# CITY OF SUGAR HILL, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2011

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For the year ended December 31, 2011

Prepared by the City of Sugar Hill, Georgia Finance Department

## CITY OF SUGAR HILL, GEORGIA December 31, 2011

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## CITY OF SUGAR HILL, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

### **Introductory Section**



#### Letter of Transmittal

December 19, 2012

The Honorable Mayor Gary Pirkle, Members of The City Council and Citizens of the City of Sugar Hill Sugar Hill, Georgia 30518

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Sugar Hill, Georgia for the fiscal year ended December 31, 2011.

This report consists of management's representations concerning the finances of the City of Sugar Hill, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Sugar Hill, Georgia has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Sugar Hill's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefits, the City of Sugar Hill's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

The accounting firm of Wayne Ivey Bowen, Certified Public Accountant, Gainesville, Georgia, a licensed certified public accountant has audited the City of Sugar Hill's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sugar Hill for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Sugar Hill's financial statements for the fiscal year ended December 31, 2011; and are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent auditor's Report on Compliance and on Internal Control over Financial Reporting is presented on page 53.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The Introductory Section, which is unaudited, includes this transmittal letter, the City's organizational chart and an identification of principal officials.

The financial section includes the independent auditor's opinion letter, Management Discussion and Analysis (MD&A), basic financial statements for the entity as a whole, fund financial statements, notes to the financial statements, required supplementary information section which contains the major governmental fund statement of revenues, expenditures and changes in fund balance on a budget to actual basis, and the supplementary information section that includes the City's Schedules of Projects Constructed with SPLOST. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Sugar Hill's MD&A can be found immediately following the auditor's report.

The statistical section, which is also unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

#### **General Information**

The City of Sugar Hill, Georgia existed as a Georgia Militia District for many years before it was charted as a city on March 24, 1939. The "unofficial" story of how Sugar Hill got its name; a freight wagon traveling from the railroad in Buford to Cumming broke a wheel while on a steep hill, spilling its load of sugar all over the hill. The hill came to be called, "the hill where the sugar spilled." It was shortened to "The Sugar Hill" and then just to "Sugar Hill." Sugar Hill is located in the far northwest portion of Gwinnett County. In the early 1980's, Sugar Hill earned the Community of Pride designation through a program initiated by the Governor and administered through the Georgia Department of Community Affairs. Sugar Hill has become one of the premier communities of the Atlanta metro area.

The City operates under a council-manager form of government with a five member elected council, a mayor elected at large, and an appointed professional city manager. The Mayor and Council members serve overlapping four-year terms. The City manager handles daily administration and management, with policy and guidance provided by the Mayor and Council. The City provides a full range of services. These services include police protection, natural gas, cultural and recreational activities, planning and zoning, solid waste disposal through a contracted vendor, public golf course, and the construction and maintenance of highways, streets and infrastructure.

#### **Economic Condition and Outlook**

The City of Sugar Hill is the 3rd largest city in Gwinnett County. Located minutes from Lake Lanier, the Georgia Mountains and the City of Atlanta, citizens enjoy the country setting with less traffic, crime and congestion.

The area's unemployment rate in December 2011 was 8.4 percent, compared to 9.4 percent for Georgia's statewide rate and the same as the national rate of 8.4 percent. Atlanta is the primary economic engine for the area and therefore has enjoyed a better economic growth and stability than other parts of the country. The region's growth and economic diversity are expected to be the basis for continued health of the local economy in coming years.

One factor in measuring the economic condition of a community is its overall property fair value. Within the last five years, the Fair Market Value for the City of Sugar Hill has decreased to 7.1%. This was only down 1.1% from 2011. As the economy continues to face challenges, the City continues to operate efficiently and effectively by maintaining its property tax assessments while the trend for other areas is an increase. The Fair Market Values and percentages for the City are listed below.

### ESTIMATED FAIR VALUES (IN MILLIONS)

<u>YEAR</u>	FAIR <u>VALUES</u>	PERCENT <u>CHANGE</u>
2007	\$636.9	16.05%
2008	\$687.3	7.91%
2009	\$675.6	-1.70%
2010	\$629.4	-6.8%
2011	\$591.6	-6.0%

Source: Ga. Department of Revenue 2011 Tax Digest Consolidation Summary

As the general economy improves, the City anticipates more commercial development activity. Our optimism is based on several factors. First, the City is strategically located for future commercial development and the influx of revenues that this brings. The City is located off Highway 20 connecting Buford and Cumming. Along this corridor there are large tracts of land available for commercial, industrial and residential development. Plans are underway to improve and expand the highway that will accommodate the anticipated growth.

#### **Major Initiatives**

#### City Hall Facilities-

The City had outgrown the existing City Hall building it had occupied for approximately 38 years. The City contracted to have City Hall expanded and brought into ADA compliance. An elevator was installed and the Planning and Development Department was relocated to the new upstairs offices. The Planning and Development Department use to be located in a small white house behind City Hall. This house was demolished and more parking spaces were added. City Hall is the center of the City. Residents come here to sign up for gas service, apply for a business license, zoning needs and a post

office was opened in the fall of 2004. In 2010, the City became a Passport Acceptance Facility. This allows us to act as agents of the US Department of State in accepting passport applications and forwarding them for processing. There are plans for a new city hall to be opened in the year 2012.

#### Gas Meter and Pipe Replacement Program-

The City has completed the gas meter and pipe replacement program for the year. The City replaced approximately 137 gas meters and 3,000 feet of steel pipe in the ground. This program is a year round program. It rids the City's system of non-working meters and rusty, out of date pipe. This program is expected to result in a 1% increase in billable gas volume, increasing the City's utility revenue. The City's gas system is the 6th largest municipality owned gas system in the state. The City has grown to 9,582 gas customers and has a loss and unaccounted gas rate of less than 2.0%. The system also answered 466 customer reports, 3,824 requests for utility locates and 224 after hour requests for service.

#### **Public Safety-**

Public Safety continues to be a major priority for the City of Sugar Hill. The City has contracted with Plaza Security to use part-time security officers to patrol our streets and neighborhoods. The security officers rotate their shifts for up to a minimum of 90 hours of service per week. Their main objective is to provide security presence and patrols to increase the quality of life within the City and to deter criminal activity.

#### **Budgeting Controls**

The annual budget serves as the foundation for the City of Sugar Hill's financial planning and control. The annual budget process begins with the City Manager, finance staff and department heads working together to analyze funding areas. Prior to October 1, the Finance Department prepares a budget worksheet for the City Manager and department heads. After reviewing the draft budget and meeting with the departments, the City Manager and Finance staff prepares a Proposed Budget. The Mayor presents to City Council in October. The Council conducts public hearings in October and November, and adopts budgeted revenues and appropriations for the upcoming fiscal year by ordinance no later than December 31, the close of the City's fiscal year. The budget is prepared both by fund, function (e.g. street) and department (e.g. police). The City Manager is permitted to transfer appropriations within a function. Transfers between departments and subsequent budgetary amendments require the approval of the City Council.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

#### **Cash Management**

Cash is deposited in interest bearing accounts that are insured or fully collateralized in accordance with state law. Cash temporarily idle during the year was invested in the City's money market account and certificates of deposit.

#### Risk Management

The City of Sugar Hill has adequate risk protection in the form of insurance coverage. The City Clerk and Finance Officer handle the monitoring of the policies and administer the coverage and related claims. Through our insurance carrier, a risk consultant is employed to educate employees on hazardous conditions, manage return-to-work programs for injured employees and to alert the City to potential areas of risk.

#### **Certificate of Achievement to Awards**

The City earned the Community of Pride designation through a program initiated by the Governor and administered through the Georgia Department of Community Affairs. To qualify, Sugar Hill had to meet a number of criteria including formation of a Betterment Committee to survey citizens about the community's needs, and development of a program to help meet these needs. This resulted in expansion of our city park, installation of sidewalks and numerous other amenities. It was during this process that we acquired our logo, which was designed by one of our citizens.

The City later earned the designation of a Certified City of Ethics by the Georgia Municipal Association. The Certified City of Ethics program was designed by a public-private task force to help city officials improve the public's perception of government officials.

The City has also earned the Marketing Excellence Award through the Municipal Gas Authority of Georgia. The City of Sugar Hill was the first city in the State to offer a level gas billing program to its customers.

The City earned its Second Marketing Excellence Award through the Municipal Gas Authority of Georgia. This award was for setting up automatic bank drafts for our utility system. This saves our customers both time and money. No more writing checks,

hunting for stamps or forgetting to mail their payment. The City simply drafts their payment from their checking account each month and this service is free of charge.

In 2008, the City earned the "Blue Flame" award for excellence in customer service from the Municipal Authority of Georgia. Sugar Hill was the first MGAG member that has instituted all the payment plan options of budget billing, on line payment and third party payment plans. This was the culmination of extensive work by the City staff to research and implement the on line billing, and streamlining the customer service department.

The American Public Gas Association (APGA) presented the City with its ninth consecutive Safety Award in 2011. This award was given to the City in recognition of the successful efforts the City has made to ensure the safety of our employees and customers and the integrity of our gas system.

#### Acknowledgements

Preparation of the Comprehensive Annual Financial Report was a combined effort by the dedicated staff of the Finance Department, the auditors for the City and the cooperation of the various elected officials and appointed management. We sincerely appreciate the contribution and assistance each provided in making this report more than a presentation of financial statements.

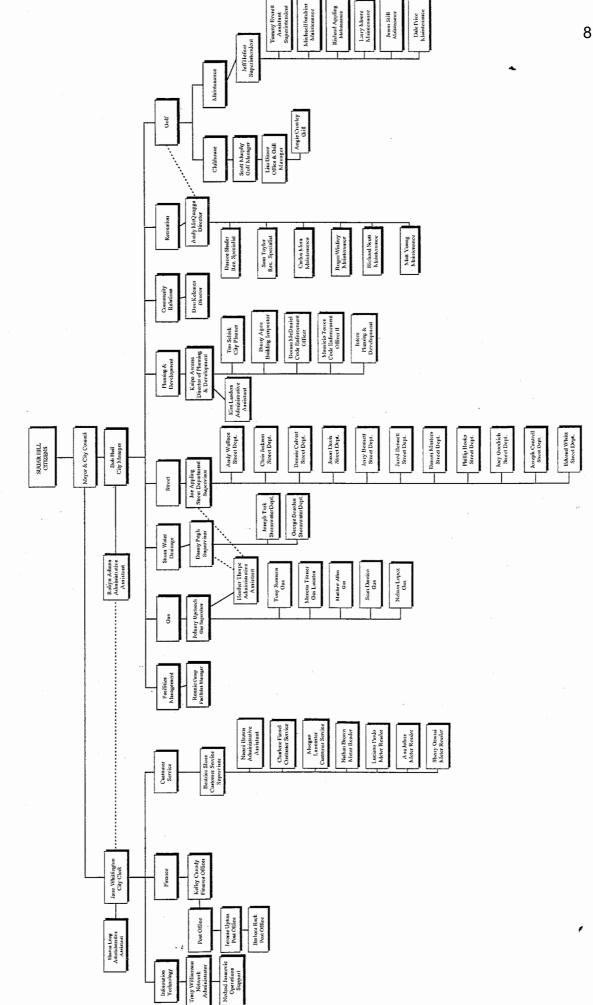
Finally, we acknowledge the Mayor and City Council for their unfailing support, leadership, and professional conservative financial management.

Sincerely

Robert M. Hail

City Manager

Shawn D. Long Financial Officer



CITY OF SUGAR HILL, GEORGIA ORGANIZATIONAL CHART December 30, 2011

### CITY OF SUGAR HILL, GEORGIA CITY OFFICIALS AND ADMINISTRATIVE PERSONNEL

#### PRINCIPAL OFFICIALS

#### **ELECTED OFFICIALS**

#### Mayor

Gary Pirkle

#### **City Council**

Suzanne Gajewski Mike Sullivan Marc Cohen Steve Edwards Curtis Northrup

#### **APPOINTED OFFICIALS**

Bob Hail	City Manager
Jane Whittington	City Clerk

#### **KEY STAFF MEMBERS**

Burny Agee	. Chief Building Official
Tim Schick	
Don Kelemen	Community Relations Director
Shawn Long	. Finance Director
Ronnie Camp	. Facilities Manager
Johnny Upchurch	. Gas Supervisor
Scott Murphy	. Clubhouse Manager
Jeff Hefner	. Golf Maintenance
Tracy Williamson	. Information Technology
Kaipo Awana	. Planning and Development Director
Andy McQuagge	Recreation Director
Danny Pugh	. Stormwater/Drainage Supervisor
Joe Appling	. Street Department Supervisor

#### **Mailing Address**

4988 West Broad Street Sugar Hill, Georgia 30518 www.cityofsugarhill.com

## CITY OF SUGAR HILL, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

### **Financial Section**

#### WAYNE IVEY BOWEN

CERTIFIED PUBLIC ACCOUNTANT 529 GREEN STREET - P.O. BOX 2335 GAINESVILLE, GEORGIA 30503

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MEMBER
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

December 17, 2012

#### **Independent Auditor's Report**

The Honorable Mayor Gary Pirkle and Members of the City Council City of Sugar Hill, Georgia 30518

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sugar Hill, Georgia as of and for the year ended December 31, 2011 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Sugar Hill, Georgia's management. My responsibility is to express opinions on these basic financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sugar Hill, Georgia as of December 31, 2011 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual- General Fund are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This information is the responsibility of the City's management. I have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, I did not audit the information and accordingly, express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sugar Hill, Georgia's basic financial statements. The introductory section and supplementary information section as listed in the table of contents and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, I express no opinion on them.

In accordance with Government Auditing Standards, I have also issued my report dated December 17, 2012 on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Wayne Howen

Certified Public Accountant

#### **Management's Discussion and Analysis**

This discussion and analysis presents the highlights of financial activities and financial position for the City of Sugar Hill (City). The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City. Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements.

#### **Financial Highlights**

The City's net assets increased \$4.2 million (or 6%). This increase is attributable in part to availability of new Special Local Option Sales Tax funds and delaying some Capital Improvement Projects.

The City's Capital Outlay/Fixed Assets increased by \$6.3 million due mainly to capital expenditures for parks and recreation and the new City Hall construction

#### **Report Layout**

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

- o Independent Auditor's Report
- Management's Discussion and Analysis. This section of the report provides financial highlights, overview and economic factors affecting the City.
- Basic Financial Statements. Includes Statement of Net Assets, Statement of Activities, Fund Financial Statements and the notes to the financial statements. Statements of Net Assets and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated in total for the City.
  - . The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the City owns, the liabilities it owes and the net difference. The net difference is further separated into amounts invested in capital assets, net of related debt, restricted for specific purposes and unrestricted amounts.
  - . The Statement of Activities focuses on gross and net costs of City programs and the extent to which such programs rely upon general tax and other revenues. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
  - . Fund Financial Statements focus separately on the governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's General Fund and SPLOST Capital Project Funds are presented in their own columns. Statements for the City's proprietary funds follow the governmental funds and include net assets, revenues, expenses and changes in fund net assets, and cash flows.
  - The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial
- Required Supplementary Information. The City's major governmental fund (general) is presented with budgetary comparison. The General Fund and SPLOST Capital Project Funds are the City's only major governmental funds.

- O **Supplementary Information.** This section presents Schedules of Projects Constructed with the City's Special Purpose Local Option Sales Tax along with the Independent Auditor's Report.
- Report by Independent Certified Public Accountant. Supplemental communication on the City's compliance and internal controls.
- o Statistical Section. Trend information and statistics

#### City as a Whole

#### Statement of Net Assets at December 31, 2011 and 2010

#### **Net Assets at Year-End**

(in thousands of dollars)

		nmental vities	Busines Activ	ss-Type vities	 To Gover	 ent
	2011	2010	2011	2010	2011	2010
Cash and Investments	\$17,371.5	\$17,843.5	\$ 8.4	\$ 7.6	\$ 17,379.9	\$ 17,851.1
Other Assets	325.5	704.6	858.2	1,464.5	1,183.7	2,169.1
Capital Assets	48,872.8	44,031.6	10,114.4	10,443.5	58,987.2	54,475.1
Total Assets	66,569.8	62,579.7	10,981.0	11,915.6	77,550.8	74,495.3
Other Liabilities	393.2	456.3	1,545.3	1,827.2	1,938.5	2,283.5
Long-Term Debt Outstanding	2,245.5	2,273.3	42.0	82.6	 2,287.5	2,355.9
Total Liabilities	2,638.7	2,729.6	1,587.3	1,909.8	4,226.0	4,639.4
Net Assets:		_				
Invested in Capital Assets,						
Net of Debt	48,681.9	43,978.8	10,093.3	10,370.3	58,775.2	54,349.1
Unrestricted	15,249.2	15,871.3	(699.7)	(364.5)	14,549.5	15,506.8
Total Net Assets	\$63,931.1	\$59,850.1	\$ 9,393.6	\$10,005.8	\$ 73,324.7	\$ 69,855.9

#### **Governmental Activities**

General governmental net assets increased during the year by \$4.1 million. The increase was mainly a result of transfers in from the Gas Department.

Fixed assets increased by more than \$4.8 million. There were two significant capital projects: Expansion of the city park system and development of a town center.

#### **Business-Type Activities**

The net assets of the business-type funds decreased by approximately \$612,000.

Overall debt of the business-type activities decreased by approximately \$3.3 million. The debt consists of accounts payable for the continuing operation of the business-type activities, compensated absences, as well as leases for capital assets. Approximately \$33,000 of the lease debt is due in 2012.

Fixed assets decreased by approximately \$330,000.

#### Statement of Activities for the Years Ended December 31, 2011 and 2010

#### Governmental and Proprietary Activities For The Year Ending December 31, 2011 and 2010

(in thousands of dollars)

	Govern	nmental	Busines	s-Type	To	tal	
Revenues	Acti	vities	Activ	vities	 Gover	nme	ent
Program Revenue	2011	2010	2011	2010	2011		2010
Charges for Services	\$ 659.5	\$ 754.2	\$ 9,055.3	\$10,295.6	\$ 9,714.8	\$	11,049.8
Grants and Contributions	2,580.1	2,246.5	-	-	2,580.1		2,246.5
General Revenues							
Taxes	4,514.0	4,006.3	-	-	4,514.0		4,006.3
Interest	34.9	113.9	-	-	34.9		113.9
Miscellaneous	15.6	27.0			 15.6		27.0
Total Revenues	7,804.1	7,147.9	9,055.3	10,295.6	16,859.4		17,443.5
Expenses							
Governmental Activities:							
General Government	1,560.6	1,381.9	-	-	1,560.6		1,381.9
Public Safety	131.8	122.3	-	-	131.8		122.3
Public Works	1,858.9	1,773.8	-	-	1,858.9		1,773.8
Public Health and Welfare	23.8	27.5	-	-	23.8		27.5
Recreation and Culture	1,241.0	909.5	-	-	1,241.0		909.5
Housing and Development	510.5	528.3	-	-	510.5		528.3
Business-Type Activities							
Gas	-	-	6,447.2	7,031.2	6,447.2		7,031.2
Golf	-	-	1,222.9	1,223.7	1,222.9		1,223.7
Storm Water		=	393.9	270.7	 393.9		270.7
Total Expenses	5,326.6	4,743.3	8,064.0	8,525.6	13,390.6		13,268.9
Change in net assets before transfers	2,477.5	2,404.6	991.3	1,770.0	 3,468.8		4,174.6
Transfers	1,603.5	1,790.2	(1,603.5)	(1,790.2)	 -		-
Change in Net Assets	4,081.0	4,194.8	(612.2)	(20.2)	3,468.8		4,174.6
Beginning Net Assets	59,850.1	\$55,655.3	10,005.8	\$10,026.0	 69,855.9		65,681.3
<b>Ending Net Assets</b>	\$63,931.1	\$59,850.1	\$ 9,393.6	\$10,005.8	\$ 73,324.7	\$	69,855.9

#### **Governmental Activities**

Total revenues increased approximately \$656,000.

Overall expenses increased by approximately \$583,300.

#### **Business-type Activities**

Total revenues decreased \$1.2 million. The decrease is mainly attributable to milder weather effecting the Gas Revenue.

Expenses of the proprietary funds decreased \$462,000. Gas fund expenses decreased by \$584,000 corresponding with the decrease in revenue.

#### **Budgetary Highlights**

The City Council approves all budget changes in December of each year at the same time the new fiscal budget is approved. Budget variances are reviewed with the Mayor and Council on a monthly basis.

#### **Capital Assets and Debt Administration**

#### **Capital Assets**

As of December 31, 2011 the City had invested \$59 million in capital assets reflected in the following table.

	(	Governmental Activities	`	in thousands of dollars) Business-Type Activities	Total Government
Land	\$	4,760.8	\$	4,267.3	\$ 9,028.1
Buildings & Improvements		1,978.8		2,399.3	4,378.1
Infrastructure/Plant & System		33,345.5		4,337.5	37,683.0
Machinery & Equipment		1,511.8		1,898.9	3,410.7
Recreational Upgrades		14,887.0		-	14,887.0
Sprayfield		226.9		583.7	810.6
Golf Course Renovation		-		710.9	710.9
Vehicles		858.5		456.4	1,314.9
Construction In Progress		6,620.1		-	6,620.1
		64,189.4		14,654.0	78,843.4
Less Accumulated Depreciation		(15,316.6)		(4,520.2)	 (19,836.8)
Book Value - Depreciable Assets	\$	48,872.8	\$	10,133.8	\$ 59,006.6

The following table reconciles the change in capital assets:

#### **Change In Capital Assets**

(in thousands of dollars)

	Go	vernmental	Bus	iness-Type	Total
	A	Activities	A	Activities	Government
Beginning Balance	\$	44,031.6	\$	10,443.5	\$ 54,475.1
Additions		6,366.8		143.5	6,510.3
Depreciation Expense		(1,525.6)		(453.2)	(1,978.8)
Ending Balance	\$	48,872.8	\$	10,133.8	\$ 59,006.6

Capital asset additions from governmental activities amounted to approximately \$6.3 million with most coming from the new City Hall Construction.

Business-type activities asset additions amounted to more than \$124,000, with a major portion going towards machinery and equipment and Gas Distribution System.

#### **Debt Outstanding**

As of year-end, the City had \$ 2,830,600 in debt outstanding compared to \$ 3,020,300 in 2010. \$155,738 of the debt outstanding is due within one year.

#### Debt Outstanding At Year End 2011 and 2010

(in thousands of dollars)

	To	tals	
	2011		2010
Governmental			
Compensated Absences	\$ 107.6	\$	98.6
Landfill closure/postclosure	2,174.8		2,294.8
Sub-total	2,282.4		2,393.4
Business-type			
Compensated Absences	56.7		42.2
Customer Deposits	451.1		511.5
Capital Leases	40.4		73.2
Sub-total	548.2		626.9
Total	\$ 2,830.6	\$	3,020.3

For further information on Capital Assets and Long-Term Debt of The City of Sugar Hill, please refer to the Notes to the financial statements

#### **Economic Factors**

Funding for City operations and Services are from the following sources: Property Taxes, Occupational Taxes, Construction Permit/Inspection Fees, Franchise Fees, Utility Service Fees and user Fees. The City has been able to hold its Millage Rate constant at 3.8; increased operating costs and expansion of services have been funded by using SPLOST Funds for Capital Improvements and freeing up General Fund for operation.

Funding for Transportation and Recreation Capital Improvements over the last three (3) years has been from a combination of the General Fund and Special Local Option Sales Tax (SPLOST) funds. An excellent Purchasing Program as a result of an aggressive Request for Proposal (RFP) and the bidding/solicitation process allows for vendors to put their best proposal price forward for consideration.

City population has grown almost 10% over the last three years and there is a possibility of an additional 5% in the next four years. Increased growth of the Natural Gas Utility has slowed because of the slowed economy. The City's Land Use Plan has been revised to better define new growth patterns for both residential and commercial development. The City has developed a Town Center Master Plan for better connectivity. Community interaction continues to improve and expand with the formation of a Sugar Hill Business Alliance and the opportunity to assist in the development of the Land Use Plan and Town Center Master Plan. A 66 acre park, Gary Pirkle Park, located on Austin Garner Road and has been constructed and includes multipurpose fields, soccer fields, walking paths, playgrounds, concession/rest room facilities and state of the art sports lighting. E E Robinson Park has also been expanded to over 60 acres.

#### **Financial Contact**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Chief Financial Officer at 4988 West Broad Street, Sugar Hill, Georgia, 30518.

## CITY OF SUGAR HILL, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

### **Basic Financial Statements**

#### CITY OF SUGAR HILL, GEORGIA STATEMENT OF NET ASSETS December 31, 2011

		Pri	mar	y Governmer	nt		Un	mponent t - City of
	GO\	/ERNMENTAL	BUS	SINESS-TYPE	<u> </u>			ugar Hill ousing
ASSETS		ACTIVITIES		CTIVITIES		TOTAL		uthority
Current Assets						,		
Cash	\$	6,434,229	\$	8,423	\$	6,442,652	\$	48,437
Investments		10,937,322		, -		10,937,322		171,979
Accounts Receivable (net of allowance								
for uncollectibles)		311,565		754,005		1,065,570		-
Prepaid Items and Other Receivables		13,930		27,245		41,175		-
Supplies/Inventory		-		76,911		76,911		-
Total Current Assets		17,697,046		866,584		18,563,630		220,416
Capital Assets:								
Land		4,760,836		4,267,304		9,028,140		-
Buildings and Improvements		1,978,799		2,399,271		4,378,070		-
Sprayfield		226,915		583,676		810,591		-
Machinery and Equipment		1,511,835		1,898,885		3,410,720		-
Vehicles		858,537		456,429		1,314,966		-
Recreational Upgrades		14,886,980		, -		14,886,980		-
Infrastructure		33,345,457		-		33,345,457		-
Gas Distribution System		· · · -		4,337,510		4,337,510		-
Golf Course Renovations		-		710,875		710,875		-
Construction in Progress		6,620,110		-		6,620,110		-
Less Accumulated Depreciation		(15,316,645)		(4,520,218)		(19,836,863)		-
Capital Assets, net of depreciation		48,872,824		10,133,732		59,006,556		-
Total Assets		66,569,870		11,000,316		77,570,186		220,416
LIABILITIES								
Current Liabilities								
Accounts Payable and Accrued Expenses		65,580		1,058,415		1,123,995		-
Retainage Payable		190,953		-		190,953		-
Lease Payable Due Within One Year		-		35,738		35,738		-
Due to Others		99,810		-		99,810		-
Customer Deposits		-		451,139		451,139		-
Landfill Closure/Postclosure Cost - current portion		36,883		_		36,883		_
Total Current Liabilities		393,226		1,545,292		1,938,518		-
Long-Term Liabilities:		·						
Lease Payable Due in More Than One Year		_		4,667		4,667		_
Compensated Absences		107,612		56,731		164,343		_
Landfill Closure/Postclosure Cost		2,137,912		30,731		2,137,912		_
Total long-term liabilities		2,245,524		61,398		2,306,922		
Total long-term liabilities		2,240,024		01,000		2,000,022		
Total Liabilities		2,638,750		1,606,690		4,245,440		<u> </u>
NET ASSETS								
Invested in Capital Assets, net of related debt		48,681,871		10,093,327		58,775,198		-
Unrestricted		15,249,249		(699,701)		14,549,548		220,416
Total Net Assets	\$	63,931,120	\$	9,393,626	\$	73,324,746	\$	220,416

# CITY OF SUGAR HILL, GEORGIA STATEMENT OF ACTIVITIES December 31, 2011

									<b>NET (EXPEN</b>	ISE) R	<b>NET (EXPENSE) REVENUE AND</b>		
			P.	<b>PROGRAM REVENUES</b>	REVEN	JES			CHANGE	SINN	<b>CHANGES IN NET ASSETS</b>		
								PRIN	PRIMARY GOVERNMENT	NMEN	<i>L</i>	Component	ent
FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT:	ω	EXPENSES	CHARGES FOR SERVICES	S FOR CES	CA GRAN CONTR	CAPITAL GRANTS AND CONTRIBUTIONS	GOVEF ACT	VERNMENTAL! ACTIVITIES	GOVERNMENTALBUSINESS-TYPE ACTIVITIES ACTIVITIES	/PE S	TOTAL	Unit-City of Sugar Hill Housing Authorit	y of IiII uthority
GOVERNMENTAL ACTIVITIES	,				4		,		,	' 			Ì
General Government	↔	1,560,610	8	439,963	<del>s</del>	1,406,325	s	285,678	σ	<del>دی</del> ا	285,678		
Public Safety		131,794		•		1		(131,794)		,	(131,794)		
Public Works		1,642,333		4,096		577,920	٢	1,060,317)			(1,060,317)		
Public Health and Welfare		23,757		•		95,025		71,268		,	71,268		
Recreation and Culture		1,241,019	2	215,474		500,805		(524,740)		,	(524,740)		
Housing and Development		510,472		•		•		(510,472)		-	(510,472)		
Total Governmental Activities		5,109,985	9	659,533		2,580,075	(,	1,870,377)			(1,870,377)		
<b>BUSINESS-TYPE ACTIVITIES</b>													
Gas		6,447,232	7,7	7,705,224		1		1	1,257,992	92	1,257,992		
Golf		1,222,926	∞	870,190		1		1	(352,736)	36)	(352,736)		
Stormwater Utility		393,889	.4	479,925		-		1	86,036	36	86,036		
Total Business-type activities		8,064,047	9,0	9,055,339		-		1	991,292	92	991,292		
Total Primary Government	S	13,174,032	\$ 9,7	9,714,872	\$	2,580,075	`) \$	(1,870,377)	\$ 991,292	92 \$	(879,085)		
COMPONENT UNIT													
Sugar Hill Housing Authority	↔	20,000 \$		41,238								\$ 21	21,238

GENERAL REVENUES									
Property Taxes	↔	2,271,066	ઝ	ı	8	2,271,066	s	1	
Franchise Taxes		776,206		1		776,206		•	
Selective Sales Taxes		116,727		ı		116,727		•	
Business Taxes		1,135,861		ı		1,135,861		1	
Unrestricted Investment Earnings		32,388		ı		32,388		2,490	
Miscellaneous		15,625		ı		15,625		1	
TRANSFERS		1,603,521		(1,603,521)		1			
Total General Revenues and Transfers		5,951,394		(1,603,521)		4,347,873		2,490	
CHANGE IN NET ASSETS		4,081,017		(612,229)		3,468,788		23,728	
NET ASSETS, Beginning	s	59,850,103	s	10,005,855	ઝ	69,855,958	s	196,688	
NET ASSETS, Ending	&	63,931,120	8	9,393,626	\$	73,324,746	\$	220,416	

#### CITY OF SUGAR HILL, GEORGIA BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2011

	GENERAL FUND	2005 SPLOST	2009 SPLOST	TOTAL
ASSETS Cash Investments Accounts Receivable (net of allowance	\$ 1,630,313 10,937,322	\$ 533,936	\$ 4,269,980	\$ 6,434,229 10,937,322
for uncollectibles) Prepaid Items and Other Receivables	233,205 13,930		78,360	311,565 13,930
TOTAL ASSETS	\$12,814,770	\$ 533,936	\$ 4,348,340	\$17,697,046
LIABILITIES AND FUND BALANCE				
LIABILITIES Accounts Payable Accrued Salaries and Fringe Benefits Retainage Payable Erosion Bonds - Escrow Deposit Deferred Revenue	\$ 2,167 63,413 190,953 99,810 199,592	\$ - - - - -	\$ - - - - -	\$ 2,167 63,413 190,953 99,810 199,592
TOTAL LIABILITIES	555,935			555,935
FUND BALANCE Unreserved, Undesignated, Reported in General Fund Capital Projects Funds	12,258,835 	- 533,936	- 4,348,340	12,258,835 4,882,276
TOTAL FUND BALANCE	12,258,835	533,936	4,348,340	17,141,111
TOTAL LIABILITIES AND FUND BALANCI	\$12,814,770	\$ 533,936	\$ 4,348,340	\$17,697,046

# City of Sugar Hill, Georgia Governmental Fund Reconciliation of the Balance Sheet of the Governmental Funds To the Statement of Net Assets December 31, 2011

#### **Total Fund Balance for the Governmental Funds**

\$17,141,111

Amounts reported for governmental activities on the **Statement of Net Assets** differs from the amount reported on the Balance Sheet for the Governmental Funds because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 4,760,836
Buildings and Improvements	1,978,799
Sprayfield	226,915
Machinery and Equipment	1,511,835
Vehicles	858,537
Recreational Upgrades	14,886,980
Infrastructure	33,345,457
Construction in Progress	6,620,110
Accumulated Depreciation	(15,316,645)

Total capital assets 48,872,824

Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

199,592

Some Liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Landfill Closure/Postclosure Costs (2,174,795)
Compensated Absences (107,612)
Total Long Term Liabilities

(2,282,407)

**Net Assets of Governmental Activities** 

\$63,931,120

## CITY OF SUGAR HILL, GEORGIA STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS For the year ended December 31, 2011

	GENERAL FUND	2005 SPLOST	2009 SPLOST	TOTAL
REVENUES Taxes Licenses and Permits Intergovernmental Charges for Services Fines and Forfeitures Investment Earnings Miscellaneous	\$ 4,326,115 143,214 95,716 516,445 22,303 30,736 15,625	\$ - 77,115 - (1,629)	\$ - 2,400,091 - 7,867	\$ 4,326,115 143,214 2,572,922 516,445 22,303 36,974 15,625
TOTAL REVENUES	5,150,154	75,486	2,407,958	7,633,598
EXPENDITURES Current Expenditures General Government Public Safety Public Works Health and Welfare Recreation and Culture Housing and Development Capital Outlay Debt Service Landfill Closure/Postclosure Costs	2,818,399 131,794 4,130,931 5,315 757,738 508,603	- - - - - 516,097	- - - - - 1,070,175	2,818,399 131,794 4,130,931 5,315 757,738 508,603 1,586,272
TOTAL EXPENDITURES	8,472,780	516,097	1,070,175	10,059,052
REVENUES IN EXCESS OF (LESS THAN) EXPENDITURES	(3,322,626)	(440,611)	1,337,783	(2,425,454)
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out	2,058,709 (455,188)	1,629	(1,629)	2,060,338 (456,817)
TOTAL OTHER FINANCING SOURCES	1,603,521	1,629	(1,629)	1,603,521
NET CHANGE IN FUND BALANCE	(1,719,105)	(438,982)	1,336,154	(821,933)
FUND BALANCE, Beginning of year	\$13,977,940	\$ 972,919	\$ 3,012,186	17,963,045
FUND BALANCE, End of year	\$12,258,835	\$ 533,936	\$ 4,348,340	\$17,141,111

#### City of Sugar Hill, Georgia **Governmental Funds**

#### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities For the year ended December 31, 2011

#### Net Change in Fund Balance - Total Governmental Funds

(821,933)

Amounts reported for governmental activities on the Statement of Activities are different from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because:

The Governmental Funds reports capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

**Expenditures for Capital Assets** \$ 6,366,816 Less Current Year Depreciation (1,525,561)Excess of capital outlay over depreciation expense

4,841,255

Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Landfill Closure/Postclosure 120,000

Compensated Absences are reported in the Statement of Activities but do not require the use of current financial resources and therefore are not reported as expenditures in the Governmental Funds.

Liability at December 31, 2011 (107,612)Liability at December 31, 2010 98,558 (9,054)

Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are deferred in the Governmental Funds.

**Property Taxes:** 

Liability at December 31, 2011 199.592 Liability at December 31, 2010 (248,842)(49,250)

**Change in Net Assets of Governmental Activities** 

\$ 4,081,018

#### CITY OF SUGAR HILL, GEORGIA STATEMENT OF NET ASSETS PROPRIETARY FUNDS December 31, 2011

	GAS FUND	GOLF FUND	STORMWATER UTILITY FUND	TOTAL
ASSETS				
Current Assets:				
Cash	\$ 800	\$ 7,623	\$ -	\$ 8,423
Supplies / Inventory	59,395	17,516	-	76,911
Accounts Receivable (net of allowance for uncollectibles)	754,005	-	-	754,005
Prepaid Items and Other Receivables	18,185	4,530	4,530	27,245
Total Current Assets	832,385	29,669	4,530	866,584
Capital Assets:				
Land	10,900	4,256,404	-	4,267,304
Buildings and Improvements	196,241	2,203,030	-	2,399,271
Sprayfield	-	583,676	-	583,676
Machinery and Equipment	727,943	1,074,316	96,626	1,898,885
Vehicles	296,510	29,834	130,085	456,429
Golf Course Renovations	-	710,875	-	710,875
Gas Distribution System	4,337,510	-	<u>-</u>	4,337,510
Less: Accumulated Depreciation	(1,959,737)	(2,519,040)	(41,441)	(4,520,218)
Total Capital Assets (net of accumulated depreciation)	3,609,367	6,339,095	185,270	10,133,732
TOTAL ASSETS	4,441,752	6,368,764	189,800	11,000,316
LIABILITIES Current Liabilities				
Accounts Payable	1,011,353	5,122	-	1,016,475
Other Accrued Items	21,019	16,264	4,657	41,940
Customer Deposits	451,139	-	-	451,139
Current Portion of Long-term Debt		35,738		35,738
Total Current Liabilities	1,483,511	57,124	4,657	1,545,292
Noncurrent Liabilities				
Compensated Absences	29,806	22,216	4,709	56,731
Long-term Portion of Debt		4,667		4,667
Total Noncurrent Liabilities	29,806	26,883	4,709	61,398
TOTAL LIABILITIES	1,513,317	84,007	9,366	1,606,690
NET ASSETS				
Invested in Capital Assets, net of related debt	3,609,367	6,298,690	185,270	10,093,327
Unrestricted	(680,932)	(13,933)	(4,836)	(699,701)
TOTAL NET 400ETO				
TOTAL NET ASSETS	\$ 2,928,435	\$ 6,284,757	<u>\$ 180,434</u>	\$ 9,393,626

## CITY OF SUGAR HILL, GEORGIA STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS

For the year ended December 31, 2011

	GAS FUND	GOLF FUND	STORMWATER UTILITY FUND	TOTAL
OPERATING REVENUES				
Sales	\$ 7,264,030	\$ -	\$ -	\$ 7,264,030
Green and Cart Fees	-	660,792	-	660,792
Tap-On Fees	14,800	-	_	14,800
Rentals	,000	30,514	_	30,514
Concession and Merchandise	_	168,442	_	168,442
User Fees and Charges	_	-	473,898	473,898
Penalties and Interest	132,436	_	6,027	138,463
Rebates and Other Revenue	293,958	10,442	-	304,400
TOTAL OPERATING REVENUES	7,705,224	870,190	479,925	9,055,339
ODED ATING EVDENGES				_
OPERATING EXPENSES Personal Services and Employee Benefits Purchased/Contracted Services	738,109	570,828	171,726	1,480,663
Professional and Technical	33,898	30,171	120	64,189
Purchased Property Services	17,022	39,310	5,562	61,894
Rentals	-	750	-	750
Other Purchased Services	56,433	37,147	171,356	264,936
Supplies	5,381,567	285,623	25,121	5,692,311
Depreciation	180,796	252,368	20,004	453,168
Bad Debts	38,355		<u> </u>	38,355
TOTAL OPERATING EXPENSES	6,446,180	1,216,197	393,889	8,056,266
OPERATING INCOME (LOSS)	1,259,044	(346,007)	86,036	999,073
NON-OPERATING EXPENSES				
Interest Expense	(1,052)	(6,729)	-	(7,781)
·	4.057.000	(050.700)		
INCOME (LOSS) BEFORE TRANSFERS	1,257,992	(352,736)	86,036	991,292
TRANSFERS				
Transfer Out To General Fund	(1,628,681)	-	(167,210)	(1,795,891)
Transfers In From General Fund	-	204,586	-	204,586
Transfers To Golf Fund From Gas Fund	(6,064)	-	-	(6,064)
Transfers To Stormwater from Gas Fund	(6,152)			(6,152)
TOTAL TRANSFERS IN (OUT)	(1,640,897)	204,586	(167,210)	(1,603,521)
CHANGE IN NET ASSETS	(382,905)	(148,150)	(81,174)	(612,229)
TOTAL NET ASSETS, Beginning of Year	\$ 3,311,340	\$ 6,432,907	\$ 261,608	10,005,855
TOTAL NET ASSETS, End of Year	\$ 2,928,435	\$ 6,284,757	\$ 180,434	\$ 9,393,626

# CITY OF SUGAR HILL, GEORGIA STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the year ended December 31, 2011

					STOF	STORMWATER		
	GAS	s 🗦	υш	GOLF	<b>&gt;</b> _	UTILITY FUND	Ö	TOTAL
CASH FLOWS FROM (TO) OPERATING ACTIVITIES: Receipts from Customers Payments to Vendors and Other Suppliers Payments to Employees	\$ 8,134,327 (5,699,724 (725,126	8,134,327 (5,699,724) (725,126)	\$	870,190 (394,427) (564,139)	↔	541,013 (201,537) (172,266)	\$ 9,5, (6,2%	\$ 9,545,530 (6,295,688) (1,461,531)
Net Cash Provided (Used) by Operating Activities	1,70	1,709,477		(88,376)		167,210	1,78	1,788,311
CASH FLOWS FROM (TO) NON-CAPITAL FINANCING ACTIVITIES Transfers From (To) Other Funds	(1,64	(1,640,897)		204,586		(167,210)	(1,60	(1,603,521)
CASH FLOWS TO CAPITAL AND RELATED FINANCING ACTIVITIES: Acquisition and Construction of Capital Assets Principal Payments, Net of Borrowings Interest Paid	9)	(67,528)		(75,876) (32,750) (6,729)			7.00	(143,404) (32,750) (7,781)
Net cash Used by Financing Activities	9)	(68,580)		(115,355)		ı	13	(183,935)
Net Increase in Cash and Cash Equivalents		ı		855		i		855
CASH, Beginning of Year		800		6,768				7,568
CASH, End of Year	\$	800	S	7,623	<del>S</del>	1	8	8,423

# CITY OF SUGAR HILL, GEORGIA STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the year ended December 31, 2011

	GAS	GOI F		STORMWATER UTILITY	TER		
	FUND	FUND	ا ۵	FUND	  -	임	TOTAL
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:							
Operating Income (Loss)	\$ 1,259,044	\$ (346,007)		\$ 86,0	86,036	6 \$	999,073
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:							
Depreciation	180,796	252	252,368	20,(	20,004	4	453,168
Change In Assets and Liabilities: Accounts Receivable	527,786		•	61,(	61,088	Ŋ	588,874
Supplies / Inventory	7,843		820				8,663
Prepaid Items and Other Receivables	7,111		298	•	298		8,845
Accounts Payable	(225,758)	9	(3,113)	3	(245)	(2	(229,116)
Customer Deposits	(60,328)						(60,328)
Compensated Absences	11,168	(1)	3,849	•	(496)		14,521
Other Accrued Items	1,815	(7	2,840		(44)		4,611
Net Cash Provided (Used) by Operating Activities	\$ 1,709,477 \$ (88,376) \$ 167,210 \$ 1,788,311	\$ (88	3,376)	\$ 167,2	210	\$ 1,7	88,311

#### CITY OF SUGAR HILL, GEORGIA NOTES TO THE FINANCIAL STATEMENTS December 31, 2011

#### 1-Summary of Significant Accounting Policies

The City of Sugar Hill operates under a Mayor-Council form of government. The City provides a full range of services. These services include: natural gas, streets and sanitation, cultural and recreational activities, golf course activities, planning and zoning, economic development and public improvement.

The accompanying financial statements report on the financial activity for the City of Sugar Hill, Georgia for the year ended December 31, 2011. The statements include all the funds controlled by the Mayor and Council of the City of Sugar Hill, Georgia. The financial statements have been prepared in conformance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City has elected to apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 in government –wide financial statements and the fund financial statements for the proprietary funds, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

This summary of the City of Sugar Hill's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are an integral part of the accompanying financial statements.

#### **Reporting Entity**

As required by GASB Statement No. 14 "The Financial Reporting Entity", the City presents in the accompanying financial statements those entities that comprise the primary government along with its component unit, an entity for which the City is considered to be financially accountable. At December 31, 2011, the City's reporting entities consist of the City of Sugar Hill, Georgia, and the Sugar Hill Housing Authority, Sugar Hill, Georgia (a component unit).

#### CITY OF SUGAR HILL, GEORGIA NOTES TO THE FINANCIAL STATEMENTS December 31, 2011

#### 1-Summary of Significant Accounting Policies (Continued)

Discretely presented component units are separate legal entities that meet the component unit criteria, but do not meet the criteria for blending. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separated. The Sugar Hill Housing Authority ("Authority") is a discrete component unit of the City of Sugar Hill. The total assets of the Authority equaled \$220,416 at December 31, 2011 with reported revenues of \$43,728 for the year then ended. The Authority solely serves the City and is controlled and managed by a board of five members appointed by the Mayor and Council. The purpose of the Authority is to provide safe and sanitary dwelling accommodations to persons of low income. The Authority has a December 31, year-end and is reported as a discrete component unit in a separate column on the government-wide financial statements.

Financial statements on the City of Sugar Hill's Housing Authority for the year ended December 31, 2011, may be obtained by writing to:

City of Sugar Hill Housing Authority P.O. Box 1250 Lawrenceville, Georgia 30046 Attention: Mr. Lee Thompson

Blended component units, although legally separate entities are, in substance, part of the primary government's operation and data from these units are combined with the data of the primary government. The City of Sugar Hill has no blended component units.

As a general rule, the effect of interfund activity has been eliminated from the government – wide financial statements. Exceptions to this general rule include charges between the City's business type/proprietary funds and the governmental funds.

#### **Basic Financial Statements**

The financial transactions of the City are presented in the basic financial statements that consist of the government-wide financial statements and the fund level financial statements. These statements categorize primary activities as either governmental or business-type. Governmental activities, which are generally financed by taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which are financed for the most part by fees and charges for goods and services.

Government-wide financial statements provide financial information about the reporting government as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Interfund activity, for the most part, has been removed from these statements. They focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

#### CITY OF SUGAR HILL, GEORGIA NOTES TO THE FINANCIAL STATEMENTS December 31, 2011

#### 1-Summary of Significant Accounting Policies (Continued)

The Statement of Activities matches the direct expenses of a given function or segment with the related 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 properly included among program revenues are reported instead as general revenues.

Fund financial statements present information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or agency. Major individual governmental funds and both major and nonmajor individual proprietary funds are reported as separate columns in the fund financial statements. The City has no nonmajor governmental funds.

#### Basis of Presentation

The financial transactions of the City are recorded in individual funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the general fund, the 2005 SPLOST capital projects fund and the 2009 SPLOST capital projects fund as major governmental funds.

#### **General Fund**

The General Fund is the principal fund of City and is used to account for all activities not included in other specified funds. The General Fund accounts for the normal recurring activities of the City (i.e., culture and recreation, public works, general government, etc.).

#### SPLOST Capital Projects Funds

The SPLOST Capital Projects Funds account for funds received from the 2005 & 2009 local 1% sales tax reserved for construction of various capital projects.

#### 1-Summary of Significant Accounting Policies (Continued)

The City reports its Gas and Golf proprietary funds as major funds. The Stormwater Utility Fund is reported as a nonmajor fund. These funds are often called "income determination", "non-expendable", or "commercial-type" funds and are used to account for the ongoing activities of the City that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the City's business activities are accounted for through proprietary funds. The measurement focus is upon flow of economic resources.

The funds apply all applicable Government Accounting Standards Board (GASB) pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

The report includes the following proprietary funds:

#### Gas Fund

The Gas Fund is the larger of the three proprietary funds and accounts for the distribution and sale of natural gas in the City of Sugar Hill and Gwinnett County. Natural gas sales are very seasonal in nature and are the highest during the colder months of the year.

#### Golf Fund

The Golf Fund accounts for the operation of the City's Golf Course. The Golf Course is a public course open to all residents and non-residents.

#### Stormwater Utility Fund

The Stormwater Utility Fund accounts for revenues from charges and fees to property owners and expenses associated with the management, protection, control, regulation, use and enhancement of the City's stormwater management systems and facilities.

#### **Basis of Accounting and Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by its basis of accounting and measurement focus. Basis of accounting refers to when transactions are recorded while measurement focus describes which transactions are recorded.

#### 1-Summary of Significant Accounting Policies (Continued)

The Government-wide Financial Statements and the Proprietary Funds Financial Statements are presented on an *accrual* basis of accounting with an *economic resource* measurement focus. An economic resource focus concentrates on an entity or fund's net assets. All transactions and events that affect the total economic resources (net assets) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

All Governmental Fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the transaction can be identified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt is recorded as fund expenditures when paid.

All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Revenues that are susceptible to accrual include certain intergovernmental revenues, sales taxes, interest on investments and charges for services. Revenues from fines are not susceptible to accrual because generally they are not measurable until received in cash.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

The Proprietary Fund types are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the balance sheet using this measurement focus. Fund equity (i.e., net total assets) is segregated into invested capital assets, net of related debt, restricted and unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

#### 1-Summary of Significant Accounting Policies (Continued)

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 City's Gas, Golf and Stormwater Utility Funds are charges to customers for sales and services. The Gas Fund also recognizes fees intended to recover the costs of connecting new customers to the City's utility systems as operating revenue. Operating expenses for proprietary funds include cost of sales and services, administrative expenses and overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When necessary, the City reports deferred revenue on its governmental funds balance sheet. For governmental fund types, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the governmental funds balance sheet and revenue is recognized.

#### **Budget and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the financial statements. The operating budget includes proposed expenditures and the means of financing them.

- 1. In October, the City Administrator meets with all department heads to formulate a preliminary budget for expenditures and expenses after all known revenues are calculated. After the preliminary budget is prepared, the Administrator meets with the City Council for final adjustments.
- 2. In November/December hearings are conducted to obtain public comments.
- 3. At the Council meeting in December, the budget is formally approved.

The legal level of control (the level at which expenditures and/or expenses may not legally exceed appropriations) for each adopted annual operating budget is at the object level within departments.

Formal budgetary integration is employed as a management control device during the year for the General, SPLOST, Stormwater Utility, Gas and Golf Course Funds. The budgets for the General and SPLOST Funds are adopted on the modified accrual basis while budgets for the proprietary funds are adopted on the accrual basis, which is in accordance with GAAP.

The actual results of operations on the budgetary basis are presented in the Statement of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) of the General Fund in order to provide a meaningful comparison of actual results with the budget.

#### 1-Summary of Significant Accounting Policies (Continued)

The budgetary comparison schedule is presented for the General Fund at the legal level of control. Material excesses (if both over 3 percent and greater than \$15,000) of expenditures over the budget at the object level within departments are as follows:

Department	Expenditures	Budgeted	Excess
Public Works	Employee	613,300	26,019
Recreation and Culture	Supplies	225,700	33,583

#### Assets, Liabilities and Equity

#### Cash and Investments

The City follows the practice of pooling cash and investments of all funds except SPLOST within the General Fund. Interfund transactions are then recorded as operating transfers from/to each of the applicable funds. The total amount of the pooled cash (excluding SPLOST) is reported on the balance sheet in the General Fund. SPLOST Capital Project Funds have separate bank accounts and records their own cash on the balance sheets.

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.

Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc., negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments are stated at cost which approximates market value. Increases or decreases in fair value during the year are recognized as part of interest income.

Assets whose use is restricted for construction, debt service or by management decision are segregated on the Government-Wide statement of net assets and the Proprietary Fund statement of net assets. The City's policy in applying either restricted or unrestricted resources when an expense is incurred for the purpose for which both restricted and unrestricted assets are available, is to first apply restricted resources.

#### Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans).

#### 1-Summary of Significant Accounting Policies (Continued)

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed. Receivables in governmental and proprietary funds are stated net of an allowance for uncollectibles.

#### Inventories

Inventories consist of expendable supplies, parts, pipe, meters, golf paraphernalia, etc. The purchase method of accounting is used by the Governmental Funds while the consumption method is used by the Proprietary Funds. Inventory is reflected on the balance sheet of the Proprietary Funds at cost on a first-in, first-out basis.

#### Prepaid Items

Payments made to vendors that will benefit periods beyond December 31, 2011, are recorded as prepaid items.

#### Capital Assets

Property, plant, and equipment have been recorded at cost, if purchased, and if donated, at fair market value on the date of donation. Interest is capitalized during construction when assets are constructed with borrowed monies. The City maintains a capitalization threshold of five thousand dollars and an estimated useful life in excess of one year. Capital assets are reported in both the applicable governmental or business type activities columns in the government wide statements. Capital assets are charged to expenditures when purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Depreciation is calculated on the straight-line method over the following estimated useful lives:

Governmental Funds	Years
Buildings	15-50
Infrastructure, Plant/System	30-50
Vehicles and Equipment	1-30
Recreational Upgrades	20-40
Gas	
Buildings	20-40
Infrastructure, Plant/Gas Distribution System	40-50
Vehicles and Equipment	5-15
Golf	
Buildings	20-30
Infrastructure, Plant/System & Golf Course Renovations	10-20
Vehicles and Equipment	5-20
Sprayfield	30

One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirement of assets are reported on the government-wide statements

Major improvements that extend the life of an asset are capitalized. Normal maintenance and repairs are charged to expense as incurred.

#### 1-Summary of Significant Accounting Policies (Continued)

#### Compensated Absences

Personal Leave is accrued when earned. Personal Leave can be carried over a maximum of 240 hours to the following year. At the end of employment, any unused Personal Leave is paid to the employee. Other accumulated leave (over 240 hours) is transferred to catastrophic leave.

Personal leave is generally earned and accumulated at the rate between 3.08-6.77 hours per pay period depending on the employee's years of service. Employees may not elect to apply accumulated sick leave to time of service at their retirement.

#### Long-term Obligations

In the government-wide financial statements, long-term debt and other liabilities are reported as liabilities of governmental activities or business-type activities.

In the governmental funds financial statements, long-term debt is not reported as a liability. Instead, the face amount of debt issued is reported as other financing sources, and payment of principal and interest are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

#### Fund Equity

In the government-wide statements equity is classified as net assets and displayed as "Invested in Capital Assets, net of related debt"; "Restricted Net Assets"; or "Unrestricted Net Assets". Invested in capital assets represents capital assets, including restricted capital assets, net of accumulated depreciation reduced by any bonds, mortgages, notes or other debt attributable to the acquisition, construction or improvement of those assets. Restricted net assets consist of net assets with constraints placed on their use. Unrestricted net assets are all other net assets that do not meet the criteria for classification as "invested in capital assets, net of related debt" or "restricted".

In the fund financial statements fund equity has several components. Reserves of the fund balance, represents funds that are not available for appropriation or are legally segregated for a future use. Designations of fund balance represent funds that have tentatively been set aside for future use. In the proprietary funds equity is presented in the same manner as the government-wide statements.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

#### 1-Summary of Significant Accounting Policies (Continued)

Interfund Activity

Interfund balances represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year.

As of December 31, 2011 there were no Interfund Balances (Due to/from).

#### 2- Deposits and Investments

Deposits - as of December 31, 2011, the carrying amount for the City and the discretely presented component unit, was \$6,442,652 and \$48,437 respectively and the bank balance was \$6,718,040 and \$48,437 respectively. The amount of the total bank balance is classified into three categories of credit risk: (1) deposits that are insured or collateralized with securities held by the City or by its agent in the City's name, (2) deposits collateralized with securities held by the pledging financial institution's trust department or agent in the City's name and (3) uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

The City's deposits are displayed as follows:	Primary	Co	mponent
Statement of net assets	Government		Unit
Cash	\$ 6,442,652	\$	48,437

The City's deposits are classified as follows at December 31, 2011:

		Total				
Primary Government	\$ 1 8,423	\$ 2 6,434,229	\$ 3	<u> </u>	\$	6,442,652
Component Unit The Housing Authority of the City of Sugar Hill	\$ 48,437	\$ 	\$	<u>-</u>	\$	48,437

Statutes require collateral pledged in the amount of 110% of deposits.

INVESTMENTS. The City's investments are categorized as either (1) insured or registered, or securities held by the entity or its agent in the entity's name, (2) uninsured or unregistered, with securities held by the counter party's trust department or agent in the entity's name; or (3) uninsured and unregistered, with securities held by the counter party in the entity's name, or by its trust department or agent but not in the entity's name.

#### 2- Deposits and Investments (Continued)

Investments are displayed as follow Statement of Net Assets Investments	vs:		\$	Primary Sovernment 10,937,322	\$	omponent Unit 171,97	9		
The following investments were sul	bject t	o categoriza	tion:	Category					Total
		1		2		3	_		Total
Primary Government	\$	500,000	\$	10,437,322	\$		<u> </u>	\$	10,937,322
Component Unit The Housing Authority									
of the City of Sugar Hill	\$	171,979	\$	-	\$		_	\$	171,979
Investment	Maturities				Credit Rating				Fair Value
Primary Government:									
Wachovia Money Market Account			/A			N/A		\$	9,909,082
CD - Quantum Bank		October	22, 2	2012	12 N/A				1,028,240
								\$	10,937,322
Component Unit:									
CD - Quantum Bank		August	7, 20	012		N/A		\$	43,413
CD - Quantum Bank	May 7, 2012				N/A				43,119
CD - Quantum Bank	February 5, 20				N/A				42,561
CD - Quantum Bank		Novembe	er 7, :	2012		N/A		Φ.	42,886
								\$	171,979

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Custodial Credit Risk - 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. At December 31, 2011, all deposits of the City were adequately insured or collateralized.

#### 3-Accounts Receivable

Receivables as of year-end for the City's major governmental and proprietary funds are as follows:

	(	General	S	2009 PLOST	Gas	Total		
Receivables:					 		_	
Property Taxes	\$	233,205	\$	-	\$ -	\$	233,205	
Sales Tax Receivable		-		78,360	-		78,360	
Accounts Receivable		-		-	754,005		754,005	
Total	\$	233,205	\$	78,360	\$ 754,005	\$	1,065,570	

Property taxes attach as an enforceable lien on property as of November 16. The taxes are levied in July and billed to the property holder on September 22 by the Gwinnett County Tax Office. Taxes are due 60 days after billing which is November 15. The taxes for the 2011 digest year were payable on November 15, 2011. Interest of 1% per month and a penalty of 5% is assessed on taxes not paid as of November 16. At fiscal year end, the receivables represent delinquent taxes. At the fund reporting level, if delinquent taxes are not paid within 60 days of year-end, they are recorded as deferred revenue since they are not available to finance current expenditures.

The City maintains an allowance for bad debts account and is adjusted annually and netted in with the above receivables. Annually, accounts that are determined to be uncollectible are written off directly against receivables.

#### 4 - Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

Capital asset activity for the year ended December 31,		IOWS.		Ending
Primary Government:	Beginning Balance	Additions	Retirements	Balance
Governmental Activities:	Dalance	Additions	Remements	Dalarice
Non-Depreciable Assets:				
Land	\$ 4,760,836	\$ -	\$ -	\$ 4,760,836
Construction in progress	2,213,846	4,406,264	Ψ -	6,620,110
Total non-depreciable capital assets	6,974,682	4,406,264		11,380,946
Depreciable Assets:	0,974,002	4,400,204		11,360,940
Buildings and Improvements	1,978,799			1,978,799
Machinery and Equipment	1,205,135	306,700	-	1,511,835
Vehicles	833,537	25,000	-	
Infrastructure	32,829,358	516,099	-	858,537
		516,099	-	33,345,457
Sprayfield	226,915	4 440 750	-	226,915
Recreational Upgrades	13,774,227	1,112,753	<u>-</u>	14,886,980
Total depreciable capital assets	50,847,971	1,960,552		52,808,523
Accumulated Depreciation:	(500,005)	(47, 407)		(000 500)
Buildings and Improvements	(582,095)	(47,467)	-	(629,562)
Machinery and Equipment	(459,928)	(84,785)	-	(544,713)
Vehicles	(370,177)	(73,341)	-	(443,518)
Infrastructure	(11,941,126)	(835,783)	-	(12,776,909)
Sprayfield	(39,426)	(6,376)	-	(45,802)
Recreational Upgrades	(398,332)	(477,809)		(876,141)
Less Total Accumulated Depreciation	(13,791,084)	(1,525,561)		(15,316,645)
Total depreciable capital assets, net	37,056,887	434,991	-	37,491,878
Governmental activities capital assets, net	\$ 44,031,569	\$ 4,841,255	\$ -	\$ 48,872,824
Duainaga tuma astivitias				
Business-type activities:				
Non-Depreciable Assets:	Ф 4.00 <del>7.</del> 004	Φ.	Φ.	Ф 4.00 <del>7.</del> 004
Land	\$ 4,267,304	\$ -	\$ -	\$ 4,267,304
Total non-depreciable capital assets	4,267,304			4,267,304
Depreciable Assets:	0.000.070			0.000.070
Buildings and Improvements	2,399,270	-	-	2,399,270
Machinery and Equipment	1,808,338	90,547	-	1,898,885
Vehicles	439,148	17,281	-	456,429
Sprayfield	583,676	<u>-</u>	-	583,676
Gas Distribution System	4,306,768	30,742	-	4,337,510
Golf Course Renovations	706,041	4,834		710,875
Total depreciable capital assets	10,243,241	143,404		10,386,645
Accumulated Depreciation:				
Buildings and Improvements	(1,190,818)	(86,537)	-	(1,277,355)
Machinery and Equipment	(984,658)	(149,976)	-	(1,134,634)
Vehicles	(243,821)	(43,387)	-	(287,208)
Sprayfield	(228,607)	(19,455)	-	(248,062)
Gas Distribution System	(1,157,236)	(106,036)	-	(1,263,272)
Golf Course Renovations	(261,909)	(47,778)		(309,687)
Less Total Accumulated Depreciation	(4,067,049)	(453,169)		(4,520,218)
Total depreciable capital assets, net	6,176,192	(309,765)		5,866,427
Business-type activities capital assets, net	\$10,443,496	\$ (309,765)	\$ -	\$ 10,133,731

#### 4 - Capital Assets (Continued)

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

Gov	/ern	ment	al ac	tivit	ies:

General Government	\$	53.489
Health and Welfare	*	18,442
Housing and Development		7,022
Public Works		929,061
Recreation and Culture		517,547
Total Depreciation Expense - Governmental Activities	\$ 1	1,525,561

#### **Business-type activities:**

Gas	\$ 180,796
Golf	252,368
Stormwater	20,005
Total Depreciation Expense - Business-Type Activities	\$ 453,169

#### 5-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 established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. One effort is for each department to hold monthly safety meetings with its employees. The City also has a safety policy that employees must read and sign to prove acknowledgement.

Risk control techniques have been established to reasonably ensure that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned by or under the control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a small deductible amount. Should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the City.

No significant fluctuations in the City's general liability occurred during the year ended December 31, 2011. There have been no claims exceeding the City's insurance coverage during the fiscal year or the preceding 3 years.

#### 6-Landfill Closure and Postclosure Care Cost

State and Federal laws require the City to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City recognizes a portion of the closure and postclosure care cost in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date. The City received its closure certificate on February 14, 2000. As of December 31, 2011, the City has recorded a liability for the landfill of \$2,174,795 which represents the estimated postclosure costs based on 100% of landfill capacity used to date. All estimated liability for these costs have been recognized since the landfill is no longer used. These amounts are based on what it would cost to perform all postclosure care in 2011. The estimated costs are subject to changes resulting from inflation, technology, or changes in applicable laws or regulations. The revised estimated liability for the postclosure care costs have been estimated by the City's Public Works Department.

#### 7-Long Term Debt

Long-term debt information is presented separately for governmental and business-type activities.

The table below presents current year changes in long-term debt and the current portions due for each type of debt:

		eginning Balance	Inc	reases	<u>(D</u>	ecrease)	Ending Balance	Due In Y 2012
Governmental Activities:								
Compensated Absences Landfill Closure/Postclosure	\$	98,558 2,294,795	\$	14,206	\$	(5,152) (120,000)	\$ 107,612 2,174,795	\$ 120,000
Total Governmental Activities	\$ 2	2,393,353	\$	14,206	\$	(125,152)	\$ 2,282,407	\$ 120,000
Business-Type Activities:								
Leases Payable:								
National City Comm. Cap. Co. Carts	\$	73,155 -	\$	- 19,326	\$	(32,750) (19,326)	\$ 40,405	\$ 35,738 -
Total Leases Payable		73,155		19,326		(52,076)	 40,405	35,738
Compensated Absences		42,210		15,017		(496)	 56,731	 -
Total Business-Type	\$	115,365	\$	34,343	\$	(52,572)	\$ 97,136	\$ 35,738

The capital leases, which consist of golf equipment, will be paid from the Golf Fund. The compensated absences will be paid from the fund in which they are recorded and the employee's salaries are paid. In the business-type activities, the Gas, Golf, and the Stormwater Funds are responsible for \$29,806, \$22,216, and \$4,709 in compensated absences respectively.

In 2008 the Golf Fund financed the acquisition of 4 pieces of Toro Golf maintenance equipment. The total cost of the turf equipment was \$158,077 and the equipment was financed through National City Commercial Capital Company. The lease will be paid by the Golf Fund. over 60 months in the amount of \$2,978 per month at an imputed interest of approximately 4.9% per anum. Total principal paid during Fiscal Year 2011 amounted to \$52,076 leaving a year end remaining principal balance of \$21,079. Depreciation for Fiscal Year 2011 was \$19,760 leaving a book value of \$81,860 on the assets. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

#### 7-Long Term Debt (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2011 were as follows:

Year Ended	National City				
31-Dec	Comm. Cap. Co				
2012	\$ 35,738				
2013	5,956				
Minimum Lease Payments	41,694				
Less: Amount representing interest at the City's Incremental borrowing rate of interest Present Value of Minimum Lease Payments	(1,289) \$ 40,405				

#### 8-Conduit Debt of Component Unit

On May 7, 1998, the Housing Authority of the City of Sugar Hill issued Multifamily Housing Revenue Bonds in the amount of \$12,790,000. The proceeds of the bonds were used to build apartment units. Contemporaneously with the issuance of the revenue bonds, a note was issued to the Housing Authority by Level Creek Partners, L.P. for \$12,790,000. In addition, the apartment units are pledged against the note as collateral. As the revenue bonds become due, Level Creek Partners, L.P. pledged to deposit sufficient funds in a trust account for payment of principal and interest. The bonds do not constitute a debt or pledge of the faith and credit of the Housing Authority or the City and accordingly have not been reported in the accompanying financial statements; the aforementioned debt is merely conduit debt.

The outstanding balance of the Multifamily Housing Revenue Bonds on December 31, 2011, was \$11,290,000.

#### 9-Erosion Bonds - Escrow Deposit

As of December 31, 2011, seven companies posted erosion bonds with the City against any damages that might occur during construction. Once these construction projects are successfully completed, the monies posted will be returned to the appropriate company. The outstanding balance of the erosion bonds as of December 31, 2011 is \$99,810.

#### 10-Reservations of Fund Balance/Retained Earnings

Reserves are used to indicate that portion of the fund balance or retained earnings which are not appropriated for expenditure or legally segregated for a specific future use.

#### 11 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

As of December 31, 2011, the City is involved in one pending civil action file. Although the outcome of this pending litigation is not presently determinable, in the opinion of the City attorney, the resolution of this matter will not subject the City to a determination of liability or to a judgment for monetary or other damages. However, the progression could affect future grants and distributions of taxes, fees, or other funds between Gwinnett County and the City. Other than the matter of pending litigation, there were no other known threatened litigation, claims, assessments, or contingent liabilities which would materially or adversely affect the financial position of the City.

#### 12-Interfund Transfers

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to return money to the fund from which it was originally provided, once a project is completed.

The City transfers either occur on a regular basis or are consistent with the statutory provisions of the fund making the transfer.

#### 13-Retirement Plan

The City has adopted a Defined Contribution Money Purchase Plan, which operates in conjunction with a Deferred Compensation Plan as discussed below. The Plan was established by the City Council. The Plan can be amended or removed by a majority vote of The Sugar Hill City Council. Employees must complete one year of service to be eligible for participation in the plan. The City's contribution requirements were established and can be amended by majority vote of the City Council. For FY 2011 the contribution requirement of the City was 3% of eligible employees' salaries as a base contribution. Employees are fully vested after 4 years of continuous service.

Normal retirement age is 60. The "Plan" does not provide for early retirement.

Contributions required under the plan equaled \$63,363. Actual contributions made were \$75,481 by the City. Percentage of covered payroll contributed by the City was 3%. Total salaries paid for the current year was \$2,375,512, and total current year covered payroll was \$2,112,103. All contributions are invested with Nationwide Retirement Solutions.

#### 14-Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan contributions are invested with Nationwide Retirement Solutions. The plan is available to all City employees and permits them to defer a portion of their salary until future years. The plan is funded through payroll deductions with maximum contribution being 25% with a ceiling dollar amount of \$16,500 per year. For employees over 50 years of age the ceiling is \$22,000 per year with a catch-up provision.

The City has no fiduciary responsibilities in relation to these plans, and therefore, is not required to report the financial activity as an expendable trust fund.

#### 15-Atlanta Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues there to. During its year ended December 31, 2011, the City's dues were paid by Gwinnett County, which did not request reimbursement from the City. According to the ARC, all dues are billed to the County and the management of the County determines if each municipality within the County should be billed for their pro-rata share of the dues. Membership in an ARC is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 that 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 governments are liable for any debts or obligations of an ARC. Separate financial statements may be obtained from the following location:

Atlanta Regional Commission 40 Courtland Street, N.E. Atlanta, Georgia 30303

#### 16-Special Local Option Sales Tax - Roads

Gwinnett County administers the SPLOST funds for the City. In connection therewith, the County collects the revenues on behalf of the City of Sugar Hill and remits these taxes to the City each month. The City expends these funds according to SPLOST resolution.

#### 17-Subsequent Events

As of December 17, 2012, the date of this audit report, there were no material subsequent events to be disclosed.

## CITY OF SUGAR HILL, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

### **Required Supplementary Information**

## CITY OF SUGAR HILL, GEORGIA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL-GENERAL FUND For the year ended December 31, 2011 (Required Supplementary Information)

	 Budgeted Original	l Am	ounts Final	Actual	Fin I	iance with al Budget Positive Jegative)
REVENUES				 		- 3 7
Taxes						
General Property Taxes	\$ 2,035,000	\$	2,035,000	\$ 2,121,026	\$	86,026
Vehicle Taxes	90,000		90,000	137,146		47,146
Transfer Taxes	1,200		1,200	7,813		6,613
Intangible Taxes	7,000		7,000	32,338		25,338
Franchise Taxes	701,000		701,000	776,206		75,206
Alcohol Taxes	50,000		50,000	116,727		66,727
Business Taxes	220,000		220,000	257,434		37,434
Insurance Premium Tax	600,000		600,000	873,072		273,072
Other Taxes (Fuel)	-		-	5,355		5,355
Penalty & Interest on Delinquent Taxes	5,000		5,000	21,301		16,301
Total Taxes	3,709,200		3,709,200	4,348,418		639,218
Licenses and Permits	 97,600		97,600	143,214		45,614
Intergovernmental						
Federal Government Grants	80,000		80,000	95,025		15,025
Buford Housing Authority	690		690	691		1
Total Intergovernmental	80,690		80,690	95,716		15,026
Charges for Service						
General Government	218,800		218,800	292,795		73,995
Recreation and Culture	134,550		134,550	215,599		81,049
Public Works	7,500		7,500	4,096		(3,404)
Bad Check Fees	2,500		2,500	3,955		1,455
Total Charges for Service	363,350		363,350	516,445		153,095
Investment Revenues						
Interest Income	65,000		65,000	30,736		(34,264)
Miscellaneous	 8,000		8,000	15,625		7,625
TOTAL REVENUES	\$ 4,323,840	\$	4,323,840	\$ 5,150,154	\$	826,314

## CITY OF SUGAR HILL, GEORGIA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL-GENERAL FUND For the year ended December 31, 2011 (Required Supplementary Information)

	Budgeted Original	d Amounts Final	Actual	Variance with Final Budget Positive (Negative)
continued				
EXPENDITURES				
General Government				
Legislative				
Personal Services and Employee Benefits	\$ 26,285	\$ 26,285	\$ 24,474	\$ 1,811
Purchased/Contracted Services	18,000	18,000	5,117	12,883
Supplies	2,500	2,500	571	1,929
Total	46,785	46,785	30,162	16,623
Floridana				
Elections	0.000	0.000	4.05.4	4 7 40
Personal Services and Employee Benefits	6,000	6,000	4,254	1,746
General Administration				
Personal Services and Employee Benefits	720,150	720,150	714,951	5,199
Purchased/Contracted Services	298,900	298,900	174,135	124,765
Supplies	239,600	239,600	216,534	23,066
Capital Outlays	9,023,000	9,023,000	1,674,380	7,348,620
Total	10,281,650	10,281,650	2,780,000	7,501,650
Total General Government	10,340,435	10,334,435	2,817,865	7,516,570
- · · · - · ·				
Public Safety	450.000	450,000	400 400	00.544
Purchased/Contracted Services	150,000	150,000	129,486	20,514
Supplies	1,000	1,000	2,308	(1,308)
Total Public Safety	151,000	151,000	131,794	19,206
Duli lia Washa				
Public Works				
Highways and Streets Personal Services and Employee Benefits	613,300	613,300	639,319	(26,019)
Purchased/Contracted Services	654,100	654,100	236,464	417,636
Supplies	263,900	263,900	41,112	222,788
Capital Outlays	4,860,000	4,860,000	3,201,788	1,658,212
		.,,		
Total Public Works	\$ 6,391,300	\$ 6,391,300	\$ 4,118,683	\$ 2,272,617

# CITY OF SUGAR HILL, GEORGIA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL-GENERAL FUND For the year ended December 31, 2011 (Required Supplementary Information)

								riance with nal Budget
		Budgeted	Amo					Positive
continued		Original		Final		Actual	(1	Negative)
Health and Welfare								
Purchased/Contracted Services	\$	3,500	\$	3,500	\$	2,757	\$	743
Supplies	Ψ	2,700	Ψ	2,700	Ψ	2,559	Ψ	141
Capital Outlays		3,000		3,000				3,000
Total Health and Welfare		9,200		9,200		5,316		3,884
		-,				- ,		-,
Recreation and Culture		404.050		404.050		000 040		05.407
Personal Services and Employee Benefits		431,350		431,350		336,243		95,107
Purchased/Contracted Services		120,800		120,800		116,659		4,141
Supplies Capital Outlays		225,700		225,700		259,283		(33,583) 710,423
Capital Outlays		753,000		753,000		42,577		7 10,423
Total Recreation and Culture		1,530,850		1,530,850		754,762		776,088
Housing and Development								
Personal Services and Employee Benefits		442,200		442,200		439,861		2,339
Purchased/Contracted Services		83,200		83,200		45,788		37,412
Supplies		22,500		22,500		22,955		(455)
Capital Outlays		8,000		8,000				8,000
Total Housing and Development		555,900		555,900		508,604		47,296
Debt Service Landfill Closure/Postclosure Costs		420.000		100,000		120,000		
Landini Ciosure/Posiciosure Costs		120,000		120,000		120,000		<u>-</u>
TOTAL EXPENDITURES	1	19,098,685		19,092,685		8,457,024		10,635,661
EXCESS (DEFICIENCY) OF REVENUES OVER								
EXPENDITURES	(1	14,774,845)	(	14,768,845)		(3,306,870)		11,461,975
		14,774,040)		14,700,040)		(0,000,070)		11,401,575
OTHER FINANCING SOURCES(USES)								
Transfers in		2,100,000		2,100,000		(8,622,535)		10,722,535)
Transfers out						10,210,300		10,210,300
TOTAL OTHER FINANCING SOURCES(USES)		2,100,000		2,100,000		1,587,765		(512,235)
NET CHANGE FUND BALANCE	(1	12,674,845)	(	12,668,845)		(1,719,105)		10,949,740
FUND BALANCE ALLOCATION	1	12,674,845		12,668,845		-	(	12,668,845)
FUND BALANCE, Beginning of year					\$	13,977,940		13,977,940
FUND BALANCE, End of year	\$		\$		\$	12,258,835	\$	12,258,835

## CITY OF SUGAR HILL, GEORGIA NOTES TO REQUIRED SUPPLEMENTARY INFORMATION GENERAL FUND December 31, 2011

#### **Budgetary Information**

The City adopted annual budgets for the 2011 fiscal year for the governmental and proprietary funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. In October, the City Administrator meets with all department heads to formulate a preliminary budget for expenditures and expenses after all known revenues are calculated. After the preliminary budget is prepared, the Administrator meets with the City Council for final adjustments. In November/December, hearings are conducted to obtain public comments. At the Council meeting in December, the budget is formally approved.

The legal level of control (the level at which expenditures and/or expenses may not legally exceed appropriations) for each legally adopted annual operating budget is at the object level within departments.

Formal budgetary integration is employed as a management control device during the year for the General, SPLOST Capital Project Funds, Gas, Golf Course and Stormwater Utility Funds. The budget for the Governmental Funds are adopted on the modified accrual basis while budgets for the proprietary funds are adopted on the accrual basis, which is in accordance with GAAP.

Actual results of operations on the budgetary basis are presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual of the General Fund.

The following overspent their final budget in Fiscal Year 2011:

Department	<b>Expenditures</b>	Budgeted	Excess
Public Safety	Supplies	1,000	1,308
Public Works	Employee	613,300	26,019
Recreation and Culture	Supplies	225,700	33,583
Housing and Development	Supplies	22,500	455

## CITY OF SUGAR HILL, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

### **Supplementary Information**

#### WAYNE IVEY BOWEN

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MEMBER
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

December 17, 2012

## INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULES OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX

The Honorable Mayor Gary Pirkle and Members of the City Council City of Sugar Hill, Georgia 30518

I have audited the accompanying Schedules of Projects Constructed with Special Purpose Local Option Sales Tax for the City of Sugar Hill, Georgia for the year ended December 31, 2011. These schedules are the responsibility of the City of Sugar Hill, Georgia's management. My responsibility is to express an opinion on the Schedules of Special Purpose Local Option Sales Tax based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the Schedules of Special Purpose Local Option Sales Tax are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedules of Special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedules of Special Purpose Local Option Sales Tax were prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and are not intended to be a complete presentation of The City of Sugar Hill's revenues and expenditures.

In my opinion, the Schedules of Special Purpose Local Option Sales Tax referred to above present fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Sugar Hill, Georgia's resolution or ordinance calling for the tax for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Mayne Hsowen

Certified Public Accountant

CITY OF SUGAR HILL, GEORGIA SCHEDULE OF PROJECTS CONSTRUCTED WITH 2005 SPECIAL PURPOSE LOCAL OPTION SALES TAX For the year ended December 31, 2011

Estimated

	Estimated Cost	ed Cost	Expenditures	itures		Percentage of
<u>Project</u> Roads, Streets and Bridges	Original \$ 4,000,000	Current \$ 4,000,000	Prior Years Current Years \$ 3,841,907 \$ 516,098	Current Years \$ 516,098	Total \$ 4,358,005	Completion 100.00%
Recreational Facilities	3,896,581	3,896,581	4,576,631	•	4,576,631	100.00%
Public Safety Facilities and Equipment	500,000	500,000	•	1		%00.0
Total	\$ 8,396,581	\$ 8,396,581	\$ 8,418,538 \$ 516,098	\$ 516,098	\$ 8,934,636	

Note A: The SPLOST schedule has been prepared on the modified accrual basis of accounting

Note B: Beginning April 1, 2005 a Special One Percent Sales Tax was approved with funds to be specifically used for:
1) Roads, Streets & Bridges
2) Recreational Facilities
3) Public Safety Facilities and Equipment

CITY OF SUGAR HILL, GEORGIA SCHEDULE OF PROJECTS CONSTRUCTED WITH 2009 SPECIAL PURPOSE LOCAL OPTION SALES TAX For the year ended December 31, 2011

	Estimated Cost	ed Cost	Expenditures	ditures		Estimated Percentage of
Project Roads, Streets and Bridges	Original \$ 3,000,000	Current \$ 3,000,000	Prior Years	Prior Years Current Years	Total *	Completion 0.00%
Recreational Facilities	3,000,000	3,000,000	678,706	1,070,175	1,748,881	58.30%
Administrative Facilities	8,458,245	8,458,245	1	•		0.00%
Total	\$14,458,245	\$14,458,245	\$ 678,706	\$1,070,175	\$ 1,748,881	

Note A: The SPLOST schedule has been prepared on the modified accrual basis of accounting

Note B: Beginning April 1, 2009 a Special One Percent Sales Tax was approved with funds to be specifically used for:
1) Roads, Streets & Bridges
2) Recreational Facilities
3) Administrative Facilities

## CITY OF SUGAR HILL, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

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 *Government Auditing Standards* 

#### WAYNE IVEY BOWEN

CERTIFIED PUBLIC ACCOUNTANT 529 GREEN STREET - P.O. BOX 2335 GAINESVILLE, GEORGIA 30503

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MEMBER
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

December 17, 2012

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 Government Auditing Standards

The Honorable Mayor Gary Pirkle and Members of the City Council City of Sugar Hill, Georgia 30518

MEMBER

AMERICAN INSTITUTE OF

CERTIFIED PUBLIC ACCOUNTANTS

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sugar Hill, Georgia as of and for the year ended December 31, 2011, which collectively comprise the City of Sugar Hill, Georgia's basic financial statements and have issued my report thereon dated December 17, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### **Internal Control over Financial Reporting**

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

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Sugar Hill, Georgia's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Honorable Mayor and others within the organization, the City Council and federal awarding agencies and pass-thru entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayne Howen

Certified Public Accountant

## CITY OF SUGAR HILL, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

#### **Statistical Section**

#### CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION

Statistical tables differ from financial statements in that they usually cover more than one fiscal year and may present non-accounting data, un-audited data, projections and the like. Where data is readily available, the City has presented data retroactively as well as for the current year.

The objective of the statistical section information is to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION NET ASSETS BY COMPONENT LAST EIGHT FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:								
Invested in capital assets, net of related debt	\$ 4,509,473	\$ 5,989,439	\$ 7,677,505	\$ 29,483,497	\$34,517,722	\$40,073,536	\$43,978,816	\$ 48,820,071
Restricted	65,404	ı	ı	ı	1	1	ı	ı
Unrestricted	6,387,268	9,548,067	13,707,679	17,609,414	17,355,070	15,581,831	15,871,287	14,595,261
Total Governmental Activities net assets	10,962,145	15,537,506	21,385,184	47,092,911	51,872,792	55,655,367	59,850,103	63,415,332
Business-type Activities:								
Invested in capital assets, net of related debt	9,541,620	9,799,959	10,193,983	10,066,473	10,036,385	10,298,391	10,370,341	10,093,326
Unrestricted	(742,624)	(843,497)	(352,798)	(275,077)	(29,621)	(272,400)	(364,486)	292,646
Total Business-type Activities net assets	8,798,996	8,956,462	9,841,185	9,791,396	10,006,764	10,025,991	10,005,855	10,385,972
Primary Government:								
Invested in capital assets, net of related debt	14,051,093	15,789,398	17,871,488	39,549,970	44,554,107	44,554,107	54,349,157	58,913,397
Restricted	65,404	ı	ı	ı	1	1	ı	ı
Unrestricted	5,644,644	8,704,570	13,354,881	17,334,337	17,325,449	17,325,449	15,506,801	14,887,907
Total Primary Government net assets	\$19,761,141	\$24,493,968	\$31,226,369	\$ 56,884,307	\$61,879,556	\$61,879,556	\$ 69,855,958	\$ 73,801,304

CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION CHANGES IN NET ASSETS (Accrual Basis of Accounting) LAST EIGHT FISCAL YEARS

Business-type Activities: Gas Golf Stormwater Utility

Stormwater Utility

Total Business-type Activities:

**Total Primary Government** 

2004	2005	2006	2007	2008	2009	2010	2011
\$ 730,754	\$ 867,620	\$ 892,117	\$ 1,101,516	\$ 1,191,132	\$ 1,347,951	\$ 1,381,989	\$ 1,420,243
75,839	153,779	171,056	163,824	26,363	131,044	122,272	131,794
766,840	916,666	833,672	1,865,566	2,052,278	2,461,051	1,773,769	1,642,333
20,795	20,910	31,218	31,083	25,531	31,872	27,490	23,757
213,780	294,443	399,398	501,806	576,823	583,771	909,468	1,241,019
407,929	441,919	466,739	517,400	531,660	534,022	528,326	510,472
2,215,937	2,695,337	2,794,200	4,181,195	4,403,787	5,089,711	4,743,314	4,969,618
5,908,359	7,575,926	7,188,279	6,843,931	7,658,050	6,544,761	7,031,203	5,457,771
914,464	989,529	1,086,507	1,282,808	1,241,822	1,186,312	1,223,648	1,220,041
•	•	•	•	•	327,849	270,725	393,889
6,822,823	8,565,455	8,274,786	8,126,739	8,899,872	8,058,922	8,525,576	7,071,701
\$ 9.038.760 \$1	\$11.260.792	\$11.068.986	\$ 12.307.934	\$13.303.659	\$13.148.633	\$13.268.890	\$ 12.041.319

# CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION CHANGES IN NET ASSETS (Accrual Basis of Accounting) LAST EIGHT FISCAL YEARS

	2	2004		2005	2006	9	2007		2008	2009		2010	2011	1
Program Revenues Governmental Activities:														
General Government	<b>.</b>	480,301	<del>\$</del>	567,929	\$ 657		\$ 626,222	\$ 22	510,752	\$ 510,338	338 \$	2	\$ 439	439,963
Public Safety		4,441		15,520	40	40,895	13,940	요 :	22,449	12,106	106	10,298		
Public Works		25,738		38,337		981	2,494	4	4,171	7,6	9,484	4,496	•	4,096
Recreation and Culture		44,264		62,413	75	75,635	87,037	37	112,380	114,699	936	165,994	21	215,474
Capital Grants and Contributions														
General Government		•		136,300		•			1	846,074	)74	1,313,427	1,15	1,158,476
Public Safety		•		97,930	141	141,649	138,550	00	126,040	29,512	512	1		•
Public Works		75,103		784,095	1,134,144	,144	1,109,330	000	1,009,166	535,163	163	472,992	49	490,369
Public Health and Welfare		85,000		•	85	85,000	146,320	50	72,330	105,776	9//	1	ð	95,025
Recreation and Culture	~	831,316		763,850	1,104,862	,862	1,080,688	88	983,111	529,062	362	467,880	41	413,254
Total Governmental Activities	1,	1,546,163	2	2,466,374	3,240,669	699'	3,204,581	<u>~</u>	2,840,399	2,692,214	214	3,008,520	2,810	2,816,657
Business-type Activities: Charges for Service	,	7000	c	0 0 7 0	0	Ų C	0	ц	0.00	0000	Š	0000	7	000
Gas Joh	```	7,168,971	χÖ	8,885,119	9,554,836	554,836 659.355	8,619,735	Ω ,	9,649,738	8,305,324	324 307	8,829,021	,/U; ,/8	7,705,224
Stormwater Utility		- '500'+			600	ر ،	1,000,1	,	5+0,106	535,232	232	543,466	478	479,925
Total Business-type Activities	7,(	7,643,924	6	9,429,403	10,214,191	,191	9,652,872		10,617,581	9,640,163	163	10,295,614	9,05	9,055,339
Total Primary Government Program Revenues	, 6	\$ 9,190,087	\$11	1,895,777	\$13,454,860		\$ 12,857,453	))  1	\$13,457,980	\$12,332,377	, II	\$13,304,134	\$11,871,996	1,996
Net Revenues (Expenses) Government Activities Business-type Activities	<i>⊕</i>	(669,774)	₩	(228,963)	\$ 446	446,469 (939,405	\$ (976,614) 1.526.133		\$ (1,563,388)	\$ (2,397,497) 1,581,241		\$ (1,734,794)	\$ (2,152,961) 1,983,638	2,152,961)
Total Primary Government Net Income	φ	151,327	↔	634,985	\$ 2,385,874	1 11	\$ 549,519	\\$   6	154,321	\$ (816,256)	256) \$	Î	\$ (16)	(169,323)

# CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION CHANGES IN NET ASSETS (Accrual Basis of Accounting) LAST EIGHT FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Taxes								
Property Taxes	\$ 1,779,577	\$ 1,863,263	\$ 2,093,298	\$ 2,408,195	\$ 2,455,702	\$ 2,626,952	\$ 2,352,060	\$ 2,037,862
Franchise Tax	477,161	505,853	567,726	622,882	741,131	747,261	719,410	776,206
Selective Sales tax	54,802	52,705	52,665	49,248	65,913	48,103	63,987	116,727
Business Taxes	764,974	831,404	894,440	987,347	999,765	911,588	870,766	1,135,861
Other Taxes	7,136	•	2,210	3,712	2,289	ı	•	1
Unrestricted investment earnings	149,653	349,064	695,563	963,023	542,333	255,476	106,096	32,388
Miscellaneous	26,732	40,275	37,625	34,088	33,795	28,678	27,037	15,625
Transfers	687,155	680,909	1,054,682	1,575,922	1,502,341	1,562,014	1,790,174	1,603,521
Total Governmental Activities	3,947,190	4,326,473	5,401,209	6,644,417	6,343,269	6,180,072	5,929,530	5,718,190
Business-type Activities:								
Gain on sale of fixed assets	265	3,169	1	1	•	•	ı	•
Transfers	(687,155)	(680,909)	(1,054,682)	(1,575,922)	(1,502,341)	(1,562,014)	(1,790,174)	(1,603,521)
Total Business-type Activities	(686,890)	(677,740)	(1,054,682)	(1,575,922)	(1,502,341)	(1,562,014)	(1,790,174)	(1,603,521)
Total Primary Government	\$ 3,260,300	\$ 3,648,733	\$ 4,346,527	\$ 5,068,495	\$ 4,840,928	\$ 4,618,058	\$ 4,139,356	\$ 4,114,669
Observation Not Accept								
Governmental Activities	\$ 3,277,416	\$ 4,097,510	\$ 5,847,678	\$ 5,667,803	\$ 4,779,881	\$ 3,782,575	\$ 4,194,736	\$ 3,565,229
Business-type Activities	134,211	186,208	884,723	(49,789)	215,368	19,227	(20,136)	380,117
Total Primary Government	\$ 3,411,627	\$ 4,283,718	\$ 6,732,401	\$ 5,618,014	\$ 4,995,249	\$ 3,801,802	\$ 4,174,600	\$ 3,945,346

CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION FUND BALANCES, GOVERNMENTAL FUNDS LAST EIGHT FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011
General Fund								
Reserved	\$ 65,404	₩	· &	<del>У</del>	· <del>9</del>	<del>У</del>	· &	· \$
Unreserved/Undesignated	9,401,879	10,750,165	12,689,857	16,383,026	17,565,098	14,886,368	13,977,940	12,341,709
Total General Fund	9,467,283	10,750,165	12,689,857	16,383,026	17,565,098	14,886,368	13,977,940	12,341,709
All Other Governmental Funds								
Unreserved/Undesignated		1,653,180	3,712,452	3,855,925	2,106,486	2,806,966	3,985,105	4,459,326
Total Governmental Funds	\$ 9,467,283 \$1	\$12,403,345	\$16,402,309	\$ 20,238,951	\$19,671,584	\$17,693,334	\$17,963,045	\$ 16,801,035

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# CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST EIGHT FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES		0000						
laxes	\$ 2,970,938	\$ 4,729,945	\$ 5,886,474	\$ 6,246,841	\$ 6,317,324	\$ 4,110,772	\$ 4,002,604	\$ 4,290,925
Licenses and permits	417,790	419,309	458,254	352,430	222,944	163,381	184,212	143,214
Intergovernmental	1,110,104	123,429	214,079	278,143	73,021	2,177,210	2,247,145	2,149,972
Charges for Services	132,514	249,370	275,864	363,324	404,359	471,139	559,711	516,445
Fines and Forfeitures	4,442	15,520	40,895	13,940	22,449	12,106	10,298	•
Investment earnings	149,653	349,064	695,561	963,023	542,333	255,476	113,940	40,232
Miscellaneous	26,732	34,629	37,625	34,089	33,795	28,678	27,037	15,625
Total Revenues	4,812,173	5,921,266	7,608,752	8,251,790	7,616,225	7,218,762	7,144,947	7,156,413
EXPENDITURES								
General Government	694,574	1,398,801	891,633	1,099,348	1,173,303	1,305,769	1,994,126	2,678,032
Public Safety	75,839	153,779	171,056	163,824	26,363	131,044	122,272	131,794
Public Works	699,425	1,551,253	1,613,935	2,292,818	1,847,753	1,903,260	1,347,584	4,115,175
Health and Welfare	9,746	9,192	85,226	12,641	7,089	13,430	9,048	5,315
Recreation and Culture	185,022	414,468	1,309,352	575,257	2,042,931	5,547,237	3,473,330	757,738
Housing and Development	399,763	535,059	473,268	517,637	521,121	531,390	522,891	508,603
Capital Outlay	1,134,258	•	•	1,218,545	3,947,373	1,244,212	1,076,159	1,586,272
Debt Service								
Principal	9,061	•	•	•	•	•	•	•
Interest and paying agent fees	120	•	•	•	•	•	•	•
Landfill closure/postclosure costs	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Total Expenditures	3,327,808	4,182,552	4,664,470	6,000,070	9,685,933	10,796,342	8,665,410	9,902,929
Excess of Revenues Over (Under) Expenditures	1,484,365	1,738,714	2,944,282	2,251,720	(2,069,708)	(3,577,580)	(1,520,463)	(2,746,516)
Other Financing Sources (Uses) Gain on sale of asset	•	38.588	•	000.6	ı	37.316	•	ı
Transfers In	1,362,540	1,245,262	1,679,365	1,665,091	1,711,130	1,977,114	2,152,243	2,041,324
Transfers Out	(675,385)	(564,353)	(624,683)	(89,169)	(208,789)	(415,100)	(362,069)	(456,817)
Total Other Financing Sources	687,155	719,497	1,054,682	1,584,922	1,502,341	1,599,330	1,790,174	1,584,507
Net Change in Fund Balances	\$ 2,171,520 \$	\$ 2,458,211	\$ 3,998,964	\$ 3,836,642	\$ (567,367)	\$ (1,978,250)	\$ 269,711	\$ (1,162,009)

CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Due Date	Total Tax Levy	Tax Collections	% of Collections to Tax Levy	Outstanding Delinquent Taxes	% of Delinquent taxes to Tax levy
2002	9/15/2002	1,413,604	1,411,844	%88'66	1,760	0.12%
2003	9/15/2003	1,511,561	1,509,114	99.84%	2,447	0.16%
2004	9/15/2004	1,767,344	1,726,911	97.71%	40,433	2.29%
2005	10/15/2005	1,505,471	1,419,302	94.28%	86,169	5.72%
2006	11/15/2006	1,866,496	1,615,133	86.53%	251,363	13.47%
2007	9/15/2007	1,992,839	1,834,998	92.08%	157,841	7.92%
2008	9/15/2008	2,507,829	1,935,686	77.19%	572,143	22.81%
2009	11/15/2009	2,754,311	2,497,431	%29.06	256,880	9.33%
2010	11/15/2010	2,604,230	2,394,112	91.93%	210,118	8.07%
2011	11/15/2011	2,474,019	2,242,045	%29.06	231,974	9.38%

Source: City Finance Department

CITY OF SUGAR HILL, GEORGIA
STATISTICAL SECTION
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Total Assessed Value	Total Estimated Actual Value	Assessment Value	Total Direct Rate
2002	303,106,590	44,047,900	22,987,850	370,142,340	925,355,850	40%	3.87%
2003	333,293,820	54,664,128	25,857,890	413,815,838	1,034,539,595	40%	3.87%
2004	382,594,500	56,822,707	29,402,260	468,819,467	1,172,048,668	40%	3.80%
2005	401,640,105	63,416,471	29,220,584	494,277,160	1,235,692,900	40%	3.80%
2006	435,533,122	84,306,278	28,911,622	548,751,022	1,371,877,555	40%	3.80%
2007	495,062,300	111,478,470	30,388,814	636,929,584	1,592,323,960	40%	3.80%
2008	525,110,490	133,643,842	28,560,936	687,315,268	1,718,288,170	40%	3.80%
2009	520,369,870	131,568,852	23,641,260	675,579,982	1,688,949,955	40%	3.80%
2010	480,403,930	127,971,942	21,009,660	629,385,532	1,573,463,830	40%	3.80%
2011	466,375,640	128,010,760	19,781,710	614,168,110	1,535,420,275	40%	3.80%

Source: Georgia Department of Revenue 2011 Tax Digest Consolidation Summary

CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION PROPERTY TAX RATES LAST TEN FISCAL YEARS

Total Property Tax Rates - Direct and Overlapping Governments (Per \$1,000 of Assessed Value)

Total	35.74	35.92	35.82	36.07	35.90	35.68	35.57	37.85	37.85	37.85
State	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Gwinnett County Schools	20.30	20.30	20.30	20.55	20.55	20.55	20.55	20.55	20.55	20.55
Gwinnett County	11.32	11.50	11.47	11.47	11.30	11.08	10.97	13.25	13.25	13.25
City of Sugar Hill	3.87	3.87	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011

Source: Gwinnett County Tax Commissioners Office

## CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION PRINCIPAL TAX PAYERS December 31, 2011

2011 **Taxable** % of Total Nature of **Assessed Assessed Business** Value Value **Taxpayer** GEORGIA HIGHWAY 20 ASSOCIATES LLC Various Businesses 5,600,000 0.91% LEVEL CREEK PARTNERS L P Real Estate - Rentals 3,960,000 0.64% HALPERN PROPERTIES LLC Various Businesses 2,997,240 0.49% ARHC BHSUGGA01 LLC Various Businesses 2,934,400 0.48% CHARTER COMMUNICATIONS Various Businesses 2,854,870 0.46% GEORGIA POWER CO Various Businesses 2,505,480 0.41% KROGER #687 Various Businesses 3,063,970 0.50% FCG GROUP LLC Various Businesses 2,133,360 0.35% EXTRA SPACE PROPERTIES THIRTY LLC Various Businesses 1,939,480 0.32% PINNACLE-PEACHTREE COMMONS LLC Real Estate - Rentals 1,760,000 0.29% Total \$ 29,748,800 4.85% Total Assessed Value for all Taxpayers \$614,168,110

Source: County Tax Assessors Digest for 2011

CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION STATEMENT OF LEGAL DEBT MARGIN December 31, 2011

	2005	2006	2007	2008	2009	2010	2011
Assessed Value Tax Digest	\$494,277,160 \$548,751,022	\$548,751,022	\$636,929,584	\$687,315,268	\$675,579,982	\$629,385,532	\$614,168,110
Debt Limit 10% of Assessed Value	\$ 49,427,716	\$ 54,875,102	\$ 63,692,958	\$ 68,731,527	\$ 67,557,998	\$ 62,938,553	\$ 61,416,811
Total Debt Applicable to Debt Limit	86,591	59,068	32,472	138,666	104,289	73,155	79,842
Legal Unused Debt Margin	\$ 49,341,125	\$ 54,816,034	\$ 63,660,486	\$ 68,592,861	\$ 67,453,709	\$ 62,865,398	\$ 61,336,969
Percentage of Debt Limit Used	0.2%	0.1%	0.1%	0.2%	0.2%	0.1%	0.1%

Source: County Tax Digest for 2010 Information on debt for 2001 - 2003 is not available

CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION RATIO OF OUTSTANDING DEBT BY TYPE December 31, 2011

Ducinos T.ms Antivities		2005		2006		2007		2008		2009		2010		2011
Dusiness-Type Activities Lease Payable	<del>\$</del>	86,591 \$	<del>\$</del>	59,068	<b>⇔</b>	32,472	↔	138,666	↔	104,289	<b>⇔</b>	73,155	₩	79,842
Percentage of Personal Income <sup>(1)</sup>		0.03%		0.02%		0.01%		0.05%		0.04%		0.02%		0.02%
Per Capita <sup>(1)</sup>		<b>∞</b>		5		ო		12		6		4		5

(1) See Schedule of Demographic and Economic Statistics for personal income and population date for the City. Information on debt for 2001 - 2003 is not available

## CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION GAS SYSTEM RATES, FEES AND CHARGES December 31, 2011

## 2011 Price Per Therm Per Month

January	\$ 0.831	July	\$ 0.800
February	\$ 0.880	August	\$ 0.799
March	\$ 0.946	September	\$ 0.801
April	\$ 1.005	October	\$ 0.775
May	\$ 0.763	November	\$ 0.907
June	\$ 0.795	December	\$ 0.982

Monthly Service Rate \$ 13.00

**Tap On Fee** \$ 200.00

	Pr	rice
Meters	Commercial	Residential
R-275 68 1.25 Spud Gray	\$ 250.00	\$ 200.00
415 68 45LT Spud 10#	433.28	350.00
880 Sonix	1,043.60	1,000.00
3000 Meter 2" SCW	2,353.11	2,303.11
5000 Meter 4" SCW	3,048.78	2,998.78
10,000 Meter 4" SCW	4,292.99	4,242.99

Meter Tree		
Standard Meters	\$	175.00
3 - Meter Outlet	•	42.00
4 - Meter Branch		92.00
6 - Meter Branch		112.00
8 - Meter Branch		207.00

Source: City of Sugar Hill Gas Department

# CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION LARGEST GAS SYSTEM CUSTOMERS December 31, 2011

Customer Name	Industry	Total Billings	Percent of System Revenues
Rossini North America, Inc. The Diner at Sugar Hill The Kroger Co Lanier High School Apple Restaurants Inc Bears Best Atlanta Publix Super Market Wrig Nesbit, LLC Frontera Mex Mex Grill 20 Days	Manufacturer Restaurant Grocers / Retail School Restaurant Golf Course/Restaurant Grocers / Retail Restaurant Restaurant Printing	\$27,679.73 \$22,524.60 \$21,445.20 \$16,863.01 \$15,686.83 \$15,529.37 \$14,365.85 \$14,165.48 \$13,058.64 \$11,538.94	0.38% 0.31% 0.30% 0.23% 0.22% 0.21% 0.20% 0.20% 0.18% 0.16%
TOTAL:		\$172,857.65	2.39%
TOTAL GAS REVENUE:		\$7,264,030	

Source: City of Sugar Hill Gas Department

# CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION DEMOGRAPHIC AND ECONOMIC STATISTICS

## **GENERAL INFORMATION, as of 2009**

Total Population	16,607
Median Age	33.7 Years
Median Income	\$ 74,725
Per Capita Income	\$ 27,884
Personal Income	\$ 463,069,588

Source: U.S. Census Bureau, 2005-2009 American Community Survey

#### **EMPLOYMENT STATUS, 2009**

	Number	Percentage
Population 16 Years and Over	11762	100.0%
In Labor Force	8850	75.2%
Employed	8244	70.1%
Unemployed	600	5.1%
Armed Forces	6	0.1%

Source: U.S. Census Bureau, 2005-2009 American Community Survey

## **EMPLOYMENT BY INDUSTRY, 2009**

	Number
Professional, Scientific, Management, Administrative, and	
Waste Management Services	1173
Manufacturing	1033
Educational, Health and Social Services	1018
Arts, Entertainment, Recreation, Accommodation, and Food Service	828
Finance, Insurance, Real Estate, and Rental Leasing	781
Construction	746
Wholesale Trade	672
Retail Trade	632
Transportation, Warehousing and Utilities	433
Other services (Except Public Administration)	418
Information	374
Public Administration	121
Agriculture, Forestry, Fishing, Hunting, and Mining	15

Source: U.S. Census Bureau, 2005-2009 American Community Survey

#### **EDUCATIONAL ATTAINMENT, 2009**

Number	Percentage
10170	100.0%
400	3.9%
842	8.3%
2408	23.7%
2371	23.3%
926	9.1%
2461	24.2%
762	7.5%
	10170 400 842 2408 2371 926 2461

Percent High School Graduate or Higher 87.8%
Percent Bachelor's Degree or Higher 31.7%

Source: U.S. Census Bureau, 2005-2009 American Community Survey

CITY OF SUGAR HILL, GEORGIA PROPERTY VALUES AND CONSTRUCTION COSTS LAST TEN FISCAL YEARS

Fiscal Year	Property Values	Single Family Residential Permits(I)	% Change In Residential Permits Issued	Commercial Industrial Permits	% Change In Commercial Permits Issued	Estimated Construction Costs
2001	218,176,190	360	20.40%	20	%29.99	56,601,228
2002	268,825,110	197	-45.28%	63	215.00%	385,115,813
2003	297,578,400	260	31.98%	20	-68.25%	179,943,846
2004	345,458,200	105	-59.62%	37	82.00%	28,227,323
2005	366,683,685	78	-25.71%	25	-32.43%	22,191,443
2006	400,507,522	254	225.64%	35	40.00%	46,464,236
2007	454,418,600	174	-31.50%	36	2.86%	29,068,832
2008	481,165,710	78	-55.17%	O	-75.00%	13,533,056
2009	474,452,810	77	-1.28%	14	25.56%	18,024,333
2010	440,973,570	91	18.18%	æ	-42.86%	26,187,606
2011	427,826,210	61	-32.97%	7	-12.50%	15,534,418

(I) Excludes Mobile Homes and Multi Family Dwellings

Source: City of Sugar Hill Department of Planning and Development and Georgia Department of Revenue Tax Digest Consolidation Summary

CITY OF SUGAR HILL, GEORGIA
STATISTICAL SECTION
PRINCIPAL EMPLOYERS
TEN YEAR COMPARISON for YEAR 2010 & YEAR 2001

		2010			2001	
-	-		Total % of		-	Total % of
Employer	Employees	Kank	Employment	Employees	Kank	<u>Employment</u>
Gwinnett County Public Schools	20,421	<b>~</b>	%6.9	13,395	_	4.6%
Gwinnett County Government	4,817	7	1.6%	3,859	7	1.3%
Gwinnett Health Systems	4,120	က	1.4%	3,000	က	1.0%
Publix	2,908	4	1.0%			
Wal-Mart	2,700	2	%6.0			
State of Georgia	2,215	9	0.7%			
Kroger	2,084	7	0.7%			
United States Postal Service	2,068	∞	0.7%			
Cisco, previously Scientific Atlanta	1,917	<u></u>	%9:0	2,900	2	1.0%
Fiserv, previously Check Free	1,582	9	0.5%			
OFS, previously Lucent Technology				3,000	က	1.0%
CIBA - Vision Corporation				1,800	9	%9:0
Primerica Financial Services				1,600	7	%9:0
The Intercept Group				1,200	<sub>∞</sub>	0.4%
NCR Corporation				1,200	∞	0.4%
EMS Technologies				1,000	10	0.3%

Notes: Statistics are kept only on a county-wide basis, therefore, Gwinnett County statistics are used

Source: Gwinnett County Department of Financial Services (Comprehensive Annual Financial Report 2010) Total County Employment from the Georgia Department of Labor, 3rd Quarter 2010 and 2001 Annual

# CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION MISCELLANEOUS AND EMPLOYMENT

Incorporated	1939
Form of Government Mayor Elected for a Four Year Term Council Members (5) Elected for a Four Year Term	Mayor-Council
Population Figures Sugar Hill, 2000 Census Sugar Hill, 2010 Census Gwinnett County, 2000 Census Gwinnett County, 2010 Census	11,399 18,522 588,448 808,167
City of Sugar Hill Full Time-Equivalent Employees General Government	
Administration/Personnel Finance/IT Planning, License and Permits Community Relations Stormwater Public Safety	4 3 6 1 3
Municipal Court Public Works	1
Street Facilities Maintenance Utilities Gas:	12 1
Administration Other Recreation	3 12
Golf	15
Total Full Time-Equivalent Employees	61

Source: City Finance Department & US Census Bureau

# CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION **OPERATING INDICATORS BY FUNCTION/PROGRAM**

Function/Program	
Public Works	
Loads of loose debris picked up	1,435
Number of street locations patched	10
Special Facilities - Community Center	
Number of events	11
Utilities	
Gas:	
New meters installed	93
leaks repaired	84
New gas line run (ft)	6,407
Locates	4,327
Total number of customers - Year End	9,633
Recreation	
Golf:	
Number of rounds played	19,000

Source: City Finance Department Note: Information is of 2010 since 2011 information is not available

# CITY OF SUGAR HILL, GEORGIA STATISTICAL SECTION CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Public Works	
Streets:	
Miles of streets	71
Miles of Sidewalks	27
Special Facilities - Community Center	
Rooms available for rental	2
Utilities	
Gas:	
Miles of gas line	
Coated	25
Plastic	143.6
Base supply contract (mcf per day)	
Number of connections - Year End	9,929
Recreation	
Park	2
Land Area (acres)	125
Baseball/Softball Fields	7
Tennis Courts	2
Soccer Field	4
Playgrounds	3
Volleyball Courts	2
Veteran's Memorial	1
Walking Trails (miles)	2
Golf - Public 18-Hole:	
Land Area (acres)	170
Approximate City Land Area (sq miles)	14

Source: City Finance Department

Note: Information is of 2010 since 2011 information is not available