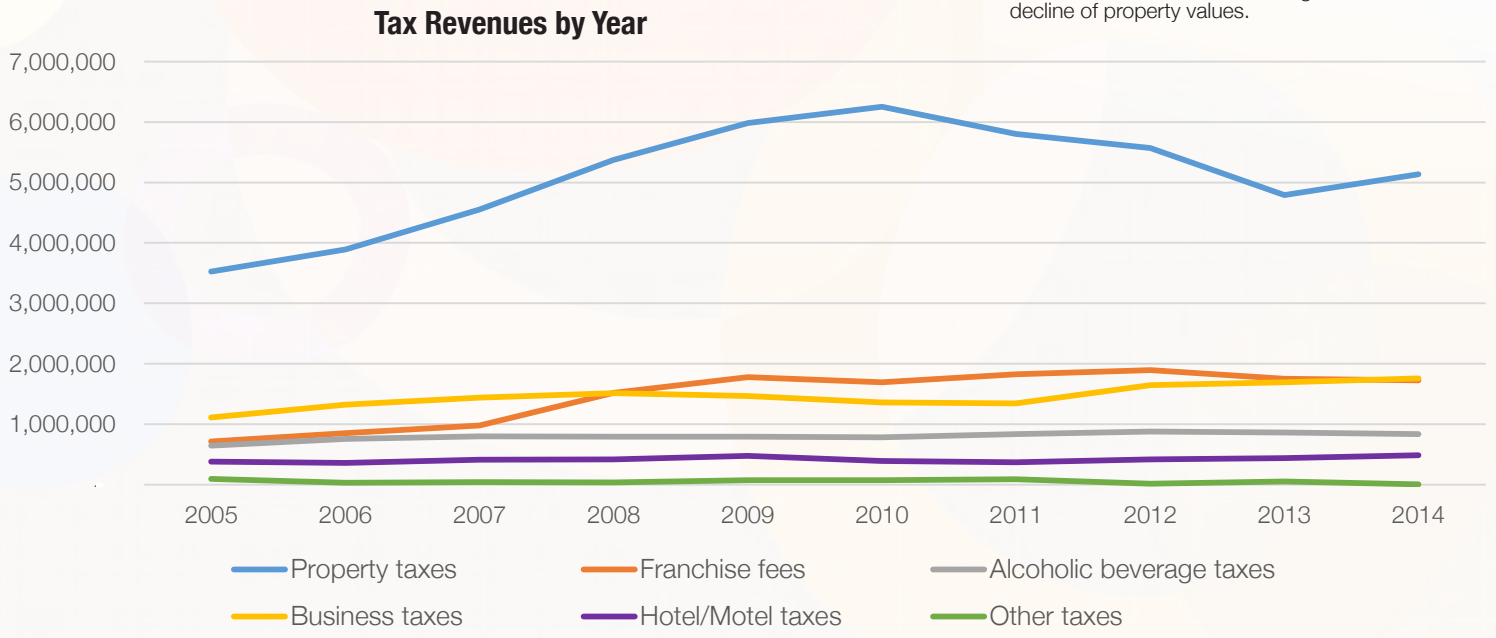
	Fiscal Year				
	2010	2011	2012	2013	2014
General revenues and other changes in net position					
Governmental activities:					
Taxes					
Property taxes	$ 6,254,003	$ 5,801,792	$ 5,568,706	$ 4,790,195	$ 5,134,943
Franchise fees	1,694,211	1,825,464	1,897,907	1,755,375	1,724,565
Alcoholic beverage taxes	784,189	836,438	881,679	865,862	835,071
Other taxes	1,826,442	1,812,445	2,083,173	2,190,080	2,252,424
Rental Income	-	-	-	-	-
Unrestricted investment earnings	231,739	105,368	56,663	31,708	41,835
Miscellaneous	21,699	28,176	62,073	37,579	79,713
Transfers	(287,450)	(150,000)	(150,000)	(200,000)	(100,000)
Special item gain on sale of capital asset [7]	-	-	-	-	-
Total governmental activities	10,524,833	10,259,683	10,400,201	9,470,799	9,968,551
Business-type activities:					
Unrestricted investment earnings	1,485	667	77	357	929
Transfers	287,450	150,000	150,000	200,000	100,000
Total business-type activities	288,935	150,667	150,077	200,357	100,929
Total government	$ 10,813,768	$ 10,410,350	$ 10,550,278	$ 9,671,156	$ 10,069,480
Change in net position					
Governmental activities	$ 2,659,359	$ 1,835,087	$ 4,869,997	$ 960,444	$ 1,763,975
Business-type activities	223,482	307,885	158,180	244,513	114,952
Total government	$ 2,882,841	$ 2,142,972	$ 5,028,177	$ 1,204,957	$ 1,878,927

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
accrual basis of accounting

Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
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
2013 [1]	4,790,195	1,755,375	865,862	1,693,350	442,293	54,437	9,601,512
2014	5,134,943	1,724,565	835,071	1,757,237	489,208	5,979	9,947,003

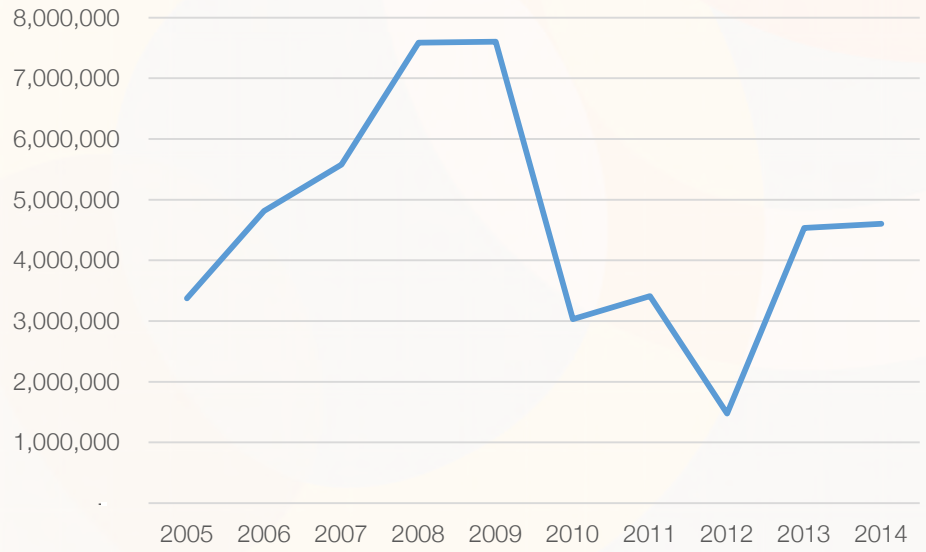
NOTES:

(1) Property tax revenue decrease in fiscal year 2013 is due to a reduction in the millage rate and not a decline of property values.



FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
modified accrual basis of accounting

	Fiscal Year									
	2005	2006	2007 [1]	2008 [2]	2009	2010 [3]	2011 [4]	2012 [5]	2013 [6]	2014
General fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 71,057	$ -	$ 10,507
Restricted	-	-	-	-	-	-	-	2,276,207	-	-
Committed	-	-	-	-	-	4,122,132	3,948,073	4,000,813	4,054,997	3,726,627
Assigned	-	-	-	-	-	-	222,520	-	-	-
Unassigned	3,372,190	4,811,236	5,580,537	7,585,561	7,602,716	3,034,066	3,408,881	1,478,613	4,534,625	4,603,911
Total general fund	3,372,190	4,811,236	5,580,537	7,585,561	7,602,716	7,156,198	7,579,474	7,826,690	8,589,622	8,341,045
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	1,245,335	1,245,335
Restricted	4,936,628	6,022,560	14,696,502	11,044,085	5,056,712	5,324,060	7,106,408	6,981,973	7,753,653	8,995,204
Assigned reported in:										
Capital projects funds	1,361,902	2,366,254	3,421,677	3,554,015	2,766,928	2,921,975	2,857,086	4,912,866	3,477,767	4,314,150
Unassigned reported in:	-	-	-	-	-	-	-	-	(1,710)	-
Total all other governmental funds	6,298,530	8,388,814	18,118,179	14,598,100	7,823,640	8,246,035	9,963,494	11,894,839	12,475,045	14,554,689
Total all governmental funds	$ 9,670,720	$ 13,200,050	$ 23,698,716	$ 22,183,661	$ 15,426,356	$ 15,402,233	$ 17,542,968	$ 19,721,529	$ 21,064,667	$ 22,895,734



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.

(6) In fiscal year 2013, the court ordered supersedeas sum restriction was removed by the court.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
modified accrual basis of accounting

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Revenues						
Taxes	$ 6,568,233	$ 6,964,788	$ 8,294,787	$ 9,691,558	$ 10,519,134	$ 10,151,444
Licenses and permits	944,046	1,295,038	1,112,874	1,057,705	368,872	349,965
Intergovernmental revenues [1]	1,246,165	1,791,220	2,404,446	1,839,454	2,409,230	2,120,383
Charges for services	124,957	121,907	252,617	227,015	111,630	64,237
Fines and forfeitures [2]	980,134	1,061,554	1,427,286	1,276,932	1,028,021	1,334,381
Investment income	236,064	368,047	741,932	911,384	373,583	258,468
Rental Income	-	-	-	-	4,375	22,134
Contributions and donations	107,259	107,765	89,459	120,792	101,024	96,504
Miscellaneous	25,982	18,397	18,696	35,147	47,448	21,699
Total revenues	10,232,840	11,728,716	14,342,097	15,159,987	14,963,317	14,419,215
Expenditures						
General government	1,269,468	1,425,760	1,790,183	1,819,852	1,968,513	1,907,235
Judicial	236,046	293,230	336,751	380,788	387,298	334,362
Public safety	2,614,816	2,857,796	3,263,380	3,352,436	3,616,191	3,664,123
Public works	855,276	727,045	945,779	1,244,904	1,508,438	1,392,588
Culture and recreation	213,019	252,213	397,830	408,287	350,835	264,219
Housing and development	1,158,423	820,148	1,043,695	1,186,880	1,031,681	857,222
Tourism and trade	184,247	95,361	106,490	150,132	379,703	313,034
Capital outlay [3]	1,121,063	1,279,304	1,593,194	7,090,436	10,678,581	3,735,144
Debt service: [4]						
Principal	1,697,556	429,648	460,637	737,594	779,215	784,861
Interest and fiscal charges	943,655	890,884	973,937	1,001,255	964,483	924,263
Bond issuance costs	-	-	260,392	-	-	-
Total expenditures	10,293,569	9,071,389	11,172,268	17,372,564	21,664,938	14,177,051
Excess of revenues over (under) expenditures	(60,729)	2,657,327	3,169,829	(2,212,577)	(6,701,621)	242,164
Other financing sources (uses)						
Proceeds from capital lease	68,725	133,403	139,247	72,573	94,316	-
Transfer in	4,196,919	2,897,396	2,688,110	2,952,926	4,192,169	4,461,099
Transfer out	(4,196,919)	(2,933,796)	(2,724,510)	(3,023,526)	(4,342,169)	(4,748,549)
Sale of capital assets	4,422	-	-	7,550	-	21,165
Bond proceeds [5]	-	-	6,620,000	-	-	-
Refunded bonds issued [6]	-	-	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)	73,147	97,003	7,328,837	9,523	(55,684)	(266,285)
Special item - Sale of land	2,208,051	775,000	-	688,000	-	-
Net change in fund balances	$ 2,220,469	$ 3,529,330	$ 10,498,666	$ (1,515,054)	$ (6,757,305)	$ (24,121)
Total non capital expenditures [7]	$ 6,540,086	$ 6,552,674	$ 8,559,028	$ 8,641,844	$ 8,680,600	$ 10,542,012
Debt service as a percentage of non capital expenditures	40.4%	20.2%	19.8%	20.1%	20.1%	16.2%

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
modified accrual basis of accounting

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	$ 10,431,766	$ 10,446,731	$ 9,999,238	$ 10,025,351
Licenses and permits	441,763	613,838	648,686	588,696
Intergovernmental revenues [1]	2,042,536	4,186,284	3,423,706	3,212,403
Charges for services	72,455	106,325	106,532	110,438
Fines and forfeitures [2]	1,257,885	1,147,017	970,895	1,537,086
Investment income	127,186	73,733	49,953	61,057
Rental Income	32,502	50,982	53,768	54,722
Contributions and donations	121,672	123,460	132,108	178,261
Miscellaneous	25,529	37,904	38,047	36,322
Total revenues	14,553,294	16,786,274	15,422,933	15,804,336
Expenditures				
General government	2,191,393	2,275,762	2,220,049	2,154,204
Judicial	298,827	310,091	297,447	336,529
Public safety	3,830,303	3,896,084	4,007,183	4,178,440
Public works	1,464,606	1,621,691	1,680,946	1,763,944
Culture and recreation	372,874	375,405	422,315	378,364
Housing and development	871,702	953,767	1,072,554	1,123,406
Tourism and trade	206,151	201,986	223,291	257,322
Capital outlay [3]	1,370,219	3,217,098	2,374,332	2,102,221
Debt service: [4]				
Principal	775,959	765,795	780,000	810,000
Interest and fiscal charges	882,340	842,489	807,290	777,121
Bond issuance costs	-	-	-	-
Total expenditures	12,264,374	14,460,168	13,885,407	13,881,551
Excess of revenues over (under) expenditures	2,288,920	2,326,106	1,537,526	1,922,785
Other financing sources (uses)				
Proceeds from capital lease	-	-	-	-
Transfer in	3,365,144	2,783,515	2,898,204	2,025,294
Transfer out	(3,515,144)	(2,933,515)	(3,098,204)	(2,125,294)
Sale of capital assets	1,815	2,455	5,612	8,282
Bond proceeds [5]	-	-	-	-
Refunded bonds issued [6]	-	-	-	-
Bond premium	-	-	-	-
Bond discount	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	(148,185)	(147,545)	(194,388)	(91,718)
Special item - Sale of land	-	-	-	-
Net change in fund balances	$ 2,140,735	$ 2,178,561	$ 1,343,138	$ 1,831,067
Total non capital expenditures [7]	$ 10,342,579	$ 9,985,369	$ 12,173,503	$ 12,147,575
Debt service as a percentage of non capital expenditures	16.0%	16.1%	13.0%	13.1%

NOTES:

(1) 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 was 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.

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

(3) 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.

(4) In fiscal year 2005, the City paid off the Urban Redevelopment loan.

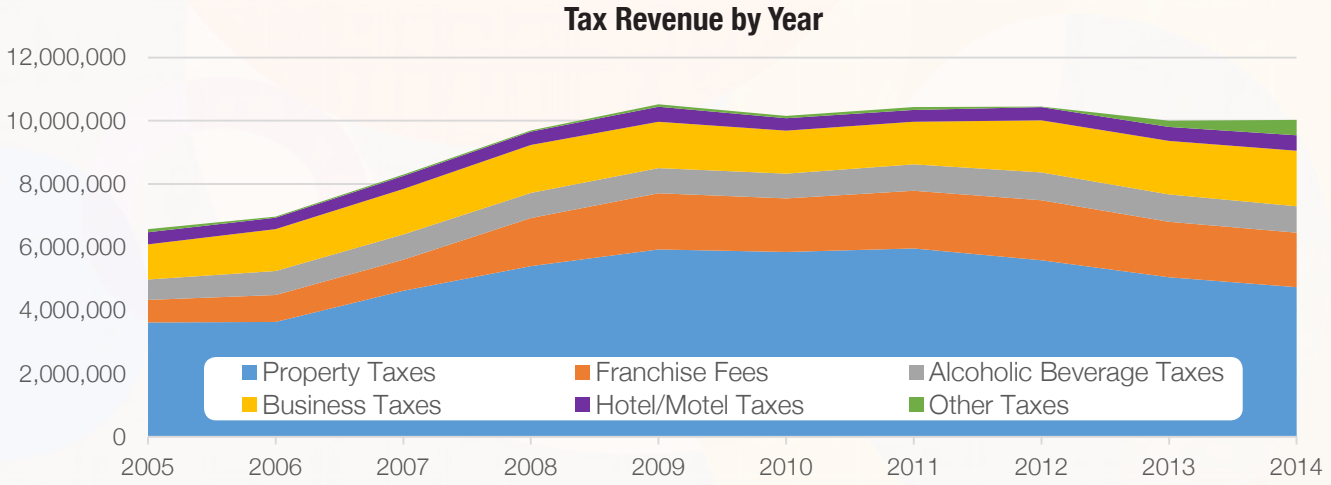
(5) In fiscal year 2007, the URA issued $6,620,000 in revenue bonds for the construction of the new City Hall at the URA property site.

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

(7) 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
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**
2013	5,045,704	1,755,375	865,862	1,693,350	442,293	196,654	**9,999,238**
2014	4,732,419	1,724,565	835,071	1,757,237	489,208	486,851	**10,025,351**



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]					
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%
2012	466,024,650	621,163,070	46,637,900	3,040	31,908,760	1,101,919,900	4.93	2,754,799,750	40%
2013	467,971,700	607,881,920	51,763,830	3,040	30,700,960	1,096,919,530	4.93	2,742,298,825	40%

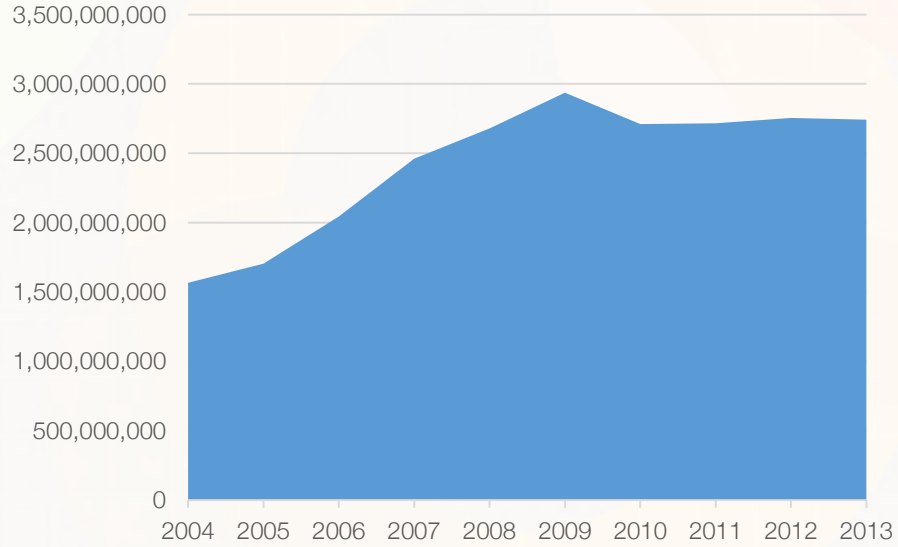
Source: Consolidated Digest Reports provided by Gwinnett County Tax Commissioner's Office.

NOTES:

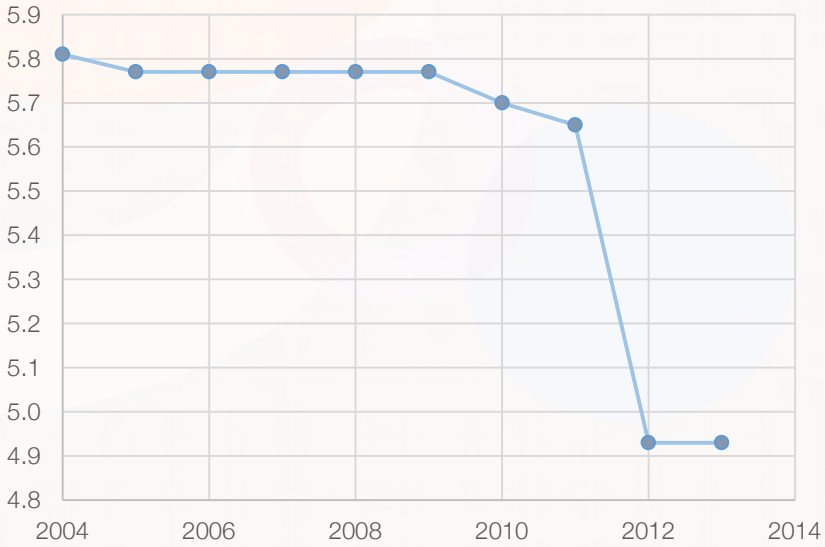
(1) Includes mobile homes, timber, and heavy equipment.

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

Estimated Taxable Value 2004-2013



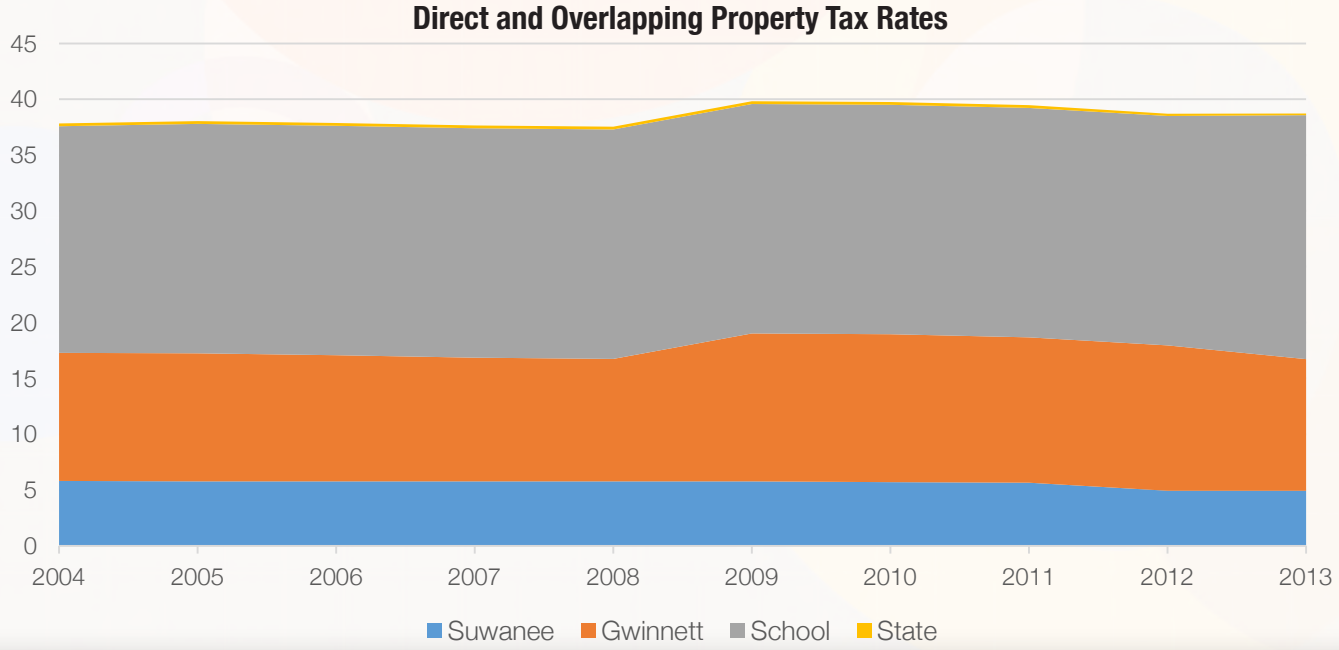
Millage Rate 2004-2013



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		
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
2012	3.15	1.78	-	4.93	11.78	0.24	-	1.00	13.02	19.25	1.30	20.55	0.20	38.70
2013	3.21	1.72	-	4.93	7.40	0.24	3.20	.95	11.79	19.80	2.05	21.85	0.15	38.72

Source: Gwinnett County Tax Commissioner website



PRINCIPAL PROPERTY TAXPAYERS

current and ten years ago (calendar year)

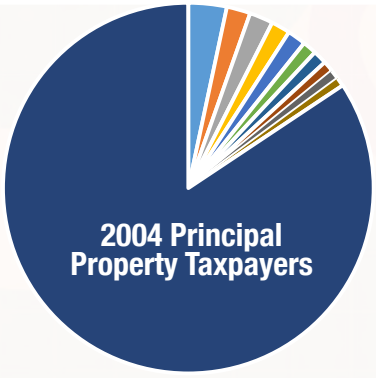
Taxpayer	2013 Taxable Assessed Value	2013 Rank	2013 Percentage of Total City Taxable Assessed Value	2004 Taxable Assessed Value	2004 Rank	2004 Percentage of Total City Taxable Assessed Value
Hewlett Packard Company	$ 23,850,980	1	2.2%			
AMLI Residential Properties, LP	23,600,000	2	2.2%			
Landmark at Grand Oasis, LP	14,835,380	3	1.3%			
Flowers Bakery of Suwanee	10,855,330	4	1.0%			
Wal-Mart	10,605,280	5	1.0%	$ 9,136,920	4	1.7%
Carlyle Centennial Suwanee Station, LP	10,520,000	6	0.9%			
James Campbell Company, LLC	7,276,800	7	0.7%			
Lowes Home Centers, Inc.	7,207,400	8	0.7%			
Quality Investment Properties	7,090,080	9	0.6%			
Gwinnett Prado LP	7,038,800	10	0.6%	5,289,600	8	1.0%
Caswyck-McGinnis, LLC				18,444,680	1	3.3%
Schwans Bakery Operations, LLC				11,427,010	2	2.1%
Harrington Farms, LLC				11,343,880	3	2.1%
AMB Property, LP				8,877,130	5	1.6%
Motorola, Inc.				6,670,800	6	1.2%
AMB-SCP Georgia, LLC				6,600,000	7	1.2%
Systemax Suwanee, LLC				4,518,800	9	0.8%
Horizon Creek I, LP				4,105,980	10	0.7%
Totals	$ 122,880,050		11.2%	$ 86,414,800		15.7%

NOTES:

Source: 2013 and 2004 Tax Digest.



- Hewlett Packard Company
- AMLI Residential Properties LP
- Landmark at Grand Oasis LP
- Flowers Bakery of Suwanee
- Wal-Mart
- Carlyle Centennial Suwanee Station LP
- James Campbell Company LLC
- Lowes Home Centers, Inc.
- Quality Investment Properties
- Gwinnett Prado LP
- All Other Taxpayers



- Caswyck-McGinnis LLC
- Schwans Bakery Operations LLC
- Harrington Farms LLC
- Wal-Mart
- AMB Property LP
- Motorola, Inc.
- AMB-SCP Georgia
- Gwinnett Prado LP
- Systemax Suwanee LLC
- Horizon Creek I LP
- 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		
2005	$ 3,291,780	$ 3,255,174	98.9%	$ 36,606	$ 3,291,780	100.0%	$ 132,844	4.0%
2006	3,518,199	3,266,243	92.8%	251,956	3,518,199	100.0%	354,740	10.1%
2007	4,296,745	4,201,861	97.8%	94,884	4,296,745	100.0%	272,965	6.4%
2008	5,113,824	4,948,534	96.8%	152,469	5,101,003	99.7%	247,824	4.8%
2009	5,655,551	5,441,113	96.2%	195,283	5,636,396	99.7%	311,371	5.5%
2010	5,972,640	5,467,352	91.5%	479,483	5,946,835	99.6%	739,476	12.4%
2011	5,568,361	5,323,252	95.6%	212,332	5,535,584	99.4%	592,526	10.6%
2012	5,192,082	5,056,083	97.4%	109,898	5,165,981	99.4%	547,264	10.5%
2013	4,498,518	4,422,212	98.3%	48,045	4,470,257	99.4%	302,137	6.7%
2014	4,384,928	4,322,848	98.6%	-	4,322,848	98.6%	206,999	4.7%

NOTES:

(1) Relates to preceding calendar year digest.

(2) These columns are presented to satisfy continuing disclosure requirements for 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 Government	Percentage of Personal Income [4]	Per Capita [4]
	General Obligation Bonds [1]	Revenue Bonds [2]	Capital Leases				
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
2013	14,465,000	5,095,000	-	-	19,560,000	3.79%	1,247
2014	13,940,000	4,810,000	-	-	18,750,000	3.14%	1,098

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) 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-19 provides information on personal income and population.

RATIO OF GENERAL BONDED DEBT OUTSTANDING
last ten fiscal years

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	
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	-	-
2013	14,465,000	1,347,866	13,117,134	0.48%	836	5,095,000	-	-
2014	13,940,000	1,265,165	12,674,835	0.46%	742	4,810,000	-	-

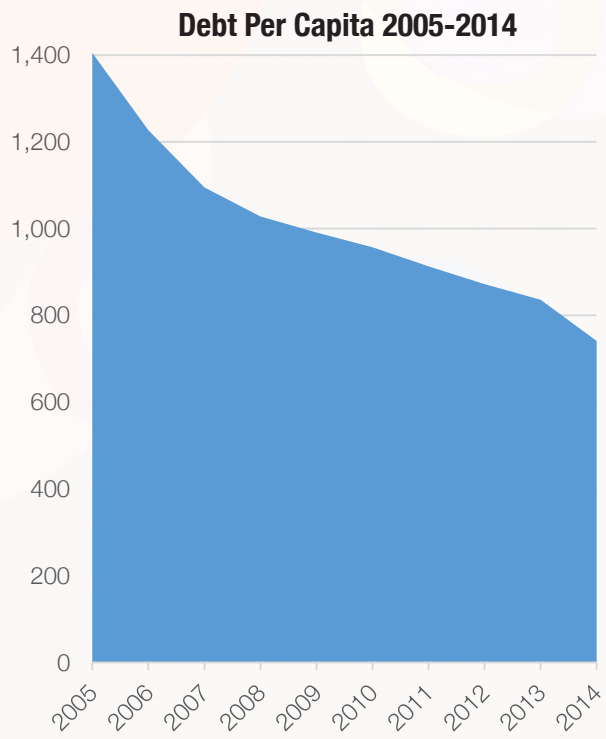
NOTES:
(1) Details of estimated actual taxable value of property can be found on page S-13.
(2) Details of population data can be found on page S-19.

Direct and overlapping governmental activities debt as of June 30, 2014

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Suwanee General Obligation Bonds	$ 13,940,000	100.00%	$ 13,940,000
Overlapping Debt: [1]			
Gwinnett County General Obligation Bonds	24,361,643	4.62%	1,125,508
Gwinnett County Board of Education	1,001,340,000	4.62%	46,261,908
Total Overlapping Debt	1,025,701,643		47,387,416
Total Direct General Obligation and Overlapping Debt	$ 1,039,641,643		$ 61,327,416

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, 2013.
Gwinnett County Board of Education, June 30, 2014.



LEGAL DEBT MARGIN INFORMATION
last ten fiscal years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed value of all taxable property	$ 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	$ 1,101,919,900	$ 1,096,919,530
Debt limit: 10% of assessed value	62,659,465	68,170,053	81,781,025	98,440,612	107,164,192	117,471,330	108,426,746	108,648,478	110,191,990	109,691,953
Total net debt applicable to limit	16,327,672	15,973,141	16,298,670	15,607,665	15,168,158	14,702,932	14,125,505	13,631,622	13,117,134	12,674,835
Legal debt margin	$ 46,331,793	$ 52,196,912	$ 65,482,355	$ 82,832,947	$ 91,996,034	$ 102,768,398	$ 94,301,241	$ 95,016,856	$ 97,074,856	$ 97,017,118
Total net debt applicable to the limit as a percentage of debt limit	26.06%	23.43%	19.93%	15.85%	14.15%	12.52%	13.03%	12.55%	11.90%	11.55%

Legal Debt Margin Calculation for Fiscal Year 2014	
Assessed value	$ 1,096,919,530
Debt limit: 10% of total assessed value	109,691,953
Debt applicable to limit	
General obligation bond	13,940,000
Less: Amount set aside for repayment of general obligation debt	1,265,165
Total net debt applicable to limit	12,674,835
Legal debt margin	$ 97,017,118

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 [1]	Personal Income [2]	Per Capita Personal Income	Unemployment Rate [3]	Residential Construction Value [4]	Commercial Construction Value [4]
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
2013	15,683	515,359,063	32,861	5.6%	26,684,558	7,725,320
2014	17,081	596,895,545	34,945	4.8%	25,488,011	30,470,078

Sources:

(1) City of Suwanee Planning Department Fiscal Year 2005- 2014.

(2) Bureau of Economic Analysis.

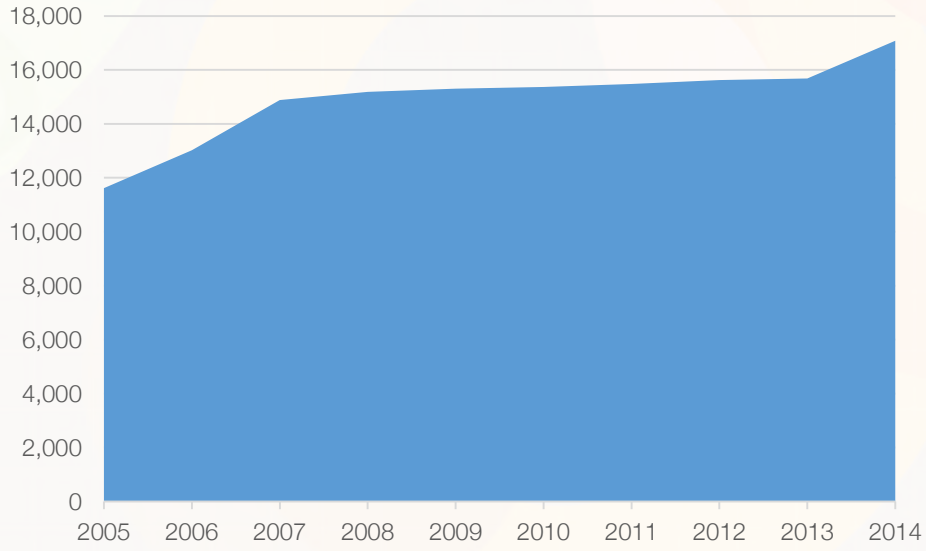
(3) Georgia Department of Labor, not seasonally adjusted.

(4) City of Suwanee Planning and Development Permit Summary Calendar Year.

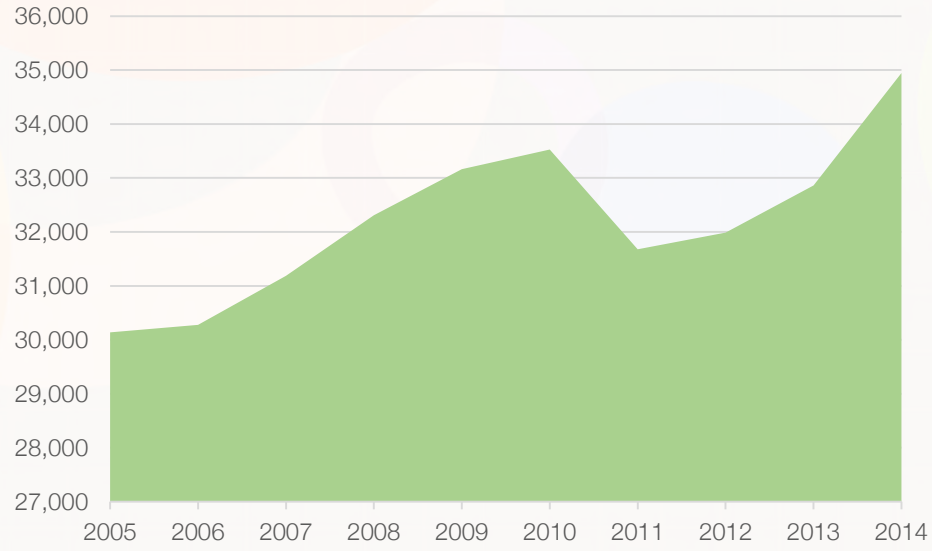
NOTE:

Population estimates fiscal years 2005-2009 have been restated to reflect the 2010 United States census.

Population Changes 2005-2014



Per Capita Personal Income 2005-2014



PRINCIPAL EMPLOYERS
current year and ten years ago

Employer	2014			2004		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Southeastern Freight Lines, Inc.	402	1	3.42%	355	3	5.75%
Meggitt Training Systems, Inc.	300	2	2.55%			
Wal-Mart	286	3	2.43%	400	1	6.48%
Staffing Solutions Southeast	280	4	2.38%			
Kroger Company	184	5	1.56%	123	8	2.0%
Flowers Bakery	177	6	1.51%			
Publix Supermarkets (1)	160	7	1.36%	270	6	4.38%
Quality Technology Services	135	8	1.15%			
Lowes	125	9	1.06%			
Blockbuster Textiles, Inc.	120	10	1.02%			
Dish Network/Echosphere Corporation				400	1	6.48%
Schwans Bakery Operations, LLC				330	4	5.35%
Systemax-Global Computer Supplies, Inc. (2)				300	5	4.86%
Cracker Barrel Old Country Store, Inc.				124	7	2.01%
Klockner Namasco Corporation				100	9	1.62%
State Farm Insurance Company				100	9	1.62%

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.

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
last ten fiscal years

Function	Full-time Equivalent Employees as of June 30, 2014									
	2005	2006	2007	2008	2009 [1]	2010 [2]	2011 [3]	2012	2013	2014
General Government										
Chief Executive	3	4	4	4	3	3	3	3	3	3
General Administration	3	2	2	2	2	2	2	2	2	2
Financial Administration	5	5	5	7	7	7	8	8	8	8
Public Information	-	-	1	1	1	1	1	1	1	1
Judicial	2	3	4	4	3	3	3	3	3	3
Public Safety										
Police Administration	3	3	3	3	3	3	3	3	3	3
Criminal Investigation	3	3	3	4	4	4	3	3	4	4
Patrol	23	22	23	24	26	25	28	28	28	28
Records and Identification	1	1	1	1	1	1	1	1	1	1
Police Training	-	-	-	-	-	1	1	1	1	1
Dispatcher	6	7	7	7	7	7	7	7	7	8
Public Relations	1	1	1	1	1	1	1	1	1	1
Targeted Police	2	2	2	2	2	2	-	-	-	-
Public Works	8	9	10	13	15	15	15	15	15	15
Housing and Development										
Protective Inspection	4	4	4	4	1	1	1	1	1	1
Planning & Zoning	3	4	4	4	5	5	5	5	5	5
Economic Development	1	1	1	2	3	3	4	4	4	4
Total	**68**	**71**	**75**	**83**	**84**	**84**	**86**	**86**	**87**	**88**

NOTES:

(1) In fiscal year 2009, the Administrative Secretary position was moved from Chief Executive to Planning and Zoning and the Public Works and 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Business licenses issued	1,219	1,376	1,501	1,563	1,687	1,721	1,720	1,775	1,754	1719
Number of parcels and improvements	7,260	7,854	9,018	10,950	11,693	11,859	11,897	12,004	12,297	12,336
Judicial										
Cases processed	8,945	11,860	11,102	12,447	9,680	12,411	14,883	13,089	7,874	12,300
Non-jury trials	*	325	300	240	288	335	319	462	154	200
Jury trials	*	130	80	98	84	171	220	370	355	198
Warrants issued	321	510	347	242	205	180	236	297	212	240
Police										
Calls for service	26,668	27,125	25,076	28,153	37,511	39,453	41,964	43,926	33,511	47,626
Traffic accidents	1,099	1,140	1,223	1,219	1,141	1,113	1,158	1,086	1,157	1,178
Part I offenses	445	416	408	511	633	528	505	452	443	484
Traffic citations	9,981	11,407	10,650	10,271	10,627	11,715	12,865	11,797	7,678	12,403
Public works										
Work orders	*	3,699	3,780	4,176	4,690	6,151	3,685 (1)	5,294	5,175	5,371
Street overlay (lane miles)	1.26	1.73	1.16	4.91	3.85	1.51	-	3.88	6.63	6.8
Hours of litter pick-up service provided	434	516	538	645	791	585	605	985	876	941
Culture and recreation										
Number of annual city-sponsored events	16	14	16	25	21	17	21	17	33	22
Number of annual non-city sponsored events	2	10	8	7	11	15	16	16	16	14
Suwanee Fest attendance	30,000	30,000	28,000	40,000	42,000	8,000 (2)	40,000	45,000	50,000	8,500 (2)
Protective Inspection										
Number of residential permits	295	557	460	184	101	65	108	173	200	220
Number of total construction permits	538	793	686	538	359	174	224	242	284	301
Number of sign permits	210	250	292	380	373	255	268	295	324	227
Planning and Zoning										
Zoning certification letters	24	29	25	29	12	7	6	12	10	16
Rezoning cases processed	13	14	18	11	2	1	5	5	5	4
Special use permits processed	4	2	4	6	10	2	5	5	2	4
Variances processed	16	13	16	24	17	7	6	7	6	9
Development review	24	35	40	52	26	6	9	19	28	11
Development permits	21	26	34	25	14	6	9	8	14	8
Water										
Average daily consumption in gallons	45,128	46,848	48,508	46,817	48,739	43,306	44,625	46,257	45,863	47,612

* Detailed information not available.

(1) Overhauled work order system-some work orders combined.

(2) Low attendance due to inclement weather.

Source:

Various City departments

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Administration										
Vehicles	2	2	2	2	1	1	1	1	1	1
Police										
Patrol Units	27	26	30	32	39	41	40	41	30	41
Other Police Vehicles	4	5	4	4	4	4	4	4	15	10
Public Works										
Vehicles	5	6	8	10	11	15	15	16	17	18
Street (Miles) [1]	44	54	59	60	60	62	63	62	62	63
Streetlights	620	710	710	791	835	855	911	928	968	981
Culture and Recreation										
Acreage	233	233	246	293	342	366	372	372	372	372
Park Sites	13	13	15	15	15	15	15	15	15	15
Public Art	3	5	4	4	5	5	7	11	14	14
Water										
Water Mains (Miles)	5.5	5.5	5.5	6.5	6.5	6.5	6.8	6.8	6.8	6.8
Storage Capacity [2]	60,000	150,000	150,000	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	3

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, 2014

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	05/01/13	04/30/14	$ 32,998
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	05/01/13	04/30/14	79,701
Automobile Liability	Damages of bodily injury or property caused by an occurrence	$1,000,000 combined single limit, $1,000 deductible	GIRMA	SU-3	05/01/13	04/30/14	48,599
Law Enforcement Liability	False arrest / wrongful imprisonment Assault & Battery	$1,000,000 limit each claim no aggregate limit, $1,000 deductible	GIRMA	SU-3	05/01/13	04/30/14	20,326
PROPERTY							
Property Including Equipment	Blanket building and content Business interruption Property in transit	$19,972,622 total insured value building & content replacement cost	GIRMA	SU-3	05/01/13	04/30/14	$ 19,854
Boiler & Machinery	Blanket building and content	$19,972,622 total insured value building & content replacement cost	GIRMA	SU-3	05/01/13	04/30/14	3,411
Environment Impairment Liability	Pollution coverage	Combined single limit $1,000,000 with a $2,000,000 aggregate / per occurrence $1,000 deductible	GIRMA	SU-3	05/01/13	04/30/14	25,434
OTHER CASUALTY							
Workers Compensation Self Insurance Fund	While Working		GMA	Cust # 312	01/01/13	12/31/13	$ 142,474
Automobile Physical Damage	All risks for scheduled city vehicles only	Automatic coverage for vehicles up to $100,000 $1,000 deductible	GIRMA	SU-3	05/01/13	04/30/14	14,503
Crime Coverage	Public employee dishonesty per loss	$500,000 limit with $1,000 deductible	GIRMA	SU-3	05/01/13	04/30/14	1,907
OTHER INSURANCE							
Employee Life Insurance	Basic Life	2 times annual salary, up to $200,000	Mutual of Omaha	GOOO-AGDS	07/01/13	06/30/14	$ 16,414
Dependent Life Insurance	Basic Life	$5,000 coverage for the spouse (if covered by me dical plan) $2,500 coverage for each child (if covered by medical plan)	Mutual of Omaha	GOOO-AGDS	07/01/13	06/30/14	(3)
Long Term Disability	90 day elimination period	60% benefit up to $5,000 until age 65	Mutual of Omaha	GOOO-AGDS	07/01/13	06/30/14	11,863
Short Term Disability	1st day accident / 8th day illness 13 week	60% weekly compensation up to $1,000	Mutual of Omaha	GOOO-AGDS	07/01/13	06/30/14	13,623
Medical	1st of the month following 30 days Open Access Plus In Network	Lifetime maximum - unlimited in network. $1,000 individual / $3,000 family deductible in network. $2,000 individual / $6,000 family maximum out of pocket. 90% covered after deductible met; some copays still apply	CIGNA OAPIN	00607884	07/01/13	06/30/14	901,444
	1st of the month following 30 days Open Access Plus Out of Network	Lifetime maximum - unlimited in and out of network. $500 individual / $1,500 family deductible in network. $1,000 individual / $3,000 family deductible out of network. Out of pocket: $1,000 individual / $3,000 family maximum in network; $5,000 individual / $15,000 family maximum out of network. After deductible met: 90% covered in network / 60% covered out of network. Some copays still apply	CIGNA OAP	00607884	07/01/13	06/30/14	(4)
	1st of the month following 30 days High Deductible Health Plan (HSA)	Lifetime maximum - unlimited in and out of network $2,500 individual / $5,000 family deductible in network $5,000 individual / $10,000 family deductible out of network. Out of pocket annual maximum $3,000 individual / $6,000 in network; $12,000 individual / $24,000 out of network	CIGNA HSA	00607884	07/01/13	06/30/14	(4)
Dental	Employee and Family	$1,500 maximum benefit per person per year $1,500 orthodontia benefit	Unum	0600133-0016	07/01/13	06/30/14	67,432

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 OAP out of network and HSA are included together under the OAPIN premiums total.

Sources: City of Suwanee HR and Finance Departments



COMPLIANCE SECTION

MAULDIN & JENKINS

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, 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, the financial statements of the governmental activities, the business-type activities, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 22, 2014



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