

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

# Alpharetta

GEORGIA • U S A







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**City of Alpharetta, Georgia**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2010**

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Director of Finance

**Submitted By:**  
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City Administrator





# Table of Contents

## INTRODUCTORY SECTION

Table of Contents . . . . .	3 - 4
Letter of Transmittal . . . . .	6 - 9
Certificate of Achievement for Excellence in Financial Reporting . . . . .	10
List of Elected and Appointed Officials . . . . .	11
Organizational Chart . . . . .	11
City Departments . . . . .	12 - 21
City Meetings . . . . .	22
Calendar of Events . . . . .	23 - 24

## FINANCIAL SECTION

Independent Auditor's Report . . . . .	26 - 27
Management's Discussion and Analysis . . . . .	28 - 37
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets . . . . .	39
Statement of Activities . . . . .	40
Fund Financial Statements:	
Balance Sheet – Governmental Funds . . . . .	41
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds . . . . .	42
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities . . . . .	43
Statement of Net Assets – Proprietary Fund . . . . .	44
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund . . . . .	45
Statement of Cash Flows - Proprietary Fund . . . . .	46
Statement of Fiduciary Net Assets - Pension Trust Funds . . . . .	47
Statement of Changes in Fiduciary Net Assets - Pension Trust Funds . . . . .	48
Notes to Financial Statements . . . . .	49 - 69
Required Supplementary Information:	
Schedule of Funding Progress – City of Alpharetta Retirement Plans . . . . .	71
Schedule of Employer Contributions – City of Alpharetta Retirement Plans . . . . .	72
Schedule of Funding Progress – City of Alpharetta OPEB Plan . . . . .	72
General Fund – Budgetary Comparison Schedule – GAAP Basis . . . . .	73
E911 Fund – Budgetary Comparison Schedule – GAAP Basis . . . . .	74
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds . . . . .	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds . . . . .	77
Hotel Motel Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual . . . . .	78
Impact Fee Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual . . . . .	79
Drug Enforcement Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual . . . . .	80
Grant Operating Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual . . . . .	81
Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual . . . . .	82

Combining Statement of Fiduciary Net Assets – Pension Trust Funds . . . . .	83
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds . . . . .	84
Discretely Presented Component Unit – Development Authority of Alpharetta – Balance Sheet . . . . .	86
Discretely Presented Component Unit – Development Authority of Alpharetta – Statement of Revenues, Expenditures, and Changes in Fund Balance . . . . .	86

**STATISTICAL SECTION**

Financial Trends:

Net Assets by Component . . . . .	89
Changes in Net Assets . . . . .	90 - 91
Governmental Activities Tax Revenues by Source . . . . .	92
Fund Balances of Governmental Funds . . . . .	92
Changes in Fund Balances of Governmental Funds . . . . .	93 - 94

Revenue Capacity:

General Governmental Tax Revenues by Source . . . . .	95
Assessed Value and Estimated Actual Value - All Taxable Property . . . . .	95
Property Tax Rates – All Overlapping Governments . . . . .	96
Sales Tax Rates – All Overlapping Governments . . . . .	96
Principal Property Taxpayers . . . . .	97
Property Tax Levies and Collections . . . . .	97

Debt Capacity:

Ratios of Outstanding Debt by Type . . . . .	98
Ratios of General Bonded Debt Outstanding . . . . .	98
Direct and Overlapping Governmental Activities Debt . . . . .	99
Legal Debt Margin Information . . . . .	99

Demographic and Economic Information:

Demographic and Economic Statistics . . . . .	100
Principal Employers . . . . .	100

Operating Information:

Full-Time Equivalent City Government Employees by Function . . . . .	101
Operating Indicators by Function . . . . .	102
Capital Asset Statistics by Function . . . . .	103

# INTRODUCTORY SECTION



**To the Honorable Mayor, Members of the City Council,  
Citizens, Businesses, and Stakeholders of the City of Alpharetta:**

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2010. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, Certified Public Accounts, LLC, have issued an unqualified (“clean”) opinion on the City of Alpharetta’s financial statements for the year ended June 30, 2010. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

**Our History**

From the North Georgia Mountains to the Chattahoochee River along a Cherokee Indian trail, a tiny village named *New Prospect Camp Ground* was formed. This village, made up of tents, a log school, and an arbor became a trading post where Indians and settlers exchanged their goods. The surrounding countryside provided excellent farmland, especially for cotton. On December 11, 1858, the town was chartered and became the county seat of Milton County. The town was renamed Alpharetta from the Greek words “alpha” meaning first and “retta” meaning town.

When the depression of the early 1930’s devastated the nation’s economy, Milton County found itself near bank-

ruptcy. In order to save the area from disaster, it was decided that a merger of Milton County with Fulton County would be to everyone’s advantage. Today, Alpharetta represents one of fourteen incorporated cities/towns within Fulton County and is one of the fastest growing communities in the South. Its environment is considered ideal for raising families and living a quality lifestyle free from the problems found in so many similar sized cities.

Located approximately 25 miles north of the City of Atlanta, Alpharetta occupies a land area of approximately 27 square miles and serves an estimated population of 52,508. Population growth has been fueled in part by the City’s strong economic base as well as the annexation of surrounding communities. With the recent incorporation of the City of Milton and the City of John’s Creek, all unincorporated areas within north Fulton County have been absorbed. As such, future growth will be through internal development and redevelopment as opposed to annexation.

**Government Profile**

The City operates under a strong mayoral form of government, whereby the mayor possesses all of the executive and administrative powers granted to the government under the constitution and laws of the State of Georgia and the City charter. Policy making and legislative authority are vested in the governing council, consisting of the mayor and six (6) council members, all elected on a non-partisan basis. The mayor is chosen by popular vote. City Council members run for a specific post, but they are elected by a city-wide vote. The City’s elected officials serve four (4) year terms which begin on January 2nd immediately following the date of election into office. Council members elected for three (3) consecutive terms are not eligible for the succeeding term. A mayor elected and qualified for two (2) consecutive terms is not eligible for a succeeding term. Elections are held every two (2) years and are conducted by the Fulton County Board of Elections. The Mayor and City Council appoint a City Administrator to carry out the day to day operations of the City.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. Sanitation services are provided through relationships with private operators. The City created a legally separate entity, the Development Authority of Alpharetta, to assist with, among other things, capital funding. Financial information for the Development Authority has been included within this document and additional information can be found within the Notes to the Financial Statements in Note I (A).

### **Budget Basis and Structure**

The annual budget serves as the foundation for the City's financial plan and assists in control of the financial stability and health of the government. The Mayor and Council are legally required to adopt a balanced budget (i.e. revenues = expenditures) no later than the close of the fiscal year. The City's fiscal year runs from July 1st through June 30th.

The City's budget is created under a hybrid performance-based budgeting system. This type of budgeting system blends the traditional historical financial trend model with the performance based model of identifying a particular level of performance for each type of service/program and the resources necessary to operate it, as well as describes the structure of the departments and the programs into which they are divided. The legal level-of-control (i.e. the spending level at which expenditures may not legally exceed appropriations) resides at the department level within a given fund. As such, reallocation of appropriations between line-items is acceptable within a given department (with a few exceptions). Budget amendments that cross departments must be approved in advance by the City Council. As such, these amendments are typically brought for consideration by City Council during the mid-year budget review process.

### **Local Economy**

The City enjoys a favorable economic environment with a significant commercial presence and strong employment base. While our local economic base is stronger than most, we are feeling the effects of reduced economic ac-

tivity in our revenue trends, particularly revenues related to real estate (e.g. property taxes, building permit fees, plan review fees, etc.).

Alpharetta is home to many large computer software, telecommunication, financial, and professional service companies such as McKesson, ADP, Hewlett Packard, IBM Technologies, GE Consumer Finance, Verizon, and AT&T Mobility, etc. Alpharetta continues to be the ideal location for companies on the forefront of the modern economy, in the heart of one of the largest fiber-linked networks in the United States.

City government, together with the Alpharetta Convention and Visitors Bureau, continues to attract and host a considerable number of regional special events, such as the Alpharetta Arts StreetFest, a two day juried fine art festival in downtown Alpharetta. In addition, the City also sponsors large-scale community events like the Taste of Alpharetta which continues to be a favorite of the locals and is enjoyed by nearly 60,000 people annually.

Positive economic activity is being generated by the Verizon Wireless Amphitheatre at Encore Park which opened May 10, 2008. The 12,000 seat state-of-the-art venue is home to the Grammy award winning Atlanta Symphony Orchestra and has hosted numerous headline talent such as the Eagles, Steve Miller Band, Stevie Nicks, Rush, Stone Temple Pilots, Rod Stewart, John Mayer, Dave Matthews Band, etc.

### **Strategic Financial Planning**

Governments in our regional area as well as across the country are experiencing significant budgetary shortfalls due to slowing economic growth and weak construction activity. Although many economic factors are largely outside of local government control, the City Council, City Administration, and City departments have displayed impressive financial stewardship over the years through an established philosophy of budgetary evaluation. This philosophy entails reviewing the needs of the City relative to the standard that services and associated costs should not be appropriated unless they are justified as strategic goals of the organization that serve to accomplish our guiding principles.



This philosophy is a foundation of our budget process as evidenced by City Administration's direction to departments that base operating budgets (i.e. maintenance & operations) should be submitted in line with the City's reduced revenue trends. Departments responded with operating budget reductions averaging 10% that maintain the same high level of services our citizens and stakeholders deserve. The readjusted departmental operating budgets are in line with the City's short-term revenue outlook which is necessary to position the City for financial success in the future.

The issue of sustainability also is addressed through a diversification of revenue sources. While property taxes do represent the largest single source of revenue, significant discussion is centered on how to further diversify the City's revenue base and lessen reliance on property taxes. Existing revenue sources are evaluated on an annual basis to ensure the underlying rate is reasonable and justifiable. Examples of revenue sources that are reevaluated annually include: all user fee based revenue sources (i.e. permits, licenses, recreation fees, etc.), impact fees, etc.

The City has historically acknowledged the need to provide a taxation rate commensurate with the government's level of service while ensuring tax relief through efficient and effective management practices. The City levied a millage rate of 5.75 in fiscal year 2010 which, while flat with fiscal year 2009, represents a tax reduction for many property owners as the value of property within the City has declined. The millage rate for fiscal year 2010, coupled with the City's substantial Homestead Exemption of \$30,000 goes great lengths in keeping Alpharetta not only an affordable place to live, but also strategically positions us relative to neighboring areas. It should be noted that the \$30,000 Homestead Exemption our City offers is equivalent to a 1.0 mill reduction for the average homeowner. This Homestead Exemption will be further increased to \$40,000 over the 2011 and 2012 fiscal years.

At the end of the current fiscal year, total fund balance for general fund was \$18,879,354 consisting of \$63,663 which is Reserved for Prepaid Expenditures, \$14,391,894 which is Unreserved and Designated for Operations, and \$4,423,797 which is Unreserved and Undesignated. Unreserved and Designated for Operations amount of \$14,391,894 is composed of \$3,641,894 designated for subsequent year's expenditures, \$750,000 designated for future payment of OPEB costs, and \$10,000,000 designated for unforeseen emergencies which equals 21% of fiscal year 2011 budgeted operating expenditures and equivalent to 2.5 months worth of operating expenditures. The Unreserved and Undesignated amount of

\$4,423,797 will be reviewed by the City Council for consideration as part of the fiscal year 2012 budget for one-time, non-recurring expenditures. These balances have resulted from the use of prudent fiscal policies and conservative budget practices and help to ensure the City's long-term financial stability.

Financial planning also involves ensuring that fiscal obligations are not only met but also entail, when appropriate, smoothing the effect to the taxpayer over a period that better matches the benefit. Specifically, the City's general obligation debt was structured with escalating principal and interest requirements through 2012. In an effort to stabilize the effect on our taxpayers, the City has accumulated a debt service fund balance reserve totaling \$6.8 million. With these reserves, it is projected that the City will not need to increase the required debt service millage rate to cover the annual costs of escalating principal and interest payments.

### **Relevant Financial Policies**

Throughout the year, the Finance Department administers the governing council's approved Financial Management Program, which outlines the policy within which the government's finances are maintained. These policies address fund balances; the use of one-time revenues; issuance of debt; purchasing and procurement; cash and investment management; and accounting practices. In totality, these policies formulate the core criteria for which internal evaluations occur. On an annual basis the criteria establishing the Financial Management Program are reviewed in order to maintain relativity to the changing financial needs of the government.

### **Major Initiatives**

During fiscal year 2010, the City continued working towards completion on many of the projects identified in the \$26.6 million General Obligation Bonds, Series 2006. The purpose of these bonds consisted of four major projects: Public Safety (\$3,265,000); Parks and Recreation (\$5,030,000); Greenway Space (\$2,075,000); and Roads/Traffic/Transportation Improvements (\$16,268,436). During the year approximately \$2.7 million of these bond proceeds were spent on improvements the public demanded.

Traffic improvement, consisting of the continued networking of traffic signals into the City's transportation control system as well as lane expansion, is a high priority for the City of Alpharetta. The City will continue to construct portions of Westside Parkway, a major thoroughfare named for its location – to the west of Georgia 400. This parkway enables the

movement of traffic on a divided 4-lane road from its southern terminus of Mansell Road to its northern terminus at Windward Parkway.

Other major initiatives funded with these proceeds include: sidewalk improvements throughout the City (e.g. Haynes Bridge Road, Mid-Broadwell Road, etc.); improvements to Cogburn Road Park and Webb Bridge Park; improvements to the Greenway Connection, etc.

Also during 2010, the City allocated \$9.2 million of funding from various sources (e.g. General Fund, Drug Enforcement Agency Fund, contribution from the Alpharetta Business Community, etc.) towards the capital improvement program. Specifically, \$5.2 million was allocated towards specific projects with another \$4.0 million set aside for future capital/one-time initiatives. Projects funded include: milling and resurfacing of roadways (\$900,000); recurring traffic infrastructure maintenance (e.g. signal system, striping, etc: \$450,000); recurring storm/drainage maintenance (\$175,000); sidewalks for Mid-Broadwell Road and Webb Bridge Road (\$980,000); North Park drainage improvements (\$465,000); city-wide fleet additions/replacements (\$465,000); etc. These investments illustrate our commitment to ensuring quality of life enhancements to the business and residential community.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Alpharetta for its Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended June 30, 2009. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare CAFR’s that represent the spirit of transparency and full disclosure. This was the 21st consecutive year that the City has received this prestigious award. This award is valid for a period of one year only. We believe that our current CAFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

The City also received the GFOA *Popular Annual Financial Reporting Award* (“PAFR”) for our annual citizens’ report for the fiscal year ended June 30, 2009. This program recognizes those governments that produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. This was the seventh consecutive year that the City has received this prestigious award. This award is valid for a period of one year only. We believe that our current PAFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award

Last but certainly not least, the City also received the GFOA’s Distinguished Budget Presentation Award for its annual budget narrative for the fiscal year ended June 30, 2010. This program recognizes those governments that prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s recommended practices on budgeting. This was the seventh consecutive year that the City has received this prestigious award. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and have submitted it to GFOA to determine its eligibility for another award.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor, governing council, and city administrator for their unfailing support for maintaining the highest standards of professionalism in the management of the City’s finances.

Respectfully submitted,



Thomas G. Harris  
Director of Finance



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alpharetta  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



President

Executive Director

# ELECTED AND APPOINTED OFFICIALS June 30, 2010

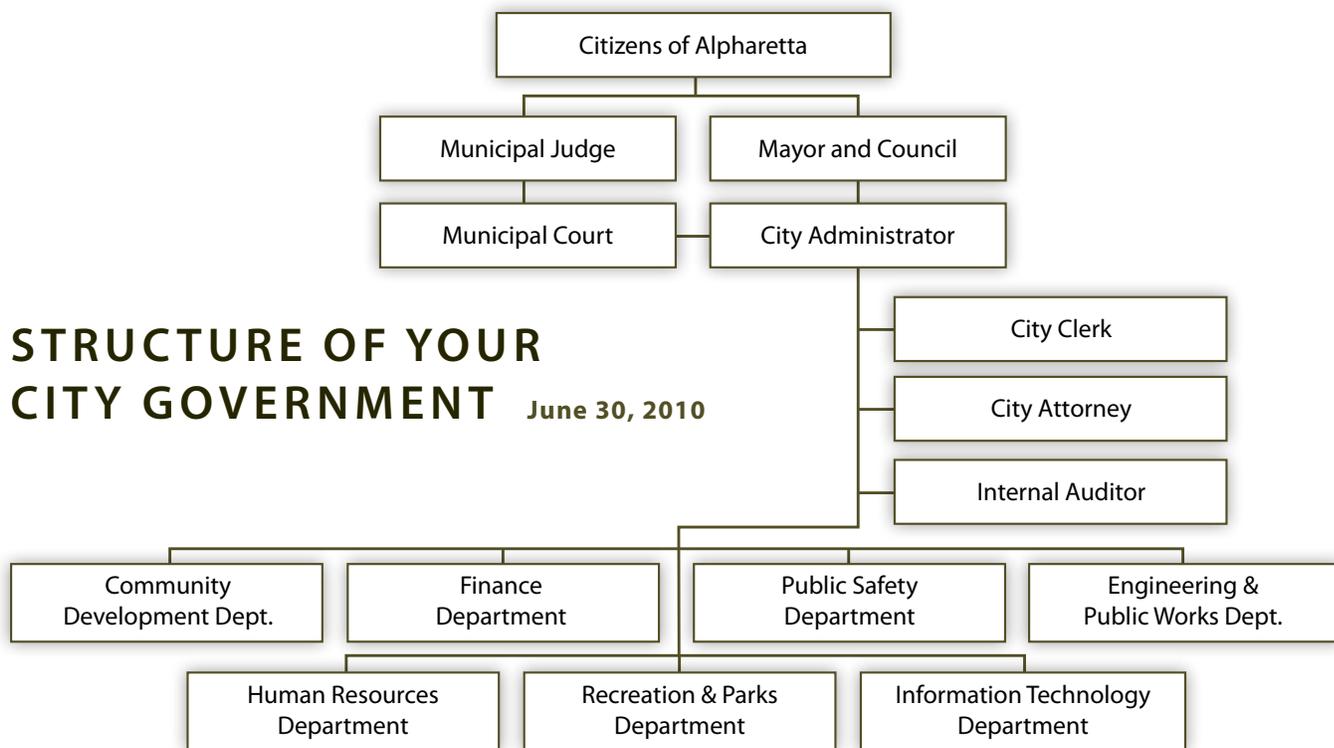
## Elected Officials

Mayor . . . . . Arthur Letchas  
 Council Member – Post 1. . . . . Doug DeRito  
 Council Member – Post 2. . . . . Mike Kennedy  
 Council Member – Post 3. . . . . Chris Owens  
 Council Member – Post 4. . . . . Cheryl Oakes  
 Council Member – Post 5. . . . . Vacant  
 Council Member – Post 6. . . . . D. C. Aiken  
 Municipal Judge. . . . . Jim Matoney

## Appointed Officials

City Administrator . . . . . Robert J. Regus  
 City Attorney . . . . . Sam Thomas  
 City Clerk . . . . . Sue Rainwater  
 Finance Director. . . . . Thomas G. Harris  
 Assistant City Administrator . . . . . James Drinkard  
 Eng. & Public Works Director . . . . . Pete Sewczwicz  
 Information Technology Director. . . . . Randy Bundy  
 Recreation & Parks Director . . . . . Mike Perry  
 Municipal Court Director . . . . . Elizabeth Sahlin  
 Public Safety Director. . . . . Gary George  
 Community Development Director . . . . . Diana Wheeler

## STRUCTURE OF YOUR CITY GOVERNMENT June 30, 2010



# PUBLIC SAFETY

The Public Safety function focuses on maintaining the welfare, health, and safety of our community. The goals of our Public Safety Department include: protecting the public; encouraging participation between officers and citizens; maintaining strong partnerships with our community; maximizing the saving of lives; minimizing the loss of property; and avoiding loss whenever possible through education and prevention measures.



The Alpharetta Public Safety Department is built upon a command and administrative structure that provides a coordinated emergency response including police, fire, and emergency-911 services to meet the needs of our community.

From July 1, 2009 through June 30, 2010, the Public Safety Department responded to 42,559 incoming service calls, 109 fire incidents, 1,756 false alarm/good intent calls, and made 1,331 total arrests. In addition to investigating and clearing 571 cases during this period, Public Safety personnel assisted and responded to 69 rescue/recovery incidents, 3,289 EMS incidents, and 57 hazardous material incidents.

As a modern and proactive law enforcement agency, the Public Safety Department is committed to being actively engaged with our community. Throughout the year, the Public Safety Department conducted informative crime prevention, identity theft, child

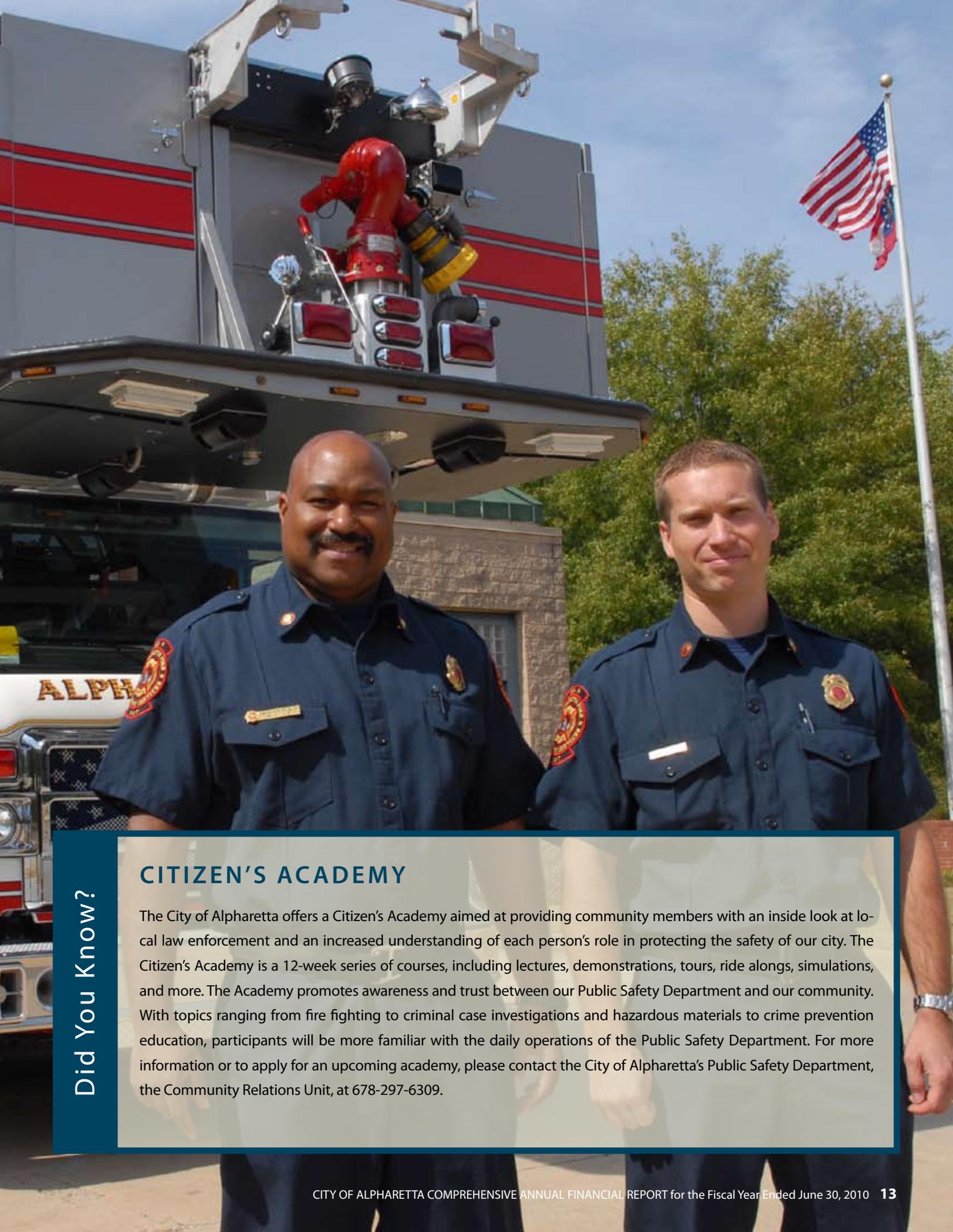
safety, loss prevention, and various other public safety presentations at 44 Police and Citizens Together (PACT) neighborhood meetings, 19 Business Watch meetings, and 62 scout/school/other meetings. The National Night Out event at Wills Park joined citizens, law enforcement personnel, civic groups, local businesses, neighborhood associations, and local officials together for a fun and informative cookout to heighten prevention awareness, support anti-crime programs, and strengthen police-community relations. In addition, the Public Safety Department conducted 177 car seat safety inspections and provided 142 fire safety public education events for our community and surrounding area.

Through strong partnerships with our community, we can ensure the City of Alpharetta remains safe, secure, and an excellent place to live, work, and play for the present and into the future.

*“Close relationships between our citizens and public safety professionals are at the heart of Alpharetta’s public safety model. Those relationships allow us to better understand the needs of each unique neighborhood in our community and place our focus on preventing crimes and emergency situations instead of only responding to them.”*

Cheryl Oakes  
City Council, Post 4  
Public Safety and Courts Liaison





## Did You Know?

### CITIZEN'S ACADEMY

The City of Alpharetta offers a Citizen's Academy aimed at providing community members with an inside look at local law enforcement and an increased understanding of each person's role in protecting the safety of our city. The Citizen's Academy is a 12-week series of courses, including lectures, demonstrations, tours, ride alongs, simulations, and more. The Academy promotes awareness and trust between our Public Safety Department and our community. With topics ranging from fire fighting to criminal case investigations and hazardous materials to crime prevention education, participants will be more familiar with the daily operations of the Public Safety Department. For more information or to apply for an upcoming academy, please contact the City of Alpharetta's Public Safety Department, the Community Relations Unit, at 678-297-6309.



Did You Know?

## CONSERVATION AND SUSTAINABILITY EFFORTS

Rock Mill Park incorporates a variety of environmentally friendly and sustainable aspects, and affords numerous opportunities for citizens to learn about our natural environment. Park amenities include a green roof pavilion (pictured above) and an outdoor classroom designed to focus on the ecological beauty and significance of existing wetlands, forests, and riverine system of Big Creek. A series of trails from the park connect to the city's Greenway. For more information, please call the Alpharetta Recreation and Parks Department at 678-297-6123.

# PUBLIC WORKS

The Public Works function is committed to providing cost effective engineering, maintenance/design solutions, and ensuring the City of Alpharetta's infrastructure is protected, preserved, and improved while enhancing and promoting the quality of life for our community.

The City of Alpharetta's Engineering and Public Works Department is tasked with protecting, preserving, and improving our city's infrastructure with a focus on traffic control, streets, stormwater, sidewalks, and conservation.

From July 1, 2009 through June 30, 2010, the Engineering and Public Works Department: repaired 297 potholes in city roadways; completed 29 city sidewalk repairs; repaired 82 traffic signals at local intersections; completed 4,099 inspections at construction sites; coordinated 22 conservation events with the assistance of 675 volunteers; mentored 896 students on environmental stewardship; managed 30 capital projects totaling \$10,516,222 in traffic control, stormwater, sidewalk, community enhancements, and facility improvements throughout our community; and much more. Approximately 86% of the city's capital projects were completed within the original

contract amount while 61% were completed within the original contract timeframe.

While ensuring quality growth for our community, the Engineering and Public Works Department actively strives to minimize traffic disruptions through continuous process improvements aimed at reducing repair times. During 2010, potholes were repaired in an average of 1.2 days and traffic signal maintenance was completed in an average of 3.6 days. Repair time reductions in 2010 (over prior year) included the following: 32% reduction in the average number of days to complete a sidewalk repair; and a 33% reduction in the average number of days to complete a roadway right-of-way request. The Engineering and Public Works Department is committed to the protection, preservation, and improvement of our city's infrastructure and guiding quality growth to ensure a productive and bright future for our community.



*“An essential goal for Alpharetta is maintaining environmental sustainability while optimizing the ability of our infrastructure to meet community needs. Long-term planning coupled with innovative and efficient engineering practices aid in the achievement of this objective both today and for the future”*

Chris Owens  
City Council, Post 3  
Engineering & Public Works Liaison

# CULTURE & RECREATION

The Culture and Recreation function provides the highest quality recreational opportunities through the development of active and passive programs and facilities to promote the physical, social, and mental wellness of our community.



As the first municipal recreation department in Georgia to achieve its 10-year accreditation status, the City of Alpharetta's Recreation and Parks Department is committed to providing outstanding recreational, cultural, and social opportunities to our community and surrounding area.

From July 1, 2009 through June 30, 2010, the Recreation and Parks Department provided recreational services for 15,554 total participants in recreational programs including: 757 in cultural arts programs and camps; 8,290 in athletic programs [including youth, adult, and partner youth associations]; 1,035 in swim lessons and swim teams; 844 in dance; 2,310 in gymnastic programs; 5,770 in instructional sports; 1,090 in summer programs at the Wills Park Recreation Center; 34 dog shows at Wills Park; 106 equestrian events at the Wills Park Equestrian Center; and much more.

The city is committed to continually improving its recreational opportunities and providing safe, beautiful park amenities to residents and visitors alike. Recent improvements have been made throughout our park system. Wills Park benefitted from several projects during 2010 including the replacement of a swing set at the Recreation Center and the replacement of a picnic pavilion near Wacky World. Additional improvements include the replacement of playground equipment and the expansion of the Adult Activity Center (storage and parking) at North Park.

In addition to our current facilities and programs, future plans include: continued expansion of the Greenway, and installation of artificial turf at Wills Park (field 4) and North Park (field 2). Our outstanding park system, diverse recreational programs, and excellent staff help ensure the City of Alpharetta remains the Signature City of our region.

*“Alpharetta prides itself on our sense of community; on being the kind of place where we know and enjoy interacting with our neighbors. Our recreation and cultural offerings are constantly adapting to the characteristics of the amazingly diverse citizens we serve. By bringing together citizens of all ages and walks of life, our recreation and parks programs build the sense of community that makes Alpharetta home.”*

Doug DeRito  
City Council, Post 1  
Recreation and Parks Liaison





## Did You Know?

### THE GOLDEN AGE CLUB

The Golden Age Club of the Alpharetta Adult Activity Center at North Park offers fun opportunities for adults, aged 50 and above, to meet new friends, get involved in recreation activities through volunteering, and enjoy socializing with other seniors who have common interests. For more information on the Golden Age Club or recreation activities at the Adult Activity Center, please visit the center at 13450 Cogburn Road in North Park or contact 678-297-6140.





Did You Know?

## TOP 10 EMPLOYERS IN THE CITY OF ALPHARETTA

Providing a strong economic foundation for our community, the City of Alpharetta is pleased to recognize the top 10 Employers within the city (based on the number of employees).

<i>Employer</i>	<i>No. of Employees</i>	<i>Employer</i>	<i>No. of Employees</i>
ADP . . . . .	2,000	AT&T . . . . .	.751
McKesson . . . . .	1,800	Comcast Cable . . . . .	.729
LexisNexis . . . . .	1,076	Cox Communications . . . . .	.676
Hewlett-Packard . . . . .	.953	Equifax . . . . .	.675
Verizon . . . . .	.817	ETrade Financial . . . . .	.587

# COMMUNITY DEVELOPMENT

The Community Development function guides the growth and development of the City of Alpharetta to enhance the quality of life of our community while recognizing the city's historic and natural features.

The City of Alpharetta's Community Development Department is committed to safeguarding natural resources, guiding growth, and overseeing economic development efforts.

Despite the economic recession and its impact on real estate/development activity, from July 1, 2009 through June 30, 2010, the Community Development Department issued 2,548 building permits, processed 109 public hearings, managed 2 community image enhancement projects, conducted 9,125 building inspections, completed 3,998 code enforcement inspections, reviewed 36 development plans, and issued 746 new business licenses.

The Community Development Department led the city's efforts in achieving a Gold Level certification through the Atlanta Regional Commission's Green Communities program. Alpharetta was the first city



in the State of Georgia to achieve this accomplishment. This highest level certification demonstrates Alpharetta's commitment to resource conservation and sustainability. This is just one of the many ways the Community Development Department is dedicated to facilitating a livable and sustainable future for the City of Alpharetta.



*“The recession has given us time to think about the way we want Alpharetta to look and feel in the years ahead. We are working to ensure that we maintain and enhance the outstanding quality of life for which Alpharetta is well known, while creating an environment that attracts and retains high quality jobs and businesses.”*

*Mike Kennedy  
City Council, Post 2  
Community Development Liaison*



# GENERAL GOVERNMENT

The General Government function involves the activities which support our local government, including: Administration; City Clerk; Finance; Grant Administration; Human Resources; Internal Audit; Municipal Court; Special Events; and Information Technology.

The public safety, public works, culture and recreation, and community development functions are the most recognizable city services as they have a direct impact on our community. However, the success of these services is reliant upon the dedication and innovation of numerous internal departments/divisions. These internal departments/divisions form the general government function of our city.

From July 1, 2009 through June 30, 2010, general government performance highlights included:

- **9 Grant Applications Approved for Funding**, resulting in grant funding of \$5,435,590 to support city initiatives such as: bulletproof vests for public safety officers, energy efficiency improvements to city buildings, landscaping improvements on the Haynes Bridge/GA 400 interchange, pedestrian improvements to local roadways, etc.
- **81 Special Events Offered**. The city offers a variety of special events throughout the year aimed at enhancing our community's quality of life. For upcoming events, please refer to the Calendar of Events (pages 17-18) or visit the city website at [www.alpharetta.ga.us](http://www.alpharetta.ga.us)
- **4.9 Million City Website Visits**, representing a 3% increase over the prior fiscal year. The city website is a great source of information on city meetings, special events, recreational offerings, etc.

- **25 Open Record Requests Completed**. As an open and transparent local government, the city welcomes public comment and inquiry and is committed to making public records accessible to our community.
- **Over 21,000 Online Payments Accepted**, totaling in excess of \$2.9 million. The city website offers our customers the convenience of online bill payment for many services including: property taxes, business license renewals, sanitation fees, traffic citations, etc.
- **27 Formal Solicitations Issued**, including requests for bids, proposals, qualifications, etc. Formal solicitations assist in maximizing competition for goods and services thereby ensuring a competitive price.

The support of our internal departments is the foundation upon which the City of Alpharetta provides the outstanding services to our community that distinguishes us as the Signature City of the region and a great place to live, work, play, and retire for now and into the future.

*“Thorough examination of economic trends and a conservative approach to fiscal planning and investing has allowed the city to maintain a high level of services for our citizens while holding the line on or reducing the property tax burden in a tough economy. Moving forward, those practices in combination with a focus on delivering quality basic government services will ensure that we meet the needs of our citizens and deliver the promise of a great community for future generations.”*

DC Aiken  
City Council, Post 6  
Finance Liaison





“The City of Alpharetta is constantly looking for better, more efficient means of serving our citizens. To help citizens determine if we are meeting their expectations we are improving the transparency of our operations and providing better information and insight into how tax dollars are being spent and how departments are performing with respect to key metrics and goals.”

Jim Paine  
City Council, Post 5  
Human Resources and Information Technology Liaison

## Did You Know?

### HOMESTEAD EXEMPTIONS

The Mayor and City Council provided voters the option in the November 2009 election to increase the homestead exemption to \$40,000 thereby further reducing the tax burden on our homeowners. The voters overwhelmingly passed this tax relief measure. The homestead exemption for calendar year 2010 (fiscal year 2011) increased \$5,000 to a total of \$35,000 and will increase to \$40,000 in calendar year 2011 (fiscal year 2012). Additional tax savings to our homeowners from this measure is estimated at \$260,000 in calendar year 2010 and increasing to an annual savings of over \$520,000 by calendar year 2011. The homestead exemption for calendar year 2010 is equivalent to a 1.2 mill reduction for the average homeowner. The city also offers senior homestead exemptions (limitations apply). For more information about the City of Alpharetta’s homestead exemptions, including senior exemptions, please contact our Finance Department, Financial Services Division, at (678)297-6060.

# CITY MEETINGS

## **City Council**

**Business Meetings:** First and third Mondays of the month, 7:30 p.m.

**Workshops:** Second Monday of the month, 7:00 p.m.

**Public Hearings:** Fourth Monday of the month, 7:30 p.m.

City Hall, 678-297-6000

## **Planning Commission**

First Thursday of the month, 7:30 p.m.

City Hall, 678-297-6070

## **Board of Zoning Appeals**

Third Thursday of the month, 5:30 p.m.

City Hall, 678-297-6070

## **Design Review Board**

Third Friday of the month, 8:30 a.m.

City Hall, 678-297-6070

## **Code Enforcement Board**

Fourth Thursday of the month, 3:30 p.m.

City Hall, 678-297-6080

## **Recreation Commission**

Fourth Thursday of the month, 7:30 p.m.

City Hall, 678-297-6100

*Exception: Second Thursday of the month during Nov. and Dec.*

## **Natural Resource Commission**

Third Tuesday of the month, 7:00 p.m.

City Hall, 678-297-6200

For more information about what is happening in your local government, the public and all residents are invited to attend any of our city meetings as listed above. All meetings are subject to change. Please call ahead to confirm the meeting time and place.

*City Hall is located at Two South Main Street, Alpharetta, GA 30009.*





# 2011 CITY OF ALPHARETTA CALENDAR OF EVENTS

All events are subject to change. Please confirm the event at the appropriate phone number. Events are open to the public. For more information and events, please visit [www.alpharetta.ga.us](http://www.alpharetta.ga.us)

<b>JAN</b>	<b>1</b>	<b>City Holiday</b>		
	<b>17</b>	<b>City Holiday</b>		
	18	Golden Age Club lunch	Alpharetta Adult Activity Center	678-297-6142
<b>FEB</b>	2	Spring/Summer Program Registration - <b>City Residents</b>	Mutiple	678-297-6100
	11	Father/Daughter Dance	Alpharetta Community Center	678-297-6154
	11	Valentine Art Workshop	Crabapple Government Center	678-297-6165
	15	Golden Age Club lunch	Alpharetta Adult Activity Center	678-297-6142
	16	Spring/Summer Open Registration	Multiple	678-297-6100
	19	Annual Arbor Day Celebration	Wills Park Recreation Center	678-297-6200
<b>MAR</b>	5	Spring Athletics Opening Day	All City Parks	678-297-6100
	12	Youth Fishing Derby	Brookside Office Park Lake	678-297-6133
	15	Golden Age Club lunch	Alpharetta Adult Activity Center	678-297-6142
	26	Alpharetta Children's Festival	Alpharetta Community Center Event Lawn	678-297-6165
	28	Pool Pass - Sale Begins	Wills Park Pool	678-297-6110
	29	Wills Park Summer Day Camp Registration - <b>City Residents</b>	Multiple	678-297-6133
<b>APR</b>	12	Wills Park Summer Day Camp Registration	Multiple	678-297-6133
	16-17	Alpharetta Arts StreetFest	Historic Downtown: Milton Ave	678-297-6078
	17	Children's Easter Egg Hunt	North Park Softball Fields 1-4	678-297-6142
	19	Golden Age Club lunch	Alpharetta Adult Activity Center	678-297-6142
	21	Decorate an Easter Egg	Crabapple Government Center	678-297-6155
	<b>22</b>	<b>City Holiday</b>		
30	Annual Touch A Truck	North Park Football Field Parking Lot	678-297-6133	
<b>MAY</b>	3	Alpharetta Sharks Parent Meeting	Alpharetta Community Center	678-297-6153
	7	Mother/Daughter/Granddaughter Luncheon	Adult Activity Center	678-297-6142
	7	Dance Recital	TBD	678-297-6154
	12	21st Annual Taste of Alpharetta	Old Milton Pkwy @ Wills Park	678-297-6078
	14	Mayors Challenge Road Race	Wills Park Pool	678-297-6078
	15	Dance Recital	TBD	678-297-6154
	15-16	Alpharetta Ambush Soccer Tournament	Webb Bridge Park	678-297-6163
	17	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	19	Alpharetta Sharks Mock Swim Meet	Wills Park Pool	678-297-6153
	<b>30</b>	<b>City Holiday</b>		
31	Alpharetta Ambush Soccer Tryouts	Webb Bridge Park	678-297-6163	
<b>JUN</b>	1-2	Alpharetta Ambush Soccer Tryouts	Webb Bridge Park	678-297-6163
	4	Community Yard Sale	Adult Activity Center	678-297-6142
	6	Art Camps Begin	Various	Various
	6	Summer Day Camps Begin	Various	Various
	6	Senior Swim/Water Aerobics Begin	City Pool	678-297-6154
	7	Swim Lessons Begin	City Pool	678-297-6153
	7-9	Alpharetta Ambush Soccer Tryouts	Webb Bridge Park	678-297-6163
	12	Alpharetta City Band Concert	Adult Activity Center	678-297-6142
	17	Pool Party	City Pool	678-297-6153
	21	Golden Age Club Lunch	Adult Activity Center	678-297-6143

continued on next page



# 2011 CITY OF ALPHARETTA CALENDAR OF EVENTS

All events are subject to change. Please confirm the event at the appropriate phone number. Events are open to the public. For more information and events, please visit [www.alpharetta.ga.us](http://www.alpharetta.ga.us)

continued from previous page

JUL	4	July 4th Celebration	Wills Park	678-297-6142
	4	<b>City Holiday</b>		
	4-8	Summer Camp Skip Dates - Summer Camps will not be offered this week		
	5	Fall Youth Athletic Registration - <b>City Residents</b>	Multiple	678-297-6100
	19	Fall Youth Athletic Open Registration	Multiple	678-297-6100
	19	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	22	Friday Night Dive-In	City Pool	678-297-6153
AUG	3	Fall/Winter Program Registration - <b>City Residents</b>	Multiple	678-297-6100
	6	31st Annual Old Soldiers Day Race	Wills Park: 6am on-site registration; 7am start	678-297-6173
	6	Old Soldier's Day Band, Program, and Parade	City Hall	678-297-6078
	16	Golden Age Club lunch	Alpharetta Adult Activity Center	678-297-6142
	17	Fall/Winter Program Open Registration	Multiple	678-297-6100
SEP	5	<b>City Holiday</b>		
	5	Pool Closes		
	10-11	IronKids Triathlon	Wills Park	678-297-6078
	20	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
OCT	1	Scarecrow Harvest	Historic Downtown: Old Roswell St	678-297-6078
	18	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	21	Foliage Friends	Alpharetta Crabapple Government Center	678-297-6165
	28	Decorate A Pumpkin	Alpharetta Community Center	678-297-6154
	29	Halloween Hayrides & Haunts	Wills Park	678-297-6133
NOV	8	Election Day	Various City Facilities	678-297-6000
	12	Senior Craft Show	Alpharetta Adult Activity Center	678-297-6142
	15	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	24-25	<b>City Holiday</b>		
	28	Santa's Mailbox	North Pole	678-297-6133
DEC	5	34th Annual Christmas Tree Lighting	Historic Downtown: Milton Ave	678-297-6078
	4	Alpharetta City Band Concert	Adult Activity Center	678-297-6142
	9	Santa's Mailbox	North Pole	678-297-6133
	7	Cookies with Clauses	Alpharetta Community Center	678-297-6154
	17	Breakfast with Santa	Adult Activity Center	678-297-6142
	17	Pet Photos with Santa Claws	Will Park - Event Lawn	678-297-6133
	20	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	26	<b>City Holiday</b>		
	30	<b>City Holiday: 1/2 day - close at 12 pm</b>		
	TBD	Holiday Parent/Child Art Workshop	Crabapple Government Center	678-297-6165

# FINANCIAL SECTION



# INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT

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**Honorable Mayor and Members  
Of the City Council  
City of Alpharetta, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Alpharetta, Georgia** as of and for the year ended June 30, 2010, which collectively comprise the City of Alpharetta, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Alpharetta, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alpharetta, Georgia as of June 30, 2010, 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.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010, on our consideration of the City of Alpharetta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 28 through 37 and the schedules of funding progress and employer contributions, and budgetary comparison information on pages 70 through 74 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 6, 2010



# Management's Discussion and Analysis

As management of the City of Alpharetta (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the beginning of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

## Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$232,180,128 (*total net assets*). Of this amount \$37,621,645 (*unrestricted net assets*) may be used to meet the ongoing obligations of the government.
- The City's total net assets increased by \$12,075,381.
- As of the close of the current fiscal year, the City of Alpharetta's governmental funds reported combined ending fund balances of \$52,254,018, a decrease of \$147,572 from the prior year. Such decrease was anticipated as the City's policy is to utilize surplus fund balance of the General Fund (above amounts set aside for emergencies) for one time expenditures. The General Fund's unreserved, undesignated fund balance at year end (after designations for emergencies as noted below) is \$4,423,797 or 8.5% of the governmental funds' combined ending fund balance, which is available for spending at the City's discretion.
- At the end of the current fiscal year, the unreserved fund balance designated for operations in the general fund was \$14,391,894. Of the amount, \$3,626,139 was designated for use in the fiscal year 2011 annual budget for one-time type expenditures. Additionally, \$750,000 was designated for the payment of future Other Post Employment Benefit (OPEB) costs. Management intends to set up an OPEB Trust with such dollars to fully fund the actuarially determined liability. An amount of \$10,000,000 (representing 21% of operating expenditures of the 2011 budget) has been set aside for fiscal emergencies, and the remaining balance of \$15,755 was designated for other one time projects.
- The City's total governmental activities debt (including notes) decreased by \$7,824,550 during the current fiscal year due to regularly scheduled principal payments being made.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Alpharetta's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development, and culture and recreation. Business-type activities include a solid waste collection operation.

The government-wide financial statements contain not only the City (known as the primary government), but also a legally separate authority for which the City is financially accountable. Financial information on this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 39 and 40 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, debt service, capital project, E911,

and bond IV (2006 general obligation bond issue) funds, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* later in this document.

The basic governmental fund financial statements can be found on pages 41 through 43 of this report.

**Proprietary funds.** The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its solid waste collection operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the various functions of a government. The City uses an internal service fund to account for risk management.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste activities, a major fund of the City, and for risk management.

The basic proprietary fund financial statements can be found on pages 44 through 46 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Fiduciary Fund financial statements provide separate information for the pension trust activities.

The basic fiduciary fund financial statements can be found on pages 47 and 48 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49 through 69 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Alpharetta's progress in funding its obligation to provide pension and other post-employment benefits to its employees. In addition, budgetary comparison schedules for the general and E911 funds are presented on a generally accepted accounting principal basis in this section. These schedules are intended to demonstrate the government's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 71 through 74 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 76 through 84 of this report.

## Government-wide Financial Analysis

Following is a summary of the City's net assets as found on page 39 of this report.

### CITY OF ALPHARETTA'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$58,721,560	\$57,928,358	\$1,994,471	\$1,862,548	\$60,716,031	\$59,790,906
Capital assets	215,760,812	212,512,565	–	–	215,760,812	212,512,565
<b>Total assets</b>	<b>274,482,372</b>	<b>270,440,923</b>	<b>1,994,471</b>	<b>1,862,548</b>	<b>276,476,843</b>	<b>272,303,471</b>
Current liabilities	3,972,892	3,848,176	1,036,222	878,666	5,009,114	4,726,842
Non-current liabilities outstanding	39,286,186	47,470,404	1,415	1,478	39,287,601	47,471,882
<b>Total liabilities</b>	<b>43,259,078</b>	<b>51,318,580</b>	<b>1,037,637</b>	<b>880,144</b>	<b>44,296,715</b>	<b>52,198,724</b>
Net assets:						
Invested in capital assets, net of related debt	187,034,265	175,867,666	–	–	187,034,265	175,867,666
Restricted	7,524,218	18,232,657	–	–	7,524,218	18,232,657
Unrestricted	36,664,811	25,022,020	956,834	982,404	37,621,645	26,004,424
<b>Total net assets</b>	<b>\$231,223,294</b>	<b>\$219,122,343</b>	<b>\$956,834</b>	<b>\$982,404</b>	<b>\$232,180,128</b>	<b>\$220,104,747</b>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Alpharetta, assets exceeded liabilities by \$232,180,128 at the close of the most recent fiscal year. The largest portion of the City's net assets (80.6%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstand-

ing. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (3.2%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2010 the City's *restricted net assets* were \$7,524,218, representing \$713,108 obligated for capital projects and \$6,811,110 restricted for the repayment of general obligation bond debt.

The remaining balance in *unrestricted net assets* of \$37,621,645 (16.2%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

## CITY OF ALPHARETTA'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues</b>						
<i>Program revenues:</i>						
Charges for services	\$11,084,435	\$10,811,551	\$2,645,368	\$2,633,974	\$13,729,803	\$13,445,525
Operating grants and contributions	180,396	689,900	-	-	180,396	689,900
Capital grants and contributions	9,084,587	3,962,277	-	-	9,084,587	3,962,277
<i>General revenues:</i>						
Property taxes	25,988,259	26,400,456	-	-	25,988,259	26,400,456
Local option sales tax	11,174,798	10,696,787	-	-	11,174,798	10,696,787
Other taxes	13,830,636	13,849,941	-	-	13,830,636	13,849,941
Unrestricted investment earnings	350,630	1,333,572	6,749	30,191	357,379	1,363,763
<b>Total revenues</b>	<b>71,693,741</b>	<b>67,744,484</b>	<b>2,652,117</b>	<b>2,664,165</b>	<b>74,345,858</b>	<b>70,408,649</b>
<b>Expenses</b>						
General government	9,424,951	13,555,184	-	-	9,424,951	13,555,184
Public safety	25,425,405	25,257,385	-	-	25,425,405	25,257,385
Public works	12,201,036	8,851,486	-	-	12,201,036	8,851,486
Community development	3,676,652	3,864,513	-	-	3,676,652	3,864,513
Culture and recreation	7,127,575	7,235,369	-	-	7,127,575	7,235,369
Interest on long-term debt	1,737,171	2,400,013	-	-	1,737,171	2,400,013
Solid waste	-	-	2,677,687	2,525,644	2,677,687	2,525,644
<b>Total expenses</b>	<b>59,592,790</b>	<b>61,163,950</b>	<b>2,677,687</b>	<b>2,525,644</b>	<b>62,270,477</b>	<b>63,689,594</b>
Increase in net assets before transfers	12,100,951	6,580,534	(25,570)	138,521	12,075,381	6,719,055
Transfers	-	-	-	-	-	-
Increase in net assets	12,100,951	6,580,534	(25,570)	138,521	12,075,381	6,719,055
Net assets – Beginning	219,122,343	212,541,809	982,404	843,883	220,104,747	213,385,692
<b>Net assets - Ending</b>	<b>\$231,223,294</b>	<b>\$219,122,343</b>	<b>\$956,834</b>	<b>\$982,404</b>	<b>\$232,180,128</b>	<b>\$220,104,747</b>

**Governmental activities.** Governmental activities increased the City's net assets by \$12,100,951 (compared to an increase of \$6,580,534 in the prior year) accounting for all of the growth in the net assets of the City (business-type activities had a decrease in net assets of \$25,570). Key elements of this increase are as follows:

- Charges for services increased by \$272,884.
- Sales taxes increased by \$478,011.
- Grants and contributions increased by \$4,612,806 due primarily to the donation of improvements to Westside Parkway made by GDOT.
- Remaining revenues decreased by \$1,923,948 from the prior year, and expenses of the governmental activities decreased by \$1,571,160.

**Business-type activities.** Business-type activities decreased the City of Alpharetta's net assets by \$25,570, as stated earlier.

## Financial Analysis of the Government's Funds

As noted earlier, the City of Alpharetta uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2010, the City reported governmental funds combined ending fund balance of \$52,254,018, a decrease of \$147,572 from the prior year. The largest component of this amount \$41,681,388 constitutes *unreserved fund balance* with \$19,191,207 attributable to capital project funds. The remaining portion represents *reserved fund balance* in the amount of \$10,572,630, indicating that it is not available for new spending. This amount has already been committed to: 1) capital contracts which have been approved, but not yet expensed, \$713,108, 2) future debt expenditures \$6,811,110, or 3) a variety of other restricted purposes \$3,048,412.

**General fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, *unreserved fund balance* of the general fund was \$18,815,691, 1) \$3,626,139 was designated for the subsequent year's expenditures (included in the 2011 budget), 2) \$750,000 was designated for the future payment of OPEB costs, and \$15,755 was designated for one time project, 3) \$10,000,000 was designated for emergencies (21% of operating expenditures of the 2011 budget) in accordance with policy, and 4) \$4,423,797 was available for new one-time type future projects. As a measure of the liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. *Unreserved fund balance* represents 42.6% of total general fund expenditures, while total fund balance represents 42.7% of that same amount.

The fund balance of the City's general fund decreased during fiscal year 2010 by \$2,416,128. Revenues exceeded expenditures by \$4.5 million, however, net transfers out were approximately \$7.0 million. Council approved the utilization of prior year *unreserved fund balance* for capital projects (\$6.6 million). Other significant variances are explained below:

- An increase in total revenues of \$126,065 from the prior year. This increase was primarily due to an increase in sales tax revenue of \$478,011.
- Expenditures came in well under budget, at \$44,186,428 with \$3,360,085 of the budgetary appropriation unspent.

**Capital Project Fund.** Annually, City Council approves a capital program as part of the budget process. Funding for these projects comes primarily from available fund balance of the general fund. The Capital Project Fund accounts for these activities. During the year \$6,634,830 was transferred to this fund from the general fund, while expenditures amounted to \$4,243,343. The above, together with additional revenues of \$1,178,832, resulted in an increase in fund balance of \$3,570,319 yielding a fund balance at year end of \$12,967,404.

**Bond IV Fund.** In June 2006, the City issued \$26.3 million General Obligation Bonds for the purpose of acquiring and constructing major capital facilities. The Bond IV Fund was established to record these acquisitions. Revenues during the year amounted to interest earnings of \$191,525. Expenditures primarily were for capital outlay of \$321,586. A decrease in fund balance of \$130,388 brings the fund balance at the end of the year to \$7,820,685.

**E911 Fund.** The E911 Fund is used to account for funds received from wireless and landline phone companies and the expenditure of those funds for the operation and maintenance of emergency call answering centers. Total revenues increased by \$149,773, while total expenditures decreased by \$110,338. An increase in fund balance of \$450,526 brings the fund balance at the end of the year to \$2,921,114.

**Debt Service Fund.** Used to accumulate resources for the repayment of debt (general obligation bonds), the debt service fund closed the fiscal year with a total fund balance of \$6,811,110 all of which is reserved for the payment of debt. The impact fee special revenue fund provided \$101,351 in inter-fund transfers to the debt service fund.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City accounts for business-type activities in the solid waste enterprise fund. During the year, the City created a governmental activities internal service fund to account for risk management services.

Unrestricted net assets of the proprietary fund at the end of the year amounted to \$956,834. The total decrease in net assets for the solid waste funds was \$25,570. Operating revenues increased \$11,394 over the prior year. Total expenses increased by \$152,043.

Unrestricted net assets of the risk management fund at the end of the year amounted to \$3,521.

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## General Fund Budgetary Highlights

The City employs an annual mid-year budget process in order to re-align appropriations made during the annual budget process with significant unexpected trends. This process ensures adjustments facilitating appropriations are aligned with expected resources. Additionally, the ordinance adopting the City's budget allows the Finance Director to amend the budget to: (1) reflect grant appropriations and expenditures upon receipt of an executed grant award document and/or intergovernmental agreement; and (2) reflect donation/contribution revenues and expenditures upon receipt of donation/contribution. Differences between the original budget and final amended budget are summarized as follows:

During the year, there was a \$29,759 increase in appropriations between the original and final amended budget that reflects appropriations for donations (e.g. K-9 unit donation; Alpharetta Historical Book project).

Although investment earnings were \$177,635 less than the amount budgeted and charges for services were \$51,038 less than the amount budgeted, tax revenues from property, sales and use, franchise, business, and other taxes exceeded amount budgeted by \$1,482,897. The net result of all the revenue variances was that actual total revenues exceeded final budget total revenues by \$1,770,121.

Total actual expenditures were \$3,360,085 less than final budget total expenditures due to conservative budget estimates and continued concerted effort by departments to minimize expenditures as a precautionary measure due to deteriorated economic conditions. Among departments with larger favorable variances in expenditures were Public Safety which expended \$706,810 less than final budget, Culture and Recreation which expended \$626,058 less than final budget and Engineering and Public Works which expended \$518,247 less than final budget.

## Capital Asset and Debt Administration

**Capital assets.** The City of Alpharetta’s investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$215,760,812 (net of accumulated depreciation). This investment in capital assets includes land and permanent improvements, buildings, improvements other than buildings, machinery and equipment,

and infrastructure (park facilities, roads, highways, and bridges). Larger additions to Capital Assets include:

- Westside Parkway-Southern Section (\$7,684,009).
- Mayfield Road Sidewalk Improvements (\$415,132).
- Park Bridge Parkway Sidewalk Improvements (\$181,345)

### CITY OF ALPHARETTA’S CAPITAL ASSETS

#### Net of Depreciation

	Governmental Activities	
	2010	2009
Land and permanent improvements	\$62,220,929	\$60,584,794
Buildings	23,972,491	24,467,032
Improvement other than buildings	11,978,863	12,093,898
Machinery and equipment	6,869,950	7,810,147
Infrastructure	106,486,446	105,051,785
Construction in progress	4,232,133	2,504,909
<b>Total</b>	<b>\$215,760,812</b>	<b>\$212,512,565</b>

*Additional information on the City of Alpharetta’s capital assets can be found in note IV.C on pages 58 and 59 of this report.*

**Long-term debt.** At the end of the fiscal year 2010, the City’s total outstanding debt was \$35,197,300. \$34,270,000 of total outstanding debt consists of general

obligation bonds, and the balance of \$927,300 consists of notes payable. This entire amount comprises debt backed by the full faith and credit of the government.

### CITY OF ALPHARETTA’S OUTSTANDING DEBT

#### General Obligation Bonds and Notes

	Governmental Activities	
	2010	2009
General obligation bonds	\$34,270,000	\$42,050,000
Notes payable	927,300	971,850
<b>Total</b>	<b>\$35,197,300</b>	<b>\$43,021,850</b>

The City’s total debt decreased by \$7,824,550 (18.2%) during the 2010 fiscal year (includes bond debt and notes). The decrease is as a result of scheduled principal payments.

The City currently has an uninsured “AAA” rating from Standard & Poor’s and a “Aaa” rating from Moody’s for its general obligation debt. Keys to such elite ratings are a result of strong and proactive administration; effective debt management policies with moderate to low debt ra-

tios; a vibrant and diverse economy; and a strong track record of managing the financial positions supported by sufficient reserves and established polices that guide management practices.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its to-

tal assessed valuation, less current debt issued. The City's outstanding obligation debt is significantly less than the legal debt limitation of \$498,525,158.

Additional information on the City's long-term debt can be found in note IV.E on pages 61 through 63 of this report.

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## Economic Factors and Next Year's Budgets and Rates

The City of Alpharetta, like many cities in our region and throughout the United States, is facing fiscal challenges as a result of the recent national and global recession. The economic downturn includes challenges in the form of falling real estate values, reductions in investment values, limited consumer/business credit availability, significant job losses, declining consumer confidence, and corresponding reductions in consumer spending.

All of these factors have combined to limit revenue growth and in many cases reduce revenues below prior year levels (e.g. property taxes, motor vehicle taxes, business and occupational taxes, licenses and permits, etc.). In addition to stagnant or falling revenues, pension and healthcare costs continue to pose a concern although the financial impact of these factors in future years will be mitigated through management initiatives including:

- Closing of the defined benefit pension plan to new hires on July 1, 2009 and enrolling them in a defined contribution plan;
- Increasing the accessibility of wellness programs including Health Risk Assessment and Health Risk Coaching (along with the continuation of our Smoking Cessation Program) with the goal of improving employee health and lowering healthcare premiums; and
- Shifting all employees to our consumer driven HRA healthcare plan that facilitates healthcare cost management and results in lower premiums while still providing top level healthcare to our employees and their families.

In light of the economic challenges and its impact on City resources, we have compiled a fiscal year 2011 budget in line with our guiding principles that accomplishes the following:

- Tax-burden reductions for our homeowners and business owners including:
  - maintenance of the City's millage rate at 5.750 mills which represents a tax reduction for many property owners as the value of property within the City has declined; and
  - increase of the homestead exemption to \$35,000 which is estimated to save our homeowners \$260,000 annually in property taxes (homestead exemption increases to \$40,000 in FY 2012).
- Continuation of the same high service levels our citizenry and stakeholders deserve and have come to expect from our City; and
- Alignment of departmental operating budgets to the City's short-term revenue outlook which is necessary to position the City for financial success in the future.

## Requests for Information

This financial report is designed to provide a general overview of the City of Alpharetta's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Department, City of Alpharetta, 2970 Webb Bridge Road, Alpharetta, Georgia, 30009, or by calling 678-297-6060.



**City of Alpharetta**  
**STATEMENT OF NET ASSETS**

June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Authority
<b>Assets</b>				
Cash and cash equivalents	\$8,433,896	\$286,890	\$8,720,786	\$92,370
Investments	37,764,619	1,578,633	39,343,252	-
Receivables, net of allowance for uncollectibles	3,226,147	126,892	3,353,039	42,452
Direct financing lease receivable	-	-	-	5,620,000
Prepaid expenses	88,816	-	88,816	-
Restricted assets:				
Investments	7,854,180	-	7,854,180	-
Receivables	226,649	-	226,649	-
Deferred charges	194,117	-	194,117	148,807
Other non-current asset	933,136	2,056	935,192	-
Capital assets, non-depreciable	66,453,062	-	66,453,062	-
Capital assets, depreciable, net of accumulated depreciation	149,307,750	-	149,307,750	-
<b>Total assets</b>	<b>274,482,372</b>	<b>1,994,471</b>	<b>276,476,843</b>	<b>5,903,629</b>
<b>Liabilities</b>				
Accounts payable and other current liabilities	3,719,896	243,639	3,963,535	2,160
Unearned revenue	-	792,583	792,583	-
Interest payable	252,996	-	252,996	40,292
Bonds payable, due within one year	8,050,000	-	8,050,000	530,000
Bonds payable, due in more than one year	26,043,195	-	26,043,195	5,630,434
Capital lease payable, due within one year	297,876	-	297,876	-
Capital lease payable, due in more than one year	1,262,356	-	1,262,356	-
Notes payable, due within one year	87,450	-	87,450	-
Notes payable, due in more than one year	839,850	-	839,850	-
Net OPEB obligation	121,485	-	121,485	-
Other noncurrent liabilities, due within one year	1,725,921	1,415	1,727,336	-
Other noncurrent liabilities, due in more than one year	858,053	-	858,053	-
<b>Total liabilities</b>	<b>43,259,078</b>	<b>1,037,637</b>	<b>44,296,715</b>	<b>6,202,886</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	187,034,265	-	187,034,265	-
Restricted for:				
Debt service	6,811,110	-	6,811,110	-
Capital projects	713,108	-	713,108	-
Unrestricted	36,664,811	956,834	37,621,645	(299,257)
<b>Total net assets</b>	<b>\$231,223,294</b>	<b>\$956,834</b>	<b>\$232,180,128</b>	<b>\$(299,257)</b>

*The accompanying notes are an integral part of these financial statements.*

**City of Alpharetta**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Assets						
		Program Revenues			Primary Government			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Development Authority
<b>Primary government:</b>								
Governmental activities:								
General government	\$9,424,951	\$3,921,041	\$35,068	\$131,275	\$(5,337,567)	-	\$(5,337,567)	-
Public safety	25,425,405	3,788,809	52,375	76,910	(21,507,311)	-	(21,507,311)	-
Public works	12,201,036	10,543	67,403	8,876,402	(3,246,688)	-	(3,246,688)	-
Community development	3,676,652	1,524,015	-	-	(2,152,637)	-	(2,152,637)	-
Culture and recreation	7,127,575	1,840,027	25,550	-	(5,261,998)	-	(5,261,998)	-
Interest on long-term debt	1,737,171	-	-	-	(1,737,171)	-	(1,737,171)	-
<b>Total governmental activities</b>	<b>59,592,790</b>	<b>11,084,435</b>	<b>180,396</b>	<b>9,084,587</b>	<b>(39,243,372)</b>	<b>-</b>	<b>(39,243,372)</b>	<b>-</b>
Business-type activities:								
Solid waste	2,677,687	2,645,368	-	-	-	(32,319)	(32,319)	-
<b>Total business-type activities</b>	<b>2,677,687</b>	<b>2,645,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,319)</b>	<b>(32,319)</b>	<b>-</b>
<b>Total primary government</b>	<b>\$62,270,477</b>	<b>\$13,729,803</b>	<b>\$180,396</b>	<b>\$9,084,587</b>	<b>(39,243,372)</b>	<b>(32,319)</b>	<b>(39,275,691)</b>	<b>-</b>
Component unit:								
Development Authority	\$179,147	\$254,726	-	-	-	-	-	75,579
<b>Total component unit</b>	<b>\$179,147</b>	<b>\$254,726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,579</b>

General revenues:							
Property taxes				25,988,259	-	25,988,259	-
Sales taxes				11,174,798	-	11,174,798	-
Franchise taxes				6,017,828	-	6,017,828	-
Hotel/Motel occupancy tax				2,831,888	-	2,831,888	-
Business taxes				3,096,541	-	3,096,541	-
Other taxes				1,884,379	-	1,884,379	-
Unrestricted investment earnings				350,630	6,749	357,379	1,671
<b>Total general revenues</b>				<b>51,344,323</b>	<b>6,749</b>	<b>51,351,072</b>	<b>1,671</b>
Change in net assets				12,100,951	(25,570)	12,075,381	77,250
Net assets, beginning of year				219,122,343	982,404	220,104,747	(376,507)
<b>Net assets, end of year</b>				<b>\$231,223,294</b>	<b>\$956,834</b>	<b>\$232,180,128</b>	<b>\$(299,257)</b>

*The accompanying notes are an integral part of these financial statements.*

**City of Alpharetta**  
**BALANCE SHEET**  
**Governmental Funds**

June 30, 2010

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	E911	Debt Service	Capital Project	Bond IV		
<b>Assets</b>							
Cash and cash equivalents	\$3,029,779	\$498,521	\$1,040,454	\$2,590,509	\$9,313	\$1,160,621	\$8,329,197
Investments	15,404,311	2,743,911	5,725,178	11,420,589	-	1,894,517	37,188,506
Taxes receivable, net	2,453,735	-	181,150	-	-	249,839	2,884,724
Accounts receivable	69,901	271,522	-	-	-	-	341,423
Due from other funds	99,935	74	-	-	-	-	100,009
Prepaid expenditures	63,663	2,166	-	-	-	22,987	88,816
Restricted assets:							
Investments	-	-	-	-	7,854,180	-	7,854,180
Intergovernmental receivable	-	-	-	-	-	226,649	226,649
<b>Total assets</b>	<b>\$21,121,324</b>	<b>\$3,516,194</b>	<b>\$6,946,782</b>	<b>\$14,011,098</b>	<b>\$7,863,493</b>	<b>\$3,554,613</b>	<b>\$57,013,504</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$1,008,689	\$491,154	\$2,069	\$848,758	\$10,863	\$378,757	\$2,740,29
Retainage payable	-	-	-	194,936	31,945	8,197	235,078
Accrued liabilities	707,570	35,926	-	-	-	-	743,496
Due to other funds	74	-	-	-	-	99,935	100,009
Deferred revenue	525,637	68,000	133,603	-	-	213,373	940,613
<b>Total liabilities</b>	<b>2,241,970</b>	<b>595,080</b>	<b>135,672</b>	<b>1,043,694</b>	<b>42,808</b>	<b>700,262</b>	<b>4,759,486</b>
<b>Fund balances:</b>							
<b>Reserved for:</b>							
Prepaid expenditures	63,663	2,166	-	-	-	22,987	88,816
Encumbrances	-	-	-	1,580,422	16,460	1,362,714	2,959,596
Debt service	-	-	6,811,110	-	-	-	6,811,110
Capital projects	-	-	-	-	-	713,108	713,108
<b>Unreserved:</b>							
<b>Reported in, designated for:</b>							
General fund, operations	14,391,894	-	-	-	-	-	14,391,894
Special revenue funds, operations	-	2,918,948	-	-	-	792,430	3,711,378
<b>Undesignated, reported in:</b>							
General fund	4,423,797	-	-	-	-	-	4,423,797
Special revenue funds	-	-	-	-	-	(36,888)	(36,888)
Capital project funds	-	-	-	11,386,982	7,804,225	-	19,191,207
<b>Total fund balances</b>	<b>18,879,354</b>	<b>2,921,114</b>	<b>6,811,110</b>	<b>12,967,404</b>	<b>7,820,685</b>	<b>2,854,351</b>	<b>52,254,018</b>
<b>Total liabilities and fund balances</b>	<b>\$21,121,324</b>	<b>\$3,516,194</b>	<b>\$6,946,782</b>	<b>\$14,011,098</b>	<b>\$7,863,493</b>	<b>\$3,554,613</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	215,760,812
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	940,613
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the government activities.	3,521
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(38,668,806)
Net pension asset that is not a financial resource used in governmental activities and therefore not reported in governmental funds.	933,136

<b>Net assets of governmental activities</b>	<b>\$231,223,294</b>
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*The accompanying notes are an integral part of these financial statements.*

**City of Alpharetta**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**

For the Fiscal Year Ended June 30, 2010

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	E911	Debt Service	Capital Project	Bond IV		
<b>Revenues</b>							
Taxes:							
Property taxes	\$18,603,559	-	\$7,336,490	-	-	-	\$25,940,049
Sales and use taxes	11,174,798	-	-	-	-	-	11,174,798
Other taxes	10,998,748	-	-	-	-	2,831,888	13,830,636
Licenses and permits	1,497,744	-	-	-	-	-	1,497,744
Charges for services	2,638,962	2,001,326	-	-	-	-	4,640,288
Impact fees	-	-	-	-	-	104,486	104,486
Fines and forfeitures	3,360,576	-	-	-	-	507,289	3,867,865
Intergovernmental	76,348	551,065	-	131,275	-	260,038	1,018,726
Contributions and donations	35,068	-	-	985,480	-	17,500	1,038,048
Investment earnings	57,365	11,146	35,432	49,427	191,525	5,735	350,630
Other revenues	280,494	1,084	-	12,650	-	1,064	295,292
<b>Total revenues</b>	<b>48,723,662</b>	<b>2,564,621</b>	<b>7,371,922</b>	<b>1,178,832</b>	<b>191,525</b>	<b>3,728,000</b>	<b>63,758,562</b>
<b>Expenditures</b>							
Current:							
General government	7,377,216	-	7,069	-	327	6,136	7,390,748
Public safety	21,329,652	2,114,095	-	-	-	447,586	23,891,333
Public works	7,025,225	-	-	-	-	-	7,025,225
Community development	1,925,790	-	-	-	-	1,699,133	3,624,923
Culture and recreation	6,159,360	-	-	-	-	8,784	6,168,144
Capital outlay	-	-	-	4,243,343	321,586	165,029	4,729,958
Debt service:							
Principal	285,329	-	7,824,550	-	-	-	8,109,879
Interest	83,856	-	1,705,781	-	-	-	1,789,637
<b>Total expenditures</b>	<b>44,186,428</b>	<b>2,114,095</b>	<b>9,537,400</b>	<b>4,243,343</b>	<b>321,913</b>	<b>2,326,668</b>	<b>62,729,847</b>
Excess (deficiency) of revenues over expenditures	4,537,234	450,526	(2,165,478)	(3,064,511)	(130,388)	1,401,332	1,028,715
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	73,099	-	-	-	-	-	73,099
Transfers in	1,132,755	-	101,351	6,634,830	-	275,000	8,143,936
Transfers out	(8,159,216)	-	-	-	-	(1,234,106)	(9,393,322)
<b>Total other financing sources (uses)</b>	<b>(6,953,362)</b>	<b>-</b>	<b>101,351</b>	<b>6,634,830</b>	<b>-</b>	<b>(959,106)</b>	<b>(1,176,287)</b>
<b>Net change in fund balances</b>	<b>(2,416,128)</b>	<b>450,526</b>	<b>(2,064,127)</b>	<b>3,570,319</b>	<b>(130,388)</b>	<b>442,226</b>	<b>(147,572)</b>
<b>Fund balances, beginning of year</b>	<b>21,295,482</b>	<b>2,470,588</b>	<b>8,875,237</b>	<b>9,397,085</b>	<b>7,951,073</b>	<b>2,412,125</b>	<b>52,401,590</b>
<b>Fund balances, end of year</b>	<b>\$18,879,354</b>	<b>\$2,921,114</b>	<b>\$6,811,110</b>	<b>\$12,967,404</b>	<b>\$7,820,685</b>	<b>\$2,854,351</b>	<b>\$52,254,018</b>

*The accompanying notes are an integral part of these financial statements.*

City of Alpharetta  
**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds	\$(147,572)
Governmental funds report 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 depreciation exceeded capital outlays in the current period.	(4,247,638)
The net effect of various miscellaneous transactions involving capital assets (i.e. donations and sales) is to increase net assets.	7,495,885
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	174,921
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	8,017,662
Internal service funds are used by management to charge the costs of insurance plans and workers' compensation insurance to individual funds. The net revenue of the internal service funds is reported with governmental activities.	3,521
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	804,172
Change in net assets - governmental activities	<b>\$12,100,951</b>

*The accompanying notes are an integral part of these financial statements.*

City of Alpharetta  
**STATEMENT OF NET ASSETS**  
**Proprietary Funds**

June 30, 2010

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
<i>Assets</i>	Solid Waste Fund	Risk Management Fund
<b>Current assets:</b>		
Cash and cash equivalents	\$286,890	\$104,699
Investments	1,578,633	576,113
Accounts receivable, net of allowance for uncollectibles	126,892	-
Total current assets	1,992,415	680,812
<b>Non-current assets:</b>		
Other noncurrent assets	2,056	-
Total assets	1,994,471	680,812
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	242,472	1,032
Accrued salaries	1,167	-
Unearned revenue	792,583	-
Compensated absences payable	1,415	-
Claims payable, due within one year	-	183,833
Total current liabilities	1,037,637	184,865
<b>Non-current liabilities:</b>		
Claims payable, due in more than one year	-	492,426
Total noncurrent liabilities	-	492,426
Total liabilities	1,037,637	677,291
<b>Net Assets</b>		
Unrestricted	956,834	3,521
Total net assets	\$956,834	\$3,521

*The accompanying notes are an integral part of these financial statements.*

City of Alpharetta  
**STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS**  
**Proprietary Funds**

For the Fiscal Year Ended June 30, 2010

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Fund	Risk Management Fund
<b>Operating Revenues</b>		
Charges for services:		
Refuse collection charges	\$2,644,768	-
Charges for service	-	425,000
Miscellaneous revenue	600	-
<b>Total operating revenues</b>	<b>2,645,368</b>	<b>425,000</b>
<b>Operating Expenses</b>		
Administration	2,677,687	57,241
Claims and judgements	-	976,147
Premiums	-	637,477
<b>Total operating expenses</b>	<b>2,677,687</b>	<b>1,670,865</b>
<b>Operating loss</b>	<b>(32,319)</b>	<b>(1,245,865)</b>
<b>Non-Operating Revenues</b>		
Investment earnings	6,749	-
<b>Total non-operating revenues</b>	<b>6,749</b>	<b>-</b>
Change in net assets before transfers	(25,570)	(1,245,865)
<b>Transfers In</b>	<b>-</b>	<b>1,249,386</b>
Change in net assets	(25,570)	3,521
<b>Net Assets, beginning of year</b>	<b>982,404</b>	<b>-</b>
<b>Net Assets, end of year</b>	<b>\$956,834</b>	<b>\$3,521</b>

*The accompanying notes are an integral part of these financial statements.*

City of Alpharetta  
**STATEMENT OF CASH FLOWS**  
**Proprietary Funds**

For the Fiscal Year Ended June 30, 2010

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
<b>Cash Flows From Operating Activities</b>	<b>Solid Waste Fund</b>	<b>Risk Management Fund</b>
Receipts from customers and users	\$2,735,630	\$425,000
Payments to vendors/suppliers	(2,598,153)	(693,686)
Payments on claims	-	(299,888)
Payments to employees	(55,116)	-
<b>Net cash provided by (used in) operating activities</b>	<b>82,361</b>	<b>(568,574)</b>
<b>Cash Flows From Investing Activities</b>		
(Purchases) sale of investments	65,732	(576,113)
Interest and dividends received	8,878	-
<b>Net cash provided by (used in) investing activities</b>	<b>74,610</b>	<b>(576,113)</b>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Transfers in	-	1,249,386
<b>Net cash provided by non-capital financing activities</b>	<b>-</b>	<b>1,249,386</b>
Increase in cash and cash equivalents	156,971	104,699
Cash and cash equivalents, beginning of year	129,919	-
<b>Cash and cash equivalents, end of year</b>	<b>\$286,890</b>	<b>\$104,699</b>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	\$(32,319)	\$(1,245,865)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Increase in accounts receivable	(42,813)	-
Increase in accounts payable	25,119	1,032
Increase in other accrued liabilities	132,437	-
Decrease in compensated absences	(63)	-
Increase in claims payable	-	676,259
<b>Net cash provided by (used in) operating activities</b>	<b>\$82,361</b>	<b>\$(568,574)</b>

*The accompanying notes are an integral part of these financial statements.*

City of Alpharetta  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**Pension Trust Funds**

June 30, 2010

*Assets*

Cash	\$127,906
Mutual funds	24,787,500
<b>Total assets</b>	<b>24,915,406</b>

*Liabilities*

Accounts payable	127,906
<b>Total liabilities</b>	<b>127,906</b>

*Net Assets*

Assets held in trust for pension benefits (See RSI for a schedule of funding progress)	\$24,787,500
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*The accompanying notes are an integral part of these financial statements.*

City of Alpharetta  
**STATEMENT OF CHANGES IN  
 FIDUCIARY NET ASSETS  
 Pension Trust Funds**

For the Fiscal Year Ended June 30, 2010

***Additions***

Contributions:	
Employee contributions	\$417,634
Employer contributions	2,850,005
<b>Total contributions</b>	<b>3,267,639</b>
Investment income:	
Net depreciation in fair value of investments	2,646,292
Interest and dividends	1,111,736
Net investment income	3,758,028
<b>Total additions</b>	<b>7,025,667</b>

***Deductions***

Benefit payments	664,642
<b>Total deductions</b>	<b>664,642</b>
Net increase	6,361,025

***Net Assets Held in Trust for Pension Benefits***

Beginning of year	18,426,475
<b>End of year</b>	<b>\$24,787,500</b>

*The accompanying notes are an integral part of these financial statements.*

# City of Alpharetta – Notes to the Financial Statements

June 30, 2010

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting entity

The City of Alpharetta (the “government”), which was founded in 1858, operates under a charter adopted July 1, 1981, as a municipal corporation governed by an elected mayor and a six-member council. The government provides such services as police protection, fire and rescue services, parks and recreation amenities, sanitation services, and public works. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

**Discretely presented component unit.** The Development Authority of Alpharetta is included in the government’s reporting entity because of the significance of its financial relationship with the City of Alpharetta. The Authority promotes the industrial and economic development of the government, and is legally separate from the government; however, the government appoints all of the Authority’s Board members and has a financial obligation to the Authority. The government does not control the operations of the Authority. Separate financial statements for the Development Authority are not prepared.

### B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

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

### C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the fiscal year after they are levied. As such, property tax revenues are recognized in the current fiscal year for the previous tax year’s levy. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures as well as expenditures related to compensated absences and claims and judgments, and other long-term liabilities are recorded only when payment is due.

Property taxes received up to sixty days after year end, local option sales tax, franchise taxes, and other various taxes coupled with licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The emergency 911 fund is used to account for funds received from users, or potential users, of the Emergency 911 System. Revenues received by the City of Alpharetta are paid directly from wired or wireless telecommunication providers, with expenditures occurring to maintain and run the system within the government.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The capital project fund accounts for the acquisition of capital expenditures greater than \$25,000 funded by sources other than general obligation bond proceeds from governmental funds.

The bond IV fund is used to account for capital projects funded from the proceeds of the November 2004 referendum, which resulted in the 2006 general obligation bond issue.

The government reports the following major proprietary fund:

The solid waste fund accounts for the activities associated with the collection of residential garbage, including recyclables, non-recyclables, and yard waste. Activity is rendered on a user charge basis.

The City reports an internal service fund which accounts for operations that provide services to other departments or agencies of the City on a cost reimbursement basis. The City uses the internal service fund to account for risk management.

The City also reports two pension trust funds which account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by the government at rates determined by actuarial computations as well as by employees for one of the plans.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 government's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund consists of administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

## **D. Assets, liabilities, and net assets or equity**

### **1. Deposits and investments**

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

State statutes authorize the government to invest in obligations issued by the United States government, obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States, obligations of any corporation of the U.S. government, prime bankers' acceptances, the Georgia local government investment pool, repurchase agreements, and obligations of other political subdivisions of the state.

Investments for the government are reported at fair value. The government limits investments through policy to obligations issued by the United States government, obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States, and obligations or any corporation of the U.S. government.

### **2. 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 either "due to/from other funds" (i.e., the current portion of interfund loans) or

"advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are levied as of January 1 on property values assessed as of the same date. Tax notices are mailed on or about October 1 of each year and are due 60 days from the billing date. The billings are considered past due if the payment is not rendered within the 60 day period after the respective tax billing date, at which time penalties and interest are assessed. Delinquent tax payments subject the property to lien. The government bills and collects its own property taxes.

### **3. Prepaid items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **4. Restricted assets**

Proceeds of the 2006 General Obligation Bond Issue are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by applicable bond covenants. The "bond construction" account is used to report those proceeds that are restricted for use in the construction of voter approved projects.

### **5. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an

estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings . . . . .	5–50
Improvements other than buildings. . . . .	7–45
Infrastructure . . . . .	5–100
Machinery and equipment. . . . .	5–20

Estimated useful lives are adjusted by category according to asset longevity to ensure classes of asset are not fully depreciated and still in use.

## 6. Compensated absences

It is the government’s policy to permit employees to accumulate earned but unused paid time off benefits. All paid time off pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## 7. Long-term obligations

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

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

## 8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## 9. Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities,

including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$38,668,806 difference are as follows:

Bonds payable	\$(34,270,000)
Less: Deferred charges on refunding	610,092
Less: Deferred charges for issuance costs	194,117
Plus: Issuance premium	(433,287)
Arbitrage payable	(114,589)
Capital lease payable	(1,560,232)
Notes payable	(927,300)
Accrued interest payable	(252,996)
Net OPEB liability	(121,485)
Compensated absences	(1,793,126)
<hr/>	
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$(38,668,806)</u></u>

### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the governmentwide statement of activities statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that

“Governmental funds report 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.” The details of this \$4,247,638 difference are as follows:

Capital outlay	\$3,649,805
Depreciation expense	(7,897,443)
<hr/>	
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u><u>\$(4,247,638)</u></u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., donations and sales) is to increase net

assets.” The details of this \$7,495,885 difference are as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	\$(213,623)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	7,709,508
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$7,495,885</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$8,017,662 difference are as follows:

Principal repayments:	
General obligation bonds	\$7,780,000
Capital lease	285,329
Note payable	44,550
Amortization of issuance costs	(91,482)
Amortization of deferred charges on refunding	(115,905)
Amortization of bond premium	115,170
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$8,017,662</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore

are not reported as expenditures in governmental funds.” The details of this \$804,172 difference are as follows:

Compensated absences	\$187,065
Arbitrage rebate	98,104
Accrued interest	46,579
Claims and judgments	531,169
Net OPEB liability	(65,005)
Net pension asset	6,260
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$804,172</u>

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, department, and function. The government's department heads may make transfers of appropriations within departmental accounts of a specific fund. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

The council made supplemental budgetary appropriations during a mid-year review process. These changes are reflected in the budget and actual comparison schedules.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are not reported as reservations of fund balances and do not constitute expenditures or liabilities in all governmental funds, except for the capital projects funds, because the commitments will be honored during the subsequent year from newly appropriated funds during the budget process.

#### B. Deficit fund equity

The Grant Operating Fund had a deficit fund balance at June 30, 2010 of \$36,888. The fund deficit will be reduced through future recognition of deferred revenues, which were unavailable at June 30, 2010.

## IV. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

As of June 30, 2010, the City of Alpharetta had the following investments:

Investment	Maturity	Fair Value
Georgia Fund 1	41 days (weighted average)	\$39,394,497
Fidelity Money Market Account	1 day	7,802,935
<b>Total</b>		<b>\$47,197,432</b>

In addition to the investments listed above, the City has investments of \$24,787,500 recorded in the Pension Trust Funds. These funds are invested in mutual funds with a weighted-average maturity of 3.95 years. The mutual funds are invested in stocks and corporate bonds, with ratings ranging from AAA to below B.

In accordance with the government's Cash and Investment Management Policies, safety of principal is the foremost objective of the investment program. As a result, credit risk and investment rate risk are aggressively mitigated. To the extent possible, the government shall attempt to match investments with anticipated cash flow requirements. Any investment exceeding a five (5) year maturity must be disclosed to the City Council in writing.

As a means of limiting exposure to credit risk, the risk of loss due to the failure of the security issuer or backer, the government limits investments to obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and those deposit-type items which can be collateralized at 110% of the face value. Additionally, investments held outside the pension plan, must have a credit rating issued by a nationally recognized statistical rating organization (NRSROs) which is in the top category, i.e. "A3" or better from Moody's and "A-" or better from Standard & Poor's. The investments with Fidelity Money Market Account are rated AAAM by Standards & Poor's. All investments met these requirements.

Custodial risk, that is the risk associated with uninsured deposits, uninsured securities, or securities not registered in the government's name, is managed in accordance with the government's policy through a safekeeping agreement with an external party. State statutes and City policy require all deposits and investments (other than federal or state instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. All deposits and investments as of June 30, 2010 were properly collateralized.

Through the structuring of the investment portfolio so that securities mature to meet cash requirements for on-going operations, the government reduces exposure to interest rate risk. Interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, is also managed through the government's objective to hold investments until maturity. Meaning, the yield received on the life of the security for invested funds is greater than funds that are not invested due to an anticipated improvement to economic conditions.

The government's investment policy limits investments from any one issuer to no more than 5% of the total investment portfolio, excluding investments explicitly guaranteed by the U.S. government. Thus, the government's concentration of investments into any single issuer is managed by expanding the exposure of the investment portfolio to multiple issuers.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1 per share. The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia.

## B. Receivables

Receivables as of year end for the government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	E911	Debt Service	Solid Waste	Nonmajor Funds
Receivables:					
Taxes	2,701,324	–	\$273,235	–	\$249,839
Accounts	69,901	271,522	–	168,562	–
Intergovernmental	–	–	–	–	226,649
<b>Gross receivables</b>	<b>2,771,225</b>	<b>271,522</b>	<b>273,235</b>	<b>168,562</b>	<b>476,488</b>
Less allowance for uncollectibles	(247,589)	–	(92,085)	(41,670)	–
<b>Net total receivables</b>	<b>\$2,523,636</b>	<b>\$271,522</b>	<b>\$181,150</b>	<b>\$126,892</b>	<b>\$476,488</b>

All of the receivables are expected to be collected within one year, with the exception of a portion of the property taxes in both the General and Debt Service funds.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

## C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

### Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities:</i>					
Capital assets, not being depreciated:					
Land and permanent improvements	\$60,584,794	\$1,549,063	–	\$87,072	\$62,220,929
Construction in progress	2,504,909	2,793,080	(166,193)	(899,663)	4,232,133
<b>Total assets, not being depreciated</b>	<b>63,089,703</b>	<b>4,342,143</b>	<b>(166,193)</b>	<b>(812,591)</b>	<b>66,453,062</b>
Capital assets, being depreciated:					
Buildings	33,873,815	159,079	–	180,463	34,213,357
Improvements other than buildings	23,729,989	1,104,382	–	192,450	25,026,821
Machinery and equipment	15,666,208	626,814	(398,793)	97,982	15,992,211
Infrastructure	149,154,640	5,126,895	–	341,696	154,623,231
<b>Total assets, being depreciated</b>	<b>222,424,652</b>	<b>7,017,170</b>	<b>(398,793)</b>	<b>812,591</b>	<b>229,855,620</b>
Less accumulated depreciation for:					
Buildings	(9,406,783)	(834,083)	–	–	(10,240,866)
Improvements other than buildings	(11,636,091)	(1,411,867)	–	–	(13,047,958)
Machinery and equipment	(7,856,061)	(1,617,563)	351,363	–	(9,122,261)
Infrastructure	(44,102,855)	(4,033,930)	–	–	(48,136,785)
<b>Total accumulated depreciation</b>	<b>(73,001,790)</b>	<b>(7,897,443)</b>	<b>351,363</b>	<b>–</b>	<b>(80,547,870)</b>
<b>Total assets, being depreciated, net</b>	<b>149,422,862</b>	<b>(880,273)</b>	<b>(47,430)</b>	<b>812,591</b>	<b>149,307,750</b>
<b>Governmental activities capital assets, net</b>	<b>\$212,512,565</b>	<b>\$3,461,870</b>	<b>\$(213,623)</b>	<b>–</b>	<b>\$215,760,812</b>

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

<i>Governmental activities:</i>	
General government	\$1,041,620
Public safety	1,513,334
Public works	4,337,987
Community development	50,422
Culture and recreation	954,080
<b>Total depreciation expense - governmental activities</b>	<b>\$7,897,443</b>

**Construction Commitments.** The government has active construction projects as of June 30, 2010. The projects include street construction in areas with high congestion and commute times, sidewalks and pedestrian pathways in areas previously void of such amenities, park improvements, and the construction of public safety facilities. At year end the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Park improvements	\$18,001	\$1,291,599
Sidewalk and pedestrian projects	974,944	280,928
Street and transportation improvements	3,251,064	3,801,132
Machinery, equipment and technology	1,288,213	196,602
<b>Total</b>	<b>\$5,532,222</b>	<b>\$5,570,261</b>

The projects above are being financed primarily through the Capital Project Fund, using pay-as-you-go funding sources. Expenditures have also been incurred in the

Bond IV capital project fund primarily for street and transportation improvements as well as the public safety improvements.

## D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

*Due to/from other funds:*

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$99,935
E911 fund	General fund	74
<b>Total</b>		<b>\$100,009</b>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers for the year ended June 30, 2010:

Transfers in:	Transfers out:		Total
	General Fund	Nonmajor Governmental Funds	
General Fund	–	\$1,132,755	\$1,132,755
Debt Service Fund	–	101,351	101,351
Capital Projects Fund	6,634,830	–	6,634,830
Nonmajor governmental funds	275,000	–	275,000
Risk Management Fund	1,249,386	–	1,249,386
<b>Total</b>	<b>\$8,159,216</b>	<b>\$1,234,106</b>	<b>\$9,393,322</b>

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

## E. Long-term Debt

**General Obligation Bonds.** The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The general obligation bonds issued are for governmental activities. The original amount of general obligation bonds issued as of June 30, 2010 is \$47,910,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 25-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Maturity	Interest Rates	Amount
Governmental activities	May 2026	4.0 - 6.5%	\$22,395,000
Governmental activities - refunding	May 2012	1.25 - 4.375%	11,875,000
<b>Total</b>			<b>\$34,270,000</b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2011	\$8,050,000	\$1,413,006
2012	5,940,000	1,149,281
2013	1,100,000	937,850
2014	1,145,000	893,850
2015	1,195,000	836,600
2016-2020	6,700,000	3,361,715
2021-2025	8,255,000	1,698,875
2026	1,885,000	84,825
<b>Total</b>	<b>\$34,270,000</b>	<b>\$10,376,002</b>

**Defeased and Refunded Debt.** During the 2005 fiscal year the government purchased \$1,614,042 of United States Treasury Obligations – State and Local Government Series securities that were placed in an irrevocable escrow fund for the purposes of generating resources for all future debt payments of \$1,550,000 of revenue bonds. As a result, the refunded bonds are considered to be legally defeased and the liability has been removed from the business-type activities column of the statement of net assets. This defeasance was undertaken to facilitate the sale of the government’s water system. The current outstanding amount of debt considered legally defeased equals \$430,000.

During fiscal year 2009, the government issued \$8,620,000 of general obligation refunding bonds for the purpose of paying in full the balance of the 1998 general obligation bonds. The bonds were issued on May 24, 2009 with a premium of \$148,326 and interest rates ranging from 1.25% to 2.50%. The reacquisition price exceeded the net carrying amount of the old debt by \$99,871. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The current balance of the deferred charge resulting from the reacquisition price exceeding the net carrying amount of the old debt is \$66,582. The refunding was undertaken to reduce total debt service payments and resulted in an economic gain and a present value cash flow of \$319,694.

**Development Authority of Alpharetta Revenue Bonds.** During fiscal year 1999, the Development Authority of Alpharetta entered into an agreement with Georgia State University Foundation (the “Foundation”) to construct and finance an education facility. As a result, 20-year revenue bonds were issued by the Authority in the original amount of \$10,600,000.

In conjunction with this agreement, the Foundation entered into a direct financing lease which requires the Foundation to make lease payments to the Authority to cover 83.5% of the principal and interest payments on the bonds. The City entered into an intergovernmental contract with the Authority which requires the City to make payments to the Authority to enable the Authority to pay 100% of the principal and interest payments on the bonds to the extent that the Foundation’s lease payments are insufficient to cover the full amount of principal and interest payments on the bonds. At a minimum, the City is obligated to pay 16.5% of the total principal and interest payments on the bonds.

In 2009 the Authority issued \$5,890,000 of revenue refunding bonds for the purpose of paying in full the outstanding balance of the 1999 revenue bonds. The 2009 series were issued with interest rates from 3.0% to 5.0% and a maturity date of November 1, 2018. The bonds are payable on May 1 and November 1, serially to fiscal year 2019.

The reacquisition price exceeded the net carrying amount of the old debt by \$9,421. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The current balance of the deferred charge resulting from the reacquisition price exceeding the net carrying amount of the old debt is \$7,709. The advance refunding was undertaken to reduce total debt service payments and resulted in an economic gain and a present value cash flow of \$620,479.

The annual requirements to amortize the Development Authority’s revenue bonds outstanding as of June 30, 2010 are as follows:

Fiscal Year Ending June 30	Principal	Interest
2011	\$530,000	\$232,475
2012	550,000	212,200
2013	575,000	189,700
2014	595,000	166,300
2015	620,000	143,550
2016-2019	2,750,000	280,850
<b>Total</b>	<b>\$5,620,000</b>	<b>\$1,225,075</b>

**Notes Payable.** The annual requirements to amortize the note payable to the Development Authority for the government’s share (16.5%) of the bonds as of June 30, 2010 are as follows:

Fiscal Year Ending June 30	Principal	Interest
2011	\$87,450	\$38,358
2012	90,750	35,013
2013	94,875	31,301
2014	98,175	27,440
2015	102,300	23,686
2016-2019	453,750	46,340
<b>Total</b>	<b>\$927,300</b>	<b>\$202,138</b>

**Capital Leases.** The City has entered into two lease agreements as lessee for financing the acquisition of machinery and equipment, including communication equipment and a fire truck, which are used in governmental activities. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. As of June 30, 2010, the City had \$2,427,366 of machinery and equipment under capital leases.

Fiscal Year Ending June 30	Governmental Activities
2011	\$369,184
2012	369,184
2013	217,804
2014	217,804
2015	217,804
2016-2017	435,608
Total minimum lease payments	1,827,388
Less amount representing interest	267,156
<b>Present value of future minimum lease payments</b>	<b>\$1,560,232</b>

The City's total capital lease debt service requirements to maturity are as shown to the right:

**Changes in Long-term Liabilities.** Long-term liability activity for the fiscal year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental activities</i>					
Bonds payable:					
General obligation bonds	\$42,050,000	–	\$(7,780,000)	\$34,270,000	\$8,050,000
Less deferred charges on refunding	(725,997)	–	115,905	(610,092)	
Plus issuance premium	548,457	–	(115,170)	433,287	
<b>Net bonds payable</b>	<b>41,872,460</b>	<b>–</b>	<b>(7,779,265)</b>	<b>34,093,195</b>	
Notes payable	971,850	–	(44,550)	927,300	87,450
Capital lease	1,845,561	–	(285,329)	1,560,232	297,876
Net OPEB obligation	56,480	65,005	–	121,485	
Arbitrage payable	212,693	–	(98,104)	114,589	
Claims and judgments	531,169	429,187	(284,097)	676,259	183,833
Compensated absences	1,980,191	1,802,838	(1,989,903)	1,793,126	1,542,088
<b>Governmental activity Long-term liabilities</b>	<b>\$47,470,404</b>	<b>\$2,297,030</b>	<b>\$(10,481,248)</b>	<b>\$39,286,186</b>	<b>\$10,161,247</b>
<i>Business-type activities</i>					
Compensated absences	\$1,478	\$2,806	\$(2,869)	\$1,415	\$1,415
<b>Business-type activity Long-term liabilities</b>	<b>\$1,478</b>	<b>\$2,806</b>	<b>\$(2,869)</b>	<b>\$1,415</b>	<b>\$1,415</b>

For governmental activities, compensated absences are predominately liquidated by the general fund and emergency 911 fund; claims and judgments are liquidated by the risk management fund and other post-employment

benefits are predominately liquidated by the general fund; and arbitrage is liquidated by the bond IV fund. Long-term liability activity for the Development Authority for the fiscal year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$5,890,000	–	\$(270,000)	\$5,620,000	\$530,000
Less deferred charges	(8,564)	–	856	(7,708)	–
Plus issuance premium	654,705	–	(106,563)	548,142	–
<b>Revenue bonds payable, net</b>	<b>\$6,536,141</b>	<b>\$-</b>	<b>\$(375,707)</b>	<b>\$6,160,434</b>	<b>\$530,000</b>

## V. OTHER INFORMATION

### A. Risk Management

The government is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission; and natural disasters for which the government carries commercial insurance. The government previously established a limited risk management program for workers' compensation.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage award. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Workers' compensation claims exceeding \$300,000 per incident and \$1,000,000 in the aggregate are also insured through a private insurance carrier, where as liability claims below this threshold are paid directly by the government. It is the government's intention to maintain an equity balance equivalent to cover the unpaid claims. Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2009
Unpaid claims, beginning of fiscal year	\$531,169	\$582,577
Claims incurred	429,187	338,407
Claims paid	(284,097)	(389,815)
<b>Unpaid claims, end of fiscal year</b>	<b>\$676,259</b>	<b>\$531,169</b>

Health insurance claims are paid by an independent carrier under a fully-insured program. Settlements have not exceeded coverages for each of the past three fiscal years.

### B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustments 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 that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

The government has contracted with Browning-Ferris Industries, Inc. for refuse collection, including recycling, until March 31, 2017.

In conjunction with the issuance of the revenue bonds by the Development Authority of Alpharetta ("Authority") for the purpose of benefiting the Georgia State University Foundation ("Foundation"), the government is liable for the repayments of the revenue bonds in the event of default by either the Authority or the Foundation.

### C. Related Organizations

The City Administrator of the government serves as the President of the Board for the Alpharetta Business Community, Inc. and nominates members of the community to the board. The Alpharetta Business Community is a legally separate entity, incorporated in the state of Georgia for the purpose of expending a portion of the hotel occupancy tax, which is collected through the government's taxing authority. The government does not control the operations of the corporation. Separate financial statements for the corporation are not prepared.

The Alpharetta Convention and Visitors Bureau is also a separate legal entity from the government. Incorporated to promote tourism within the City of Alpharetta, the Mayor and Council appoint four of the ten directors to this entity. The government does not control the op-

erations of the corporation and is not entitled to or otherwise have access to the bureau's economic resources. Separate financial statements are available by contacting the Alpharetta Convention and Visitors Bureau's administrative offices.

Alpharetta Convention and Visitors Bureau  
 3060 Royal Blvd. South  
 Suite 145  
 Alpharetta, Georgia 30022  
 (678) 297-2811

#### D. Joint Venture

Under Georgia law, the government, in conjunction with other cities around the Metropolitan Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which the City of Atlanta has paid on behalf of the City of Alpharetta since the 2004 fiscal year. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

#### E. Retirement Plans

##### Defined Benefit Pension Plans.

*Plan Description.* The City of Alpharetta maintains two single-employer defined benefit pension plans, the City of Alpharetta Regular Defined Benefit Pension Plan (the "Regular Plan") and the City of Alpharetta Enhanced Defined Benefit Pension Plan (the "Enhanced Plan" or in combination the "Plans"), for the employees of the City of Alpharetta. The Plans are administered by a Board of Trustees, who have executed trust agreements with a financial institution to hold, manage, invest, and distribute contributions in accordance with the provisions of the Plans. Benefit provisions are established and may be amended by the City Council. Annual contributions

are determined through actuarial valuations of the Plans and are approved by City Council as part of the annual budgeting process. The Plans are closed to new entrants. The Regular Plan is funded by the City only while the Enhanced Plan is funded by both the City and the Plan participants.

The Plans cover all full-time government employees, government officials, and the elected or appointed judge of the Municipal Court, hired prior to July 1, 2009. Employees become eligible to participate in the Plans after one year of employment and are fully vested after five years of employment. Benefit provisions are established by a resolution of City Council. The Plans provide retirement and death benefits to Plan members and beneficiaries. The Plans do not issue separate stand-alone financial reports. At January 1, 2010, the date of the most recent actuarial valuation, there were 586 participants consisting of the following:

	Regular	Enhanced	Total
Retirees and beneficiaries currently receiving benefits	56	1	57
Vested terminated employees not yet receiving benefits	118	1	119
Active employees	143	267	410
<b>Total</b>	<b>317</b>	<b>269</b>	<b>586</b>

*Summary of significant accounting policies.* The financial statements of the Plans are prepared using the accrual basis of accounting. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made as part of the budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Investments of the Plans are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the latest reported sales price. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

**Contributions.** For the Regular Plan, only the City makes contributions. For the Enhanced Plan, both the City and the Employees (at 2.5% of payroll) make contributions

to the plan. For fiscal year 2010 employees contributed \$417,634 to the Enhanced Plan. The City is required to contribute at an actuarially determined rate: the contribution rate for 2010 was 19.2% of payroll for the Regular Plan and 11.4% of payroll for the Enhanced Plan. The annual required contributions for the current year were determined as part of the January 1, 2009 actuarial valuations using the projected unit credit method. The actuarial assumptions included (a) a rate of return on the investments of present and future assets of 6.75% per year, compounded annually and net of investment expenses and (b) projected salary increases of 3.5% per year, which includes 1.0% due to merit and 2.5% for inflation.

**Annual Pension Cost and Net Pension Obligation (NPO) - Regular**

	For the Plan Year Ending June 30, 2010	For the Plan Year Ending June 30, 2009
Annual required contribution (ARC)	\$1,393,614	\$1,126,310
Interest on net pension obligation (asset)	(68,557)	(63,865)
Annual pension cost	1,325,057	1,062,445
Contributions made	1,324,265	1,026,911
Transfer of NPO (asset) to Enhanced Plan	-	(604,176)
Increase (decrease) in NPO	792	639,710
NPO (asset) at beginning of year	(376,820)	(1,016,530)
<b>NPO (asset) at end of year</b>	<b>\$(376,028)</b>	<b>\$(376,820)</b>

The period for amortizing the unfunded actuarial accrued liabilities is 15 years for gains and losses, 20 years for plan changes and 30 years for assumption changes. The method used to amortize the unfunded actuarial accrued liabilities is level dollar. This amortization period is closed for this plan year.

**Annual Pension Cost and Net Pension Obligation (NPO) - Enhanced**

	For the Plan Year Ending June 30, 2010	For the Plan Year Ending June 30, 2009
Annual required contribution (ARC)	\$1,605,638	\$1,650,253
Interest on net pension obligation (asset)	(86,950)	(93,575)
Annual pension cost	1,518,688	1,556,678
Contributions made	1,525,740	1,504,614
Transfer of (NPO) asset from Regular Plan	-	604,176
Increase (decrease) in NPO	(7,052)	(552,112)
NPO (asset) at beginning of year	(552,112)	-
<b>NPO (asset) at end of year</b>	<b>\$(559,164)</b>	<b>\$(552,112)</b>

**History of Annual Pension Cost and Net Pension Obligation (Regular)**

Fiscal Period Ending	Annual Pension Cost	Percentage Contributed	Net Pension (Asset) Obligation
2010	\$1,325,057	100%	\$(376,028)
2009	1,062,445	97%	(376,820)
2008	2,214,765	103%	(1,016,530)

**History of Annual Pension Cost and Net Pension Obligation (Enhanced)**

Fiscal Period Ending	Annual Pension Cost	Percentage Contributed	Net Pension (Asset) Obligation
2010	\$1,518,688	100%	\$(559,164)
2009	1,556,678	97%	(552,112)

The following is a schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Liability (U A A L) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2010 Regular	\$10,805,314	\$16,968,520	\$6,163,206	63.7%	\$6,950,967	88.7%
1/1/2010 Enhanced	14,965,812	17,064,753	2,098,941	87.7%	16,060,752	13.1%

The above schedule of funding progress serves as a surrogate for the funded status and the funding progress of the Plan. See required supplementary information for a history of funding progress which presents a multiyear

trend about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuary valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a

long-term perspective. Calculations are based on the substantive plans in effect as of January 1, 2010.

The following is financial information for the City's Regular and Enhanced Pension Plans as of June 30, 2010.

	Regular Plan	Enhanced Plan
<i>Assets</i>		
Cash	\$42,169	\$85,737
Mutual funds	10,035,523	14,751,977
<b>Total assets</b>	<b>10,077,692</b>	<b>14,837,714</b>
<i>Liabilities</i>		
Accounts payable	42,169	85,737
<b>Total liabilities</b>	<b>42,169</b>	<b>85,737</b>
<b>Net assets</b>	<b>\$10,035,523</b>	<b>\$14,751,977</b>
<i>Additions</i>		
Employee contributions	–	\$417,634
Employer contributions	1,324,265	1,525,740
Net appreciation in fair value of investments	1,139,348	1,506,944
Net interest and dividends	443,464	668,272
<b>Total additions</b>	<b>2,907,077</b>	<b>4,118,590</b>
<i>Deductions</i>		
Benefit payments	651,728	12,914
<b>Total deductions</b>	<b>651,728</b>	<b>12,914</b>
Net increase	2,255,349	4,105,676
Net assets, beginning of year	7,780,174	10,646,301
<b>Net assets, end of year</b>	<b>\$10,035,523</b>	<b>\$14,751,977</b>

### Defined Contribution Plan

*Plan description and funding requirements.* The City maintains a supplemental retirement plan for all employees entitled the deferred compensation plan, a single-employer, defined contribution plan. Both full-time and part-time employees of the government are eligible to participate. This plan is administered by Hartford Life Insurance Company as a 401(a) and 457 plan, as defined by the Internal Revenue Service. At June 30, 2010, there were 402 participants.

Employees may elect to contribute a portion of their pay, not to exceed the IRS guidelines, into the 457 plan.

Upon completion of one year of employment for full-time employees and three years of employment for part-time employees, the City will match the employee's contribution, up to 5% of the employee's annual salary, into the 401(a) plan. Additionally, the City is required to contribute 10% of the annual salary of all employees hired subsequent to June 30, 2009. The City Council has the ability to amend the plan provisions. For the fiscal year ended June 30, 2010, the City's contribution to the 401(a) plan was \$840,903. The amount contributed by employees into the 457 plan was \$1,206,292.

## F. Other Post-employment Benefits

*Plan Description.* The City of Alpharetta Health Retirement Plan (the “OPEB Plan”) is a single employer defined benefit post-retirement health care plan. The plan is not funded but rather operated on a “pay-as-you-go” basis. As required by GASB Statement 45, the City reports in the financial statements the “costs” associated with the future participation of retirees in this benefit. The Plan does not issue a separate stand-alone financial report.

*General.* The following brief description of the OPEB Plan terms is provided for general information purposes only. Participants should refer to City ordinances and the City records for more complete information.

*Retirement Options/Benefit Provisions.* Eligible retirees are offered the same health and prescription drug coverage as active employees. Each fiscal year, the City determines the plan benefits and the premium rate for participants (active and retirees). However, unlike active employees,

retirees pay 100% of the blended premium afforded to the City. Therefore, as the retiree makes the full premium payment, the City’s only exposure is the accounting treatment of this implicit rate subsidy caused by the difference in the blended rate offered to the retiree and his/her actual age adjusted premium. Coverage expires at age 65.

*Eligibility.* All full time employees who are also eligible to retire and receive benefits under one of the Defined Benefit Pension Plans.

The following schedule reflects membership for the OPEB Plan as of January 1, 2008, the most recent actuarial valuation:

Active participants	339
Retirees and beneficiaries currently receiving benefits	6
<b>Total</b>	<b>345</b>

The following is a schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (U A A L) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	–	\$696,331	\$696,331	0.0%	\$20,925,545	3.3%

The above schedule of funding progress serves as a surrogate for the funded status and the funding progress of the Plan. See required supplementary information for a history of funding progress which presents a multiyear

trend about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Annual OPEB Cost and Net OPEB Obligation**

	For the Plan Year Ending June 30, 2010	For the Plan Year Ending June 30, 2009
Annual required contribution	\$110,981	\$108,168
Interest expense	3,358	1,000
Annual OPEB cost	114,339	109,168
Contributions made	49,334	52,688
Increase in net OPEB obligation	65,005	56,480
Net OPEB obligation at beginning of year	56,480	–
<b>Net OPEB obligation at end of year</b>	<b>\$121,485</b>	<b>\$56,480</b>

**History of Annual OPEB Cost and Net OPEB Obligation**

Fiscal Period Ending	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2010	\$114,339	43%	\$121,485
2009	\$109,168	48%	\$56,480

*Assumptions.* Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2008. The assumptions used in the January 1, 2008 actuarial valuation are as follows:

Cost Method . . . . .	Projected Unit Credit
Discount Rate . . . . .	4%
Healthcare Cost Trend Rate . . . . .	5%
Amortization Method . . . . .	Level Dollar, Closed
Remaining Amortization Period . . . . .	30 years

**G. Hotel/Motel Lodging Tax**

The City imposes a hotel/motel tax on lodging facilities within the City. The tax is assessed at 6%. Revenues were \$2,831,888 for the year ended June 30, 2010. Of this

amount 100%, or \$2,831,888, was expended. Expenditures of the tax were used to promote tourism as required by O.C.G.A. 48-13-51.



**City of Alpharetta**  
**Required Supplementary Information**  
**Retirement Plan**  
**SCHEDULES OF FUNDING PROGRESS**

**City of Alpharetta Regular Defined Benefit Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (U A A L) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
2010	\$10,805,314	\$16,968,520	\$6,163,206	63.7%	\$6,950,967	88.7%
2009	9,681,239	15,687,646	6,006,407	61.7%	7,246,851	82.9%
2008	11,043,207	14,457,448	3,414,241	76.4%	7,518,070	45.4%
2007	17,767,828	23,539,742	5,771,914	75.5%	17,127,360	33.7%
2006	14,649,982	14,447,850	(202,132)	101.4%	15,699,449	-1.3%
2005	12,064,621	13,203,862	1,139,241	91.4%	14,425,871	7.9%

Notes: Note: In 2007, the City lowered its assumed rate of investment return from 8% to 6.75% as a more conservative funding policy. For comparative purposes, the funded ratio for 2007 would be 107.2% using the former 8% rate.

In 2008 the City created an Enhanced Defined Benefit Plan and transferred the corresponding assets and actuary accrued liability to the new plan for each covered employee.

**City of Alpharetta Enhanced Defined Benefit Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (U A A L) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
2010	\$14,965,812	\$17,064,753	\$2,098,941	87.7%	\$16,060,752	13.1%
2009	12,314,663	13,784,550	1,469,887	89.3%	14,098,321	10.4%
2008	9,705,233	12,705,813	3,000,580	76.4%	12,411,020	24.2%

See assumptions used and disclosed in Note V-E to the financial statements.

City of Alpharetta  
**Required Supplementary Information**  
**Retirement Plan**  
**SCHEDULES OF EMPLOYER CONTRIBUTIONS**

**City of Alpharetta Regular Defined Benefit Pension Plan**

Actuarial Valuation Date	Annual Required Contribution (ARC)	% of ARC Contributed
2009	\$1,393,614	95%
2008	1,126,310	91%
2007	2,279,042	100%
2006	1,027,306	190%
2005	1,048,519	100%

*Note: Prior to 2005, the City participated in an agent multiple employer defined benefit pension plan.*

**City of Alpharetta Enhanced Defined Benefit Pension Plan**

Actuarial Valuation Date	Annual Required Contribution (ARC)	% of ARC Contributed
2009	1,605,638	95%
2008	1,650,253	91%

*See assumptions used and disclosed in Note V-E to the financial statements.*

City of Alpharetta  
**Required Supplementary Information**  
**Other Post-Employment Benefits**  
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (U A A L) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
2009	–	\$6 96,331	\$(696,331)	0%	\$20,925,545	3.3%
2008	–	\$653,560	\$(653,560)	0%	\$19,929,090	3.3%

*See assumptions used and disclosed in Note V-F to the financial statements.*

City of Alpharetta  
**Required Supplementary Information: General Fund**  
**BUDGETARY COMPARISON SCHEDULE - GAAP BASIS**

For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$18,134,208	\$18,134,208	\$18,603,559	\$469,351
Sales and use taxes	11,100,000	11,100,000	11,174,798	74,798
Franchise taxes	5,480,000	5,480,000	6,017,828	537,828
Business taxes	3,005,000	3,005,000	3,096,541	91,541
Other taxes	1,575,000	1,575,000	1,884,379	309,379
Licenses and permits	1,325,000	1,325,000	1,497,744	172,744
Intergovernmental	76,252	76,252	76,348	96
Fines and forfeitures	3,200,000	3,200,000	3,360,576	160,576
Charges for services	2,680,000	2,690,000	2,638,962	(51,038)
Investment earnings	235,000	235,000	57,365	(177,635)
Contributions and donations	-	19,759	35,068	15,309
Other revenues	113,322	113,322	280,494	167,172
<b>Total revenues</b>	<b>46,923,782</b>	<b>46,953,541</b>	<b>48,723,662</b>	<b>1,770,121</b>
<b>Expenditures</b>				
Current:				
General government:				
City clerk	423,018	423,018	350,403	72,615
Contingency	500,000	504,125	-	504,125
Mayor and council	286,597	286,597	226,706	59,891
Municipal court	964,790	964,790	931,504	33,286
Legal	400,000	400,000	392,470	7,530
City administrator	1,326,076	1,339,210	1,104,657	234,553
Finance	2,859,994	2,859,994	2,684,746	175,248
Human resources	402,174	402,174	263,708	138,466
Technology services	1,318,623	1,318,623	1,230,662	87,961
Internal audit	150,044	150,043	147,360	2,683
Non-departmental	45,000	45,000	45,000	-
<b>Total general government</b>	<b>8,676,316</b>	<b>8,693,574</b>	<b>7,377,216</b>	<b>1,316,358</b>
Public safety	22,015,104	22,036,462	21,329,652	706,810
Engineering and public works	7,542,377	7,543,472	7,025,225	518,247
Community development	2,118,403	2,118,403	1,925,790	192,613
Culture and recreation	6,759,012	6,785,418	6,159,360	626,058
Debt service				
Principal	369,184	285,329	285,329	-
Interest	-	83,855	83,856	(1)
<b>Total expenditures</b>	<b>47,480,396</b>	<b>47,546,513</b>	<b>44,186,428</b>	<b>3,360,085</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(556,614)</b>	<b>(592,972)</b>	<b>4,537,234</b>	<b>5,130,206</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	26,000	26,000	73,099	47,099
Transfers in	1,230,000	1,230,000	1,132,755	(97,245)
Transfers out	(8,159,216)	(8,159,216)	(8,159,216)	-
<b>Total other financing sources (uses)</b>	<b>(6,903,216)</b>	<b>(6,903,216)</b>	<b>(6,953,362)</b>	<b>(50,146)</b>
Net change in fund balances	(7,459,830)	(7,496,188)	(2,416,128)	5,080,060
Fund balances, beginning of year	21,295,482	21,295,482	21,295,482	-
<b>Fund balances, end of year</b>	<b>\$13,835,652</b>	<b>\$13,799,294</b>	<b>\$18,879,354</b>	<b>\$5,080,060</b>

City of Alpharetta  
**Required Supplementary Information**  
**Emergency 911 Fund**

**BUDGETARY COMPARISON SCHEDULE - GAAP BASIS**

For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<i>Revenues</i>				
Charges for services	\$1,640,000	\$1,640,000	\$2,001,326	\$361,326
Intergovernmental	620,974	620,974	551,065	(69,909)
Investment earnings	22,923	22,923	11,146	(11,777)
Miscellaneous revenue	-	-	1,084	1,084
<b>Total revenues</b>	<b>2,283,897</b>	<b>2,283,897</b>	<b>2,564,621</b>	<b>280,724</b>
<i>Expenditures</i>				
Current:				
Public safety	2,283,897	4,183,897	2,114,095	2,069,802
<b>Total expenditures</b>	<b>2,283,897</b>	<b>4,183,897</b>	<b>2,114,095</b>	<b>2,069,802</b>
Net changes in fund balances	-	(1,900,000)	450,526	2,350,526
Fund balances, beginning of year	2,470,588	2,470,588	2,470,588	-
<b>Fund balances, end of year</b>	<b>\$2,470,588</b>	<b>\$570,588</b>	<b>\$2,921,114</b>	<b>\$2,350,526</b>

## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### Hotel Motel Fund

This fund is used to account for the occupancy tax collected by the government from area hotels and motels, and distributed based upon state statute. The government is currently collecting this tax at a rate of 6%.

#### Impact Fee Fund

Established to account for fees assessed upon development activity, these fees are collected to pay for system improvements (recreation/parks, streets, and public safety) as detailed within the government's impact fee ordinance.

#### Drug Enforcement Fund

Established to account for funds received from the enforcement of drug laws, shared revenues resulting from the confiscation of property from drug offender's arrests that can be used by law enforcement to aid in that activity. Funds cannot be used to supplant the normal operating budget of the Police Department.

#### Grant Operating Fund

This fund is used to account for the funds received from external sources as they relate to grants awarded to the government. Matching funds, which are the government's responsibility, are also recorded within this fund. This fund only tracks and accounts those items relating to the operation of the government.

### Capital Project Funds

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Capital project funds are used to account for the acquisition and construction of major items, such as buildings, infrastructure, parks, streets, and other major capital facilities.

#### Grant Capital Fund

This fund is used to track capital projects as they relate to proceeds from grants awarded to the government. Matching funds, which are the government's responsibility, are recorded within this fund.

City of Alpharetta  
**COMBINING BALANCE SHEET**  
**Nonmajor Governmental Funds**

June 30, 2010

	<i>Special Revenue Funds</i>					Total Nonmajor Governmental Funds
	Hotel Motel	Impact Fee	Drug Enforcement	Grant Operating	Grant Capital	
<b>Assets</b>						
Cash and cash equivalents	\$18,762	\$109,665	\$816,824	\$131	\$215,239	\$1,160,621
Investments	103,241	603,443	-	3,465	1,184,368	1,894,517
Taxes receivable	249,839	-	-	-	-	249,839
Prepays	-	-	22,987	-	-	22,987
Restricted:						
Intergovernmental receivable	-	-	-	101,433	125,216	226,649
<b>Total assets</b>	<b>\$371,842</b>	<b>\$713,108</b>	<b>\$839,811</b>	<b>\$105,029</b>	<b>\$1,524,823</b>	<b>\$3,554,613</b>

**Liabilities and Fund Balances**

**Liabilities**

Accounts payable	\$260,960	-	\$35,341	\$53,760	\$28,696	\$378,757
Retainage payable	-	-	-	-	8,197	8,197
Due to other funds	99,935	-	-	-	-	99,935
Deferred revenue	-	-	-	88,157	125,216	213,373
<b>Total liabilities</b>	<b>360,895</b>	<b>-</b>	<b>35,341</b>	<b>141,917</b>	<b>162,109</b>	<b>700,262</b>

**Fund Balances**

Reserved for:

Prepays	-	-	22,987	-	-	22,987
Capital projects	-	713,108	-	-	-	713,108
Encumbrances	-	-	-	-	1,362,714	1,362,714
Unreserved, designated for operations	10,947	-	781,483	-	-	792,430
Unreserved, undesignated	-	-	-	(36,888)	-	(36,888)
<b>Total fund balances</b>	<b>10,947</b>	<b>713,108</b>	<b>804,470</b>	<b>(36,888)</b>	<b>1,362,714</b>	<b>2,854,351</b>
<b>Total liabilities and fund balances</b>	<b>\$371,842</b>	<b>\$713,108</b>	<b>\$839,811</b>	<b>\$105,029</b>	<b>\$1,524,823</b>	<b>\$3,554,613</b>

City of Alpharetta  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**  
**Nonmajor Governmental Funds**

For the Fiscal Year Ended June 30, 2010

	<i>Special Revenue Funds</i>					Total Nonmajor Governmental Funds
	Hotel Motel	Impact Fee	Drug Enforcement	Grant Operating	Grant Capital	
<b>Revenues</b>						
Hotel/Motel taxes	\$2,831,888	-	-	-	-	\$2,831,888
Impact fees	-	104,486	-	-	-	104,486
Forfeiture income	-	-	507,289	-	-	507,289
Intergovernmental	-	-	-	90,335	169,703	260,038
Contributions	-	-	-	17,500	-	17,500
Investment earnings	-	2,593	3,142	-	-	5,735
Miscellaneous	-	-	1,064	-	-	1,064
Total revenues	2,831,888	107,079	511,495	107,835	169,703	3,728,000
<b>Expenditures</b>						
Current:						
General government	-	3,136	-	3,000	-	6,136
Culture and recreation	-	-	-	8,784	-	8,784
Public safety	-	-	279,703	167,883	-	447,586
Community development	1,699,133	-	-	-	-	1,699,133
Capital outlay	-	-	-	-	165,029	165,029
Total expenditures	1,699,133	3,136	279,703	179,667	165,029	2,326,668
Excess (deficiency) of revenues over expenditures	1,132,755	103,943	231,792	(71,832)	4,674	1,401,332
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	275,000	275,000
Transfers out	(1,132,755)	(101,351)	-	-	-	(1,234,106)
Total other financing sources (uses)	(1,132,755)	(101,351)	-	-	275,000	(959,106)
Net change in fund balances	-	2,592	231,792	(71,832)	279,674	442,226
Fund balances, beginning of year	10,947	710,516	572,678	34,944	1,083,040	2,412,125
Fund balances (deficit), end of year	\$10,947	\$713,108	\$804,470	\$(36,888)	\$1,362,714	\$2,854,351

City of Alpharetta  
**Hotel Motel Fund**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Hotel/Motel taxes	\$3,075,000	\$3,075,000	\$2,831,888	\$(243,112)
Total revenues	3,075,000	3,075,000	2,831,888	(243,112)
<b>Expenditures</b>				
Current:				
Community development	1,845,000	1,845,000	1,699,133	145,867
Total expenditures	1,845,000	1,845,000	1,699,133	145,867
Excess of revenues over expenditures	1,230,000	1,230,000	1,132,755	(97,245)
<b>Other Financing Uses</b>				
Transfers out	(1,230,000)	(1,230,000)	(1,132,755)	97,245
Total other financing uses	(1,230,000)	(1,230,000)	(1,132,755)	97,245
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	10,947	10,947	10,947	-
Fund balances, end of year	\$10,947	\$10,947	\$10,947	-

City of Alpharetta  
**Impact Fee Fund**

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Impact fees	\$225,000	\$225,000	\$104,486	\$(120,514)
Investment earnings	2,500	2,500	2,593	93
<b>Total revenues</b>	<b>227,500</b>	<b>227,500</b>	<b>107,079</b>	<b>(120,421)</b>
<b><i>Expenditures</i></b>				
Current:				
General government	6,750	717,266	3,136	714,130
<b>Total expenditures</b>	<b>6,750</b>	<b>717,266</b>	<b>3,136</b>	<b>714,130</b>
Excess (deficiency) of revenues over expenditures	220,750	(489,766)	103,943	593,709
<b><i>Other Financing Uses</i></b>				
Transfers out	(220,750)	(220,750)	(101,351)	119,399
<b>Total other financing uses</b>	<b>(220,750)</b>	<b>(220,750)</b>	<b>(101,351)</b>	<b>119,399</b>
Net changes in fund balances	-	(710,516)	2,592	713,108
<b>Fund balances, beginning of year</b>	<b>710,516</b>	<b>710,516</b>	<b>710,516</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$710,516</b>	<b>-</b>	<b>\$713,108</b>	<b>\$713,108</b>

City of Alpharetta  
**Drug Enforcement Fund**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Forfeiture income	\$100,000	\$100,000	\$507,289	\$407,289
Investment earnings	8,000	8,000	3,142	(4,858)
Miscellaneous	-	-	1,064	1,064
Total revenues	108,000	108,000	511,495	403,495
<b><i>Expenditures</i></b>				
Current:				
Public safety	208,000	680,678	279,703	400,975
Total expenditures	208,000	680,678	279,703	400,975
Net changes in fund balances	(100,000)	(572,678)	231,792	804,470
Fund balances, beginning of year	572,678	572,678	572,678	-
Fund balances, end of year	\$472,678	-	\$804,470	\$804,470

City of Alpharetta  
**Grant Operating Fund**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Intergovernmental	\$325,091	\$325,091	\$90,335	\$(234,756)
Contributions and donations	17,100	17,100	17,500	400
<b>Total revenues</b>	<b>342,191</b>	<b>342,191</b>	<b>107,835</b>	<b>(234,356)</b>
<b><i>Expenditures</i></b>				
Current:				
General government	3,000	3,000	3,000	-
Public safety	314,818	314,818	167,883	146,935
Culture and recreation	53,767	53,767	8,784	44,983
Contingencies	5,550	5,550	-	5,550
<b>Total expenditures</b>	<b>377,135</b>	<b>377,135</b>	<b>179,667</b>	<b>197,468</b>
Net changes in fund balances	(34,944)	(34,944)	(71,832)	(36,888)
Fund balances, beginning of year	34,944	34,944	34,944	-
<b>Fund balances (deficit), end of year</b>	<b>-</b>	<b>-</b>	<b>\$(36,888)</b>	<b>\$(36,888)</b>

City of Alpharetta  
**Debt Service Fund**

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$7,197,519	\$7,197,519	\$7,336,490	\$138,971
Investment earnings	275,000	275,000	35,432	(239,568)
Total revenues	7,472,519	7,472,519	7,371,922	(100,597)
<b>Expenditures</b>				
Current:				
General government	15,000	15,000	7,069	7,931
Debt service:				
Principal	7,824,550	7,824,550	7,824,550	-
Interest	1,705,782	1,705,782	1,705,781	1
Total expenditures	9,545,332	9,545,332	9,537,400	7,932
Deficiency of revenues over expenditures	(2,072,813)	(2,072,813)	(2,165,478)	(92,665)
<b>Other Financing Sources (Uses)</b>				
Transfers in	220,750	220,750	101,351	(119,399)
Total other financing sources	220,750	220,750	101,351	(119,399)
Net change in fund balances	(1,852,063)	(1,852,063)	(2,064,127)	(212,064)
Fund balances, beginning of year	8,875,237	8,875,237	8,875,237	-
Fund balances, end of year	\$7,023,174	\$7,023,174	\$6,811,110	\$(212,064)

# FIDUCIARY FUNDS

## Pension Trust Funds

---

Fiduciary funds are used to account for assets held by the government as a trustee or agent.

### Regular Plan Fund

This fund is used to account for assets, city contributions and disbursements of the City's Regular Pension plan.

### Enhanced Plan Fund

This fund is used to account for assets, city and employee contributions and disbursements of the City's Enhanced Pension plan.

## City of Alpharetta Fiduciary Funds COMBINING STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2010

	Regular Plan	Enhanced Plan	Total Fiduciary Funds
<i><b>Assets</b></i>			
Cash	\$42,169	\$85,737	\$127,906
Mutual funds	10,035,523	14,751,977	24,787,500
<b>Total assets</b>	<b>10,077,692</b>	<b>14,837,714</b>	<b>24,915,406</b>
<i><b>Liabilities</b></i>			
Accounts payable	42,169	85,737	127,906
<b>Total liabilities</b>	<b>42,169</b>	<b>85,737</b>	<b>127,906</b>
<i><b>Net Assets</b></i>			
Assets held in trust for pension benefits	<b>\$10,035,523</b>	<b>\$14,751,977</b>	<b>\$24,787,500</b>

City of Alpharetta  
**Fiduciary Funds**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

For the Fiscal Year Ended June 30, 2010

	Regular Plan	Enhanced Plan	Total Fiduciary Funds
<i><b>Additions</b></i>			
Contributions:			
Employee contributions	–	\$417,634	\$417,634
Employer contributions	1,324,265	1,525,740	2,850,005
Total contributions	1,324,265	1,943,374	3,267,639
Investment income:			
Net appreciation in fair value of investments	1,139,348	1,506,944	2,646,292
Interest and dividends	443,464	668,272	1,111,736
Net investment income	1,582,812	2,175,216	3,758,028
Total additions	2,907,077	4,118,590	7,025,667
<i><b>Deductions</b></i>			
Benefit payments	651,728	12,914	664,642
Total deductions	651,728	12,914	664,642
Net increase	2,255,349	4,105,676	6,361,025
<i><b>Net Assets Held In Trust for Pension Benefits</b></i>			
Beginning of year	7,780,174	10,646,301	18,426,475
End of year	<b>\$10,035,523</b>	<b>\$14,751,977</b>	<b>\$24,787,500</b>



City of Alpharetta  
**BALANCE SHEET**  
**Component Unit - Development Authority**

June 30, 2010

*Assets*

Cash	\$92,370
Receivables	2,160
<b>Total assets</b>	<b>\$94,530</b>

*Liabilities and Fund Balance*

Accounts payable	\$2,160
Total liabilities	2,160
Unreserved, undesignated	92,370
Total fund balance	92,370
<b>Total liabilities and fund balance</b>	<b>\$94,530</b>

City of Alpharetta  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**Component Unit - Development Authority**

For the Fiscal Year Ended June 30, 2010

*Revenues*

Investment earnings	\$476
Miscellaneous income	524,726
<b>Total revenues</b>	<b>525,202</b>

*Expenditures*

Community development	16,564
Debt service:	
Principal	270,000
Interest	238,166
<b>Total expenditures</b>	<b>524,730</b>
Net change in fund balances	472
<b>Fund balance, beginning of year</b>	<b>91,898</b>
<b>Fund balance, end of year</b>	<b>\$92,370</b>

# STATISTICAL SECTION



# Statistical Section

This part of the City of Alpharetta’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

*Contents* *Pages*

**Financial Trends** ..... 89 - 94

These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

**Revenue Capacity** ..... 95 - 97

These schedules contain information to help the reader assess the government’s most significant local revenue source, property tax.

**Debt Capacity** ..... 98 - 99

These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

**Demographic and Economic Information** ..... 100

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

**Operating Information** ..... 101 - 103

These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The government implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

**City of Alpharetta**  
**NET ASSETS BY COMPONENT**  
**Last Eight Fiscal Years**  
(Accrual Basis of Accounting)

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental activities</b>								
Invested in capital assets, net of related debt <sup>2</sup>	\$187,034,265	\$175,867,666	\$167,306,416	\$159,669,387	\$82,695,772	\$31,096,624	\$18,081,075	\$15,452,957
Restricted	7,524,218	18,232,657	18,140,239	14,174,532	14,392,861	12,951,724	12,540,493	16,990,626
Unrestricted	36,664,811	25,022,020	25,645,599	24,814,424	22,444,151	14,828,584	13,125,220	5,389,140
<b>Total governmental activities net assets</b>	<b>\$231,223,294</b>	<b>\$219,122,343</b>	<b>\$211,092,254</b>	<b>\$198,658,343</b>	<b>\$119,532,784</b>	<b>\$58,876,932</b>	<b>\$43,746,788</b>	<b>\$37,832,723</b>
<b>Business-type activities<sup>1</sup></b>								
Invested in capital assets, net of related debt	—	—	—	—	—	—	\$2,598,670	\$2,597,943
Restricted	—	—	—	—	—	—	1,649,342	1,645,519
Unrestricted	956,834	982,404	843,883	630,455	467,185	435,139	460,343	269,267
<b>Total business-type activities net assets</b>	<b>\$956,834</b>	<b>\$982,404</b>	<b>\$843,883</b>	<b>\$630,455</b>	<b>\$467,185</b>	<b>\$435,139</b>	<b>\$4,708,355</b>	<b>\$4,512,729</b>
<b>Primary government</b>								
Invested in capital assets, net of related debt	\$187,034,265	\$175,867,666	\$167,306,416	\$159,669,387	\$82,695,772	\$31,096,624	\$20,679,745	\$18,050,900
Restricted	7,524,218	18,232,657	18,140,239	14,174,532	14,392,861	12,951,724	14,189,835	18,636,145
Unrestricted	37,621,645	26,004,424	26,489,482	25,444,879	22,911,336	15,263,723	13,585,563	5,658,407
<b>Total primary government net assets</b>	<b>\$232,180,128</b>	<b>\$220,104,747</b>	<b>\$211,936,137</b>	<b>\$199,288,798</b>	<b>\$119,999,969</b>	<b>\$59,312,071</b>	<b>\$48,455,143</b>	<b>\$42,345,452</b>

1. Changes in business-type activities between fiscal year 2005 and 2004 are largely due to the sale of the government's water system.
2. The increase in 2006 and 2007 is due to the implementation of the retroactive infrastructure component of GASB 34 during the year and an increase in annexations which resulted in a large addition to infrastructure.

**City of Alpharetta**  
**CHANGES IN NET ASSETS**  
**Last Eight Fiscal Years**  
(Accrual Basis of Accounting)

Fiscal Year

**Expenses**

	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities <sup>1</sup> :								
General government	\$9,424,951 <sup>8</sup>	\$13,555,184	\$12,534,856	\$11,261,061	\$8,990,207	\$8,380,030	\$5,736,222	\$7,089,104
Public safety	25,425,405	25,257,385	22,676,999	20,667,092	19,095,508	15,904,517	14,391,972	14,149,504
Public works	12,201,036 <sup>8</sup>	8,851,486	10,119,284	9,634,496	5,662,936	3,469,265	7,375,964	1,676,631
Community development	3,676,652	3,864,513	4,121,134	3,821,709	3,836,608	2,937,850	4,111,451	4,064,468
Culture and recreation	7,127,575	7,235,369	7,107,174	6,884,913	6,495,895	4,571,699	5,958,248	7,164,113
Interest on long-term debt	1,737,171	2,400,013	2,736,354	3,104,426	2,043,045	2,233,542	2,391,175	2,944,647
Total governmental activities expenses	59,592,790	61,163,950	59,295,801	55,373,697	46,124,199	37,496,903	39,965,032	37,088,467
Business-type activities:								
Water <sup>2</sup>	—	—	—	—	—	7,641,035	3,495,165	3,713,758
Solid Waste	2,677,687	2,525,644	2,489,734	2,499,994	2,231,660	1,934,505	1,823,049	1,742,504
Total business-type activities expenses	2,677,687	2,525,644	2,489,734	2,499,994	2,231,660	9,575,540	5,318,214	5,456,262
Total primary government expenses	\$62,270,477	\$63,689,594	\$61,785,535	\$57,873,691	\$48,355,859	\$47,072,443	\$45,283,246	\$42,544,729

**Program Revenues**

Governmental activities:								
Charges for services <sup>3</sup> :								
General government	3,921,041	\$4,461,205	\$4,169,775	\$4,053,626	\$4,299,561	\$641,391	\$560,148	\$465,150
Public safety	3,788,809	3,208,110	3,320,904	3,202,515	1,584,186	3,332,420	3,831,618	4,084,155
Public works	10,543	27,799	64,874	228,036	110,457	172,052	134,418	5,808
Community development	1,524,015	1,145,558 <sup>6</sup>	2,198,050	2,842,438	2,432,818	3,721,024	1,491,721	1,646,156
Culture and recreation	1,840,027	1,968,879	2,061,190	1,985,418	1,962,193	2,089,562	1,654,132	1,699,412
Operating grants and contributions	180,396	689,900	273,823	1,129,000	116,537	74,860	68,360	65,818
Capital grants and contributions <sup>4</sup>	9,084,587 <sup>9</sup>	3,962,277 <sup>7</sup>	6,758,541	10,554,478	53,542,116	5,819,430	514,766	77,594
Total governmental activities program revenues	20,349,418	15,463,728	18,847,157	23,995,511	64,047,868	15,850,739	8,255,163	8,044,093
Business-type activities:								
Charges for service:								
Water <sup>2</sup>	—	—	—	—	—	3,470,393	3,806,501	3,543,892
Solid waste	2,645,368	2,633,974	2,643,367	2,621,405	1,985,355	1,838,047	1,686,477	1,621,302
Total business-type activities program revenues	2,645,368	2,633,974	2,643,367	2,621,405	1,985,355	5,308,440	5,492,978	5,165,194
Total primary government program revenues	\$22,994,786	\$18,097,702	\$21,490,524	\$26,616,916	\$66,033,223	\$21,159,179	\$13,748,141	\$13,209,287
<b>Net (Expense)/Revenue:</b>								
Governmental activities	(39,243,372)	\$(45,700,222)	\$(40,448,644)	\$(31,378,186)	\$17,923,669	\$(21,646,164)	\$(31,709,869)	\$(29,044,374)
Business-type activities	(32,319)	108,330	153,633	121,411	(246,305)	(4,267,100)	174,764	(291,068)
Total primary government net expense	\$(39,275,691)	\$(45,591,892)	\$(40,295,011)	\$(31,256,775)	\$17,677,364	\$(25,913,264)	\$(31,535,105)	\$(29,335,442)

continued

**City of Alpharetta**  
**CHANGES IN NET ASSETS**  
**Last Eight Fiscal Years**  
(Accrual Basis of Accounting)

*continued*

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Property taxes	\$25,988,259	\$26,400,456	\$25,223,033	\$22,438,746	\$21,015,938	\$18,591,907	\$17,327,608	\$17,441,980
Sales taxes	11,174,798	10,696,787	11,263,805	9,992,908	8,838,133	8,892,107	7,353,813	5,638,618
Franchise taxes <sup>5</sup>	6,017,828	5,838,582	5,378,667	5,065,549	4,170,781	2,938,193	-	-
Hotel/Motel occupancy tax <sup>5</sup>	2,831,888	3,062,307	3,674,176	3,479,163	3,130,740	2,705,566	-	-
Business taxes <sup>5</sup>	3,096,541	3,155,734	3,138,828	3,054,027	2,835,449	2,632,855	-	-
Other taxes <sup>5</sup>	1,884,379	1,793,318	1,841,631	1,937,671	1,886,529	1,614,539	12,223,068	11,359,475
Unrestricted investment earnings	350,630	1,333,572	2,363,020	3,179,417	1,105,481	975,868	204,192	660,410
Gain on sale of capital assets	-	-	-	-	-	23,351	14,095	35,303
Miscellaneous	-	-	-	-	-	80,706	501,158	878,320
Transfers	-	-	(605)	-	(250,868)	28,317	-	(60,000)
<b>Total governmental activities</b>	<b>51,344,323</b>	<b>52,280,756</b>	<b>52,882,555</b>	<b>49,147,481</b>	<b>42,732,183</b>	<b>38,483,409</b>	<b>37,623,934</b>	<b>35,954,106</b>
Business-type activities:								
Unrestricted investment earnings	6,749	30,191	59,190	41,859	27,483	22,201	10,643	26,211
Miscellaneous	-	-	-	-	-	-	10,189	4,581
Transfers	-	-	605	-	250,868	(28,317)	-	60,000
<b>Total business-type activities</b>	<b>6,749</b>	<b>30,191</b>	<b>59,795</b>	<b>41,859</b>	<b>278,351</b>	<b>(6,116)</b>	<b>20,832</b>	<b>90,792</b>
<b>Total primary government</b>	<b>\$51,351,072</b>	<b>\$52,310,947</b>	<b>\$52,942,350</b>	<b>\$49,189,340</b>	<b>\$43,010,534</b>	<b>\$38,477,293</b>	<b>\$37,644,766</b>	<b>\$36,044,898</b>
<b>Change in Net Assets</b>								
Governmental activities	\$12,100,951	\$6,580,534	\$12,433,911	\$17,769,295	\$60,655,852	\$16,837,245	\$5,914,065	\$6,909,732
Business-type activities	(25,570)	138,521	213,428	163,270	32,046	(4,273,216)	195,596	(200,276)
<b>Total primary government</b>	<b>\$12,075,381</b>	<b>\$6,719,055</b>	<b>\$12,647,339</b>	<b>\$17,932,565</b>	<b>\$60,687,898</b>	<b>\$12,564,029</b>	<b>\$6,109,661</b>	<b>\$6,709,456</b>

1. The changes in expenses are primarily due to capital expenditure variances from year to year.
2. The government sold the water system in 2005.
3. In 2006, charges for services were allocated among the functions differently than in prior years.
4. In 2006, the government's increased annexations resulted in a large addition to infrastructure which is reported as a capital contribution.
5. Franchise, Hotel/Motel occupancy, and Business taxes were included with Other taxes in 2003 and 2004.
6. In 2009, the economy across the state and country suffered causing the sale of construction license and permits to significantly decrease.
7. The City completed the Westside Parkway project in 2008 and this project was significantly supported from federal funds.  
The completion of this project along with minimal donated assets resulted in the large decrease of capital grants and contributions.
8. Prior to 2010 the City charged depreciation expense related to City's infrastructure to the general government function and in 2010 began charging to the public works function.
9. In 2010 the City received a donated road and bridge worth over \$7,000,000.

**City of Alpharetta**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**Last Eight Fiscal Years**  
(Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax <sup>1</sup>	Hotel/Motel Occupancy Tax <sup>1</sup>	Business Taxes <sup>1</sup>	Other Tax	Total
2003	\$17,441,980	\$5,638,618	—	—	—	\$11,359,475	\$34,440,073
2004	17,327,608	7,353,813	—	—	—	12,223,068	36,904,489
2005	18,591,907	8,892,107	\$2,938,193	\$2,705,566	\$2,632,855	1,614,539	37,375,167
2006	21,015,938	8,838,133	4,170,781	3,130,740	2,835,449	1,886,529	41,877,570
2007	22,438,746	9,992,908	5,065,549	3,479,163	3,054,027	1,937,671	45,968,064
2008	25,223,033	11,263,805	5,378,667	3,674,176	3,138,828	1,841,631	50,520,140
2009	26,400,456	10,696,787	5,838,582	3,062,307	3,155,734	1,793,318	50,947,184
2010	25,988,259	11,174,798	6,017,828	2,831,888	3,096,541	1,884,379	50,993,693

1. These taxes previously reported under "Other Taxes" category for fiscal years 2003 and 2004.

**City of Alpharetta**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
(Modified Accrual Basis of Accounting)

	2010	2009	2008	2007	2006
General fund					
Reserved	\$63,663	\$33,154	\$49,466	\$411,191	\$416,165
Unreserved	18,815,691	21,262,328	22,833,742	19,435,188	21,989,576
<b>Total general fund</b>	<b>\$18,879,354</b>	<b>\$21,295,482</b>	<b>\$22,883,208</b>	<b>\$19,846,379</b>	<b>\$22,405,741</b>
All other governmental funds					
Reserved	\$10,508,967	\$11,653,684	\$15,270,790	\$14,809,412	\$15,644,487
Unreserved, reported in:					
Special revenue funds	3,711,378	3,087,843	2,746,028	2,035,713 <sup>2</sup>	129,081
Capital projects funds <sup>1</sup>	19,154,319	16,364,581	13,698,188	18,023,349	20,494,549
<b>Total all other governmental funds</b>	<b>\$33,374,664</b>	<b>\$31,106,108</b>	<b>\$31,715,006</b>	<b>\$34,868,474</b>	<b>\$36,268,117</b>
	2005	2004	2003	2002	2001
General fund					
Reserved	\$381,148	\$910,188	\$746,100	\$360,366	\$435,748
Unreserved	20,565,210	17,675,936	13,182,532	11,755,347	9,913,396
<b>Total general fund</b>	<b>\$20,946,358</b>	<b>18,586,124</b>	<b>\$13,928,632</b>	<b>\$12,115,713</b>	<b>\$10,349,144</b>
All other governmental funds					
Reserved	\$13,927,318	\$13,303,127	\$17,064,512	\$17,207,639	\$25,540,210
Unreserved, reported in:					
Special revenue funds	46,402	10,722	813,753	867,236	1,112,966
Capital project funds	(2,687,361)	—	—	—	—
<b>Total all other governmental funds</b>	<b>\$11,286,359</b>	<b>\$13,313,849</b>	<b>\$17,878,265</b>	<b>\$18,074,875</b>	<b>\$26,653,176</b>

1. The increase in 2006 is due to the issuance of the 2006 General Obligation Bonds.

2. During 2007, the City re-evaluated the reserved fund balances in its special revenue funds, and, as a result, is reporting more amounts as unreserved than in prior years.

**City of Alpharetta**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

(Modified Accrual Basis of Accounting)

	2010	2009	2008	2007	2006
<b>Revenues</b>					
Property taxes	\$25,940,049	\$26,363,736	\$25,276,979	\$22,498,377	\$20,918,071
Sales tax	11,174,798	10,696,787	11,263,805	9,992,908	8,838,133
Other taxes	13,830,636	13,849,941	14,033,302	13,536,410	12,023,499
Licenses and permits	1,497,744	1,369,379 <sup>3</sup>	2,241,052	2,650,990	2,428,720
Intergovernmental	1,018,726	2,654,411	4,789,371 <sup>2</sup>	190,137	416,456
Contributions and donations	1,038,048	1,185,269	1,401,217	1,194,078 <sup>1</sup>	—
Charges for services	4,640,288	4,646,782	4,863,146	4,899,304	4,189,487
Impact fees	104,486	591,847	453,917	1,115,177	724,847
Fines and forfeitures	3,867,865	3,726,714	3,936,673	3,477,753	2,820,273
Investment earnings	350,630	1,204,047 <sup>4</sup>	2,363,020	3,179,417	1,105,481
Miscellaneous	295,292	476,829	320,005	1,207,870	566,229
<b>Total revenues</b>	<b>63,758,562</b>	<b>66,765,742</b>	<b>70,942,487</b>	<b>63,942,421</b>	<b>54,031,196</b>
<b>Expenditures</b>					
General government	7,390,748	8,394,078	8,178,118	7,223,771	8,303,827
Public safety	23,891,333	23,656,964	21,584,771	19,858,875	16,924,195
Public works	7,025,225	7,312,275	6,929,946	5,762,199	3,595,196
Community development	3,624,923	3,741,557	4,083,613	3,890,550	3,557,433
Environmental services	—	—	—	—	—
Culture and recreation	6,168,144	6,303,376	6,453,642	6,043,546	5,466,088
Other	—	—	—	—	—
Capital outlay	4,729,958	9,724,389 <sup>5</sup>	16,246,727	16,189,652	9,274,131
Debt service:					
Principal	8,109,879	7,624,937	7,316,818	6,345,025	4,856,725
Interest	1,789,637	2,438,731	2,745,648	2,807,337	2,006,528
Other charges	—	153,513	—	—	171,700
<b>Total expenditures</b>	<b>62,729,847</b>	<b>69,349,820</b>	<b>73,539,283</b>	<b>68,120,955</b>	<b>54,155,823</b>
Excess (deficiency) of revenues over (under) expenditures	1,028,715	(2,584,078)	(2,596,796)	(4,178,534)	(124,627)
<b>Other Financing Sources (Uses)</b>					
Transfers in	8,143,936	7,867,835	8,532,046	13,195,113	7,984,514
Transfers out	(9,393,322)	(7,867,835)	(8,532,651)	(13,195,113)	(8,235,382)
General obligation bond proceeds	—	8,620,000	—	—	26,290,000
Premium on bond issuance	—	—	—	—	520,136
Payments to refunding escrow	—	(8,624,872)	—	—	—
Capital leases	—	—	2,427,366	—	—
Sale of capital assets	73,099	244,000	53,396	219,529	6,500
<b>Total other financing sources (uses)</b>	<b>(1,176,287)</b>	<b>239,128</b>	<b>2,480,157</b>	<b>219,529</b>	<b>26,565,768</b>
<b>Net change in fund balances</b>	<b>(147,572)</b>	<b>\$(2,344,950)</b>	<b>\$(116,639)</b>	<b>\$(3,959,005)</b>	<b>\$26,441,141</b>
<b>Debt service as a percentage of noncapital expenditures</b>					
	16.8%	16.9%	17.4%	19.8%	18.6%
Total debt service expenditures	9,899,516	10,217,181	10,062,466	9,152,362	7,034,953
Total non-capital expenditures	59,080,042	60,507,757	57,895,569	46,322,696	37,846,739

1. Contributions and donations were included in Miscellaneous revenues in prior years. Contributions increased significantly in 2007 due to a one-time contribution of approximately \$1 million.

2. The City received more grant funding in 2008 than in prior years.

3. In 2009, the economy across the state and country suffered causing the sale of construction license and permits to significantly decrease.

4. In 2009, the economy across the state and country suffered causing interest rates to drop.

5. The City completed the Westside Parkway project in 2008, which was a multi million dollar project. In 2009 the City did not have any large construction projects on-going.

continued

**City of Alpharetta**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years** *continued*

(Modified Accrual Basis of Accounting)

	2005	2004	2003	2002	2001
<b>Revenues</b>					
Property taxes	\$18,723,147	\$17,230,919	\$17,594,524	\$17,594,368	\$16,657,914
Sales tax	7,748,031	7,353,813	5,638,618	—	—
Other taxes	11,147,065	12,111,232	11,359,475	12,724,882	13,229,960
Licenses and permits	2,276,966	1,321,281	1,096,780	1,433,757	2,198,676
Intergovernmental	196,872	1,171,126	470,698	1,177,823	958,311
Contributions and donations	—	—	—	—	—
Charges for services	3,919,248	3,311,125	3,292,827	3,362,948	3,422,067
Impact fees	1,312,996	425,190	760,135	722,324	1,258,504
Fines and forfeitures	1,952,446	2,358,334	2,084,267	936,527	468,886
Investment earnings	975,868	204,192	660,410	900,452	2,306,975
Miscellaneous	604,288	508,612	868,793	169,299	427,064
<b>Total revenues</b>	<b>48,856,927</b>	<b>45,995,824</b>	<b>43,826,527</b>	<b>39,022,380</b>	<b>40,928,357</b>
<b>Expenditures</b>					
General government	8,364,720	8,242,792	7,468,563	6,623,667	7,967,575
Public safety	14,540,215	13,349,993	12,375,049	11,753,268	10,088,217
Public works	3,381,817	3,001,165	3,150,609	3,858,352	3,730,234
Community development	2,863,836	2,659,983	3,807,186	—	—
Environmental services	—	—	—	352,538	329,794
Culture and recreation	5,643,779	5,452,189	4,976,514	4,591,862	4,375,821
Other	—	—	—	2,218,559	—
Capital outlay	8,090,107	7,030,850	4,004,921	10,880,338	11,043,110
Debt service:					
Principal	4,309,250	3,800,950	3,840,106	3,314,503	2,555,498
Interest	2,194,637	2,378,921	2,529,581	2,453,714	3,507,597
Other charges	—	—	32,992	—	—
<b>Total expenditures</b>	<b>49,388,361</b>	<b>45,916,843</b>	<b>42,185,521</b>	<b>46,046,801</b>	<b>43,597,846</b>
Excess (deficiency) of revenues over (under) expenditures	(531,434)	78,981	1,641,006	(7,024,421)	(2,669,489)
<b>Other Financing Sources (Uses)</b>					
Transfers in	6,012,438	3,193,088	4,705,000	4,596,140	2,960,349
Transfers out	(5,984,082)	(3,193,088)	(4,765,000)	(4,763,444)	(3,390,149)
General obligation bond proceeds	—	—	—	—	—
Premium on bond issuance	—	—	—	—	—
Payments to refunding escrow	—	—	—	—	—
Capital leases	—	—	—	—	260,089
Sale of capital assets	227,259	14,095	35,303	379,993	2,526
<b>Total other financing sources (uses)</b>	<b>255,615</b>	<b>14,095</b>	<b>(24,697)</b>	<b>212,689</b>	<b>(167,185)</b>
<b>Net change in fund balances</b>	<b>\$(275,819)</b>	<b>\$93,076</b>	<b>\$1,616,309</b>	<b>\$(6,811,732)</b>	<b>\$(2,836,674)</b>
<b>Debt service as a percentage of noncapital expenditures</b>					
Total debt service expenditures	18.7%	18.9%	20.1%	19.6%	22.9%
Total non-capital expenditures	6,503,887	6,179,871	6,402,679	5,768,217	6,063,095
	34,794,367	32,706,122	31,777,921	29,398,246	26,491,641

**City of Alpharetta**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**Last Eight Fiscal Years**

(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Vehicle Tax	Alcoholic Beverage Tax	Other Taxes	Total
2003	\$17,594,524	\$5,638,618	\$3,072,835	\$1,208,121	\$1,018,646	\$6,059,873	\$34,592,617
2004	17,230,919	7,353,813	3,209,350	1,273,631	1,071,032	6,557,219	36,695,964
2005	18,723,147	7,748,031	2,938,193	1,259,788	1,144,076	5,805,008	37,618,243
2006	20,918,071	8,838,133	4,170,781	1,422,656	1,247,570	5,182,492	41,779,703
2007	22,498,377	9,992,908	5,065,549	1,428,013	1,274,349	5,768,499	46,027,695
2008	25,276,979	11,263,805	5,378,667	1,360,329	1,309,253	5,985,053	50,574,086
2009	26,363,736	10,696,787	5,838,582	1,236,082	1,344,642	5,430,635	50,910,464
2010	25,940,049	11,174,798	6,017,828	1,110,772	1,537,425	5,164,611	50,945,483

Note: Other taxes include intangible, real estate transfer, hotel/motel, business & occupation, insurance premium, and financial institution taxes.

**City of Alpharetta**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Motor Vehicles	Other					
2001	734,164,270	1,384,443,620	105,730,867	180	130,818,443	2,093,520,494	7.88	5,560,847,343	40.00%
2002	824,109,741	1,555,238,056	125,069,600	—	134,442,791	2,369,974,606	7.48	6,261,043,493	40.00%
2003	950,097,600	1,655,525,492	149,126,970	180	193,552,450	2,561,197,792	7.23	6,886,875,605	40.00%
2004	1,039,727,230	1,719,450,312	162,044,513	45,870	287,138,088	2,634,129,837	7.00	7,303,169,813	40.00%
2005	1,101,782,470	1,852,175,974	166,615,420	18,563	291,445,159	2,829,147,268	7.00	7,801,481,068	40.00%
2006	1,240,207,540	1,825,547,513	180,951,120	72,799	317,149,382	2,929,629,590	7.00	8,116,947,430	40.00%
2007	1,518,944,750	2,040,496,402	191,384,580	11,180	357,722,090	3,393,114,822	6.60	9,377,092,280	40.00%
2008	2,014,574,410	2,223,045,288	208,677,560	24,087	436,052,018	4,010,269,327	6.25	11,115,803,363	40.00%
2009	2,073,091,570	2,873,418,525	209,980,220	24,950	479,617,470	4,676,897,795	5.75	12,891,288,163	40.00%
2010	2,050,816,880	2,721,978,449	212,426,680	29,658	486,085,608	4,499,166,059	5.75	12,463,129,168	40.00%

Source: Georgia Department of Revenue, Property Tax Division

Notes: Property in the County is assessed annually. The County assesses property at approximately 40 percent of actual value for all types of real and personal property.

Estimated actual value is calculated by dividing the assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

Real property values include tax-exempt property.

Homestead exemption was increased to \$20,000 per household in fiscal year 2001.

Homestead exemption was increased to \$30,000 per household in fiscal year 2008.

**City of Alpharetta**  
**PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS**  
**Per \$1,000 of Assessed Value**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	City of Alpharetta			Fulton County			School District			State	Direct & Overlapping Rates
		General Obligation			General Obligation			General Obligation				
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2001	2000	4.930	2.950	7.880	13.310	0.380	13.690	19.350	0.800	20.150	0.250	41.970
2002	2001	5.060	2.420	7.480	13.040	0.300	13.340	18.260	0.760	19.020	0.250	40.090
2003	2002	4.900	2.330	7.230	12.527	0.280	12.807	18.460	0.310	18.770	0.250	39.057
2004	2003	4.750	2.250	7.000	12.052	0.270	12.322	17.758	0.298	18.056	0.250	37.628
2005	2004	4.700	2.300	7.000	11.581	0.066	11.647	17.315	0.291	17.606	0.250	36.503
2006	2005	4.550	2.450	7.000	11.581	0.064	11.645	17.825	0.282	18.107	0.250	37.002
2007	2006	4.150	2.450	6.600	11.407	0.063	11.470	17.825	0.282	18.107	0.250	36.427
2008	2007	4.508	1.740	6.248	10.281	0.000	10.281	16.904	1.189	18.093	0.250	34.872
2009	2008	4.215	1.535	5.750	10.281	0.000	10.281	16.403	1.099	17.502	0.250	33.783
2010	2009	4.215	1.535	5.750	10.281	0.000	10.281	17.502	0.000	17.502	0.250	33.783

Source: Georgia Department of Revenue, Property Tax Division

Overlapping rates are those of local and county governments that apply to property owners within the City of Alpharetta.

**City of Alpharetta**  
**SALES TAX RATES - ALL OVERLAPPING GOVERNMENTS**  
**Last Ten Fiscal Years**

Fiscal Year	State of Georgia	Local Option Sales Tax	Metropolitan Atlanta Regional Transportation	Fulton County Board of Education	Total Overlapping Rates
2001	4	1	1	1	7
2002	4	1	1	1	7
2003	4	1	1	1	7
2004	4	1	1	1	7
2005	4	1	1	1	7
2006	4	1	1	1	7
2007	4	1	1	1	7
2008	4	1	1	1	7
2009	4	1	1	1	7
2010	4	1	1	1	7

Source: Georgia Department of Revenue, Property Tax Division

Overlapping rates are those of local and county governments that apply to property owners within the City of Alpharetta.

The City of Alpharetta received 5.2% of the Local Option Sales Tax collected on a county-wide basis.

**City of Alpharetta**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current and Nine Years Ago**

Taxpayer	2009			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GGP North Point Inc	\$82,692,920	1	1.84%	\$29,091,320	2	1.24%
Sanctuary Park Realty Holding	77,579,520	2	1.72	14,335,490	10	0.61
Duke Realty	62,588,110	3	1.39	–	–	–
Cousins Properties	40,581,990	4	0.90	–	–	–
CH Realty IV Royal Centre LLC	36,000,000	5	0.80	–	–	–
Amlı Residential LP	28,274,940	6	0.63	–	–	–
ADP Inc	26,253,050	7	0.58	–	–	–
Gardner Drive	26,000,000	8	0.58	–	–	–
Metropolitan Life Insurance Co	25,161,780	9	0.56	–	–	–
CP Venture Two LLC	23,647,310	10	0.53	–	–	–
AT&T <sup>1</sup>	–	–	–	18,230,160	6	0.78
IBM Credit Corporation	–	–	–	30,695,250	1	1.31
AT&T <sup>1</sup>	–	–	–	19,162,470	5	0.82
HBO & CO of GA	–	–	–	17,935,970	8	0.77
E*Trade Group Inc.	–	–	–	19,442,040	4	0.83
State Farm Mutual Auto. <sup>1</sup>	–	–	–	28,459,480	3	1.22
State Farm Mutual Auto. <sup>1</sup>	–	–	–	18,137,590	7	0.78
Governors Point Properties	–	–	–	15,617,150	9	0.67
	<b>\$428,779,620</b>		<b>9.53%</b>	<b>\$211,106,920</b>		<b>9.03%</b>

Source: Fulton County Board of Assessors

1. In 2001 there were two locations for the AT&T and State Farm Mutual Auto, each of which were individually a top ten taxpayer.

**City of Alpharetta**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Pct. of Levy		Amount	Pct. of Levy
2001	2000	\$15,595,664	\$15,143,169	97.10%	\$445,714	\$15,588,883	99.96%
2002	2001	16,653,908	16,279,679	97.75	341,534	16,621,213	99.80
2003	2002	17,449,433	17,136,171	98.20	285,801	17,421,972	99.84
2004	2003	17,211,439	16,935,962	98.40	257,172	17,193,134	99.89
2005	2004	18,188,422	18,188,800	100.00	(16,486) <sup>1</sup>	18,172,314	99.91
2006	2005	19,556,666	19,227,210	98.32	301,344	19,528,554	99.86
2007	2006	21,347,934	20,926,995	98.03	393,885	21,320,880	99.87
2008	2007	23,630,835	23,144,721	97.94	439,941	23,584,662	99.80
2009	2008	25,103,413	24,170,200	96.28	726,509	24,896,709	99.18
2010	2009	24,619,309	24,113,565	97.95	–	24,113,565	97.95

1. There was a change to the 2004 digest which resulted in refunds.

**City of Alpharetta**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Capital Leases	Notes Payable	Revenue Bonds	Capital Leases			
2001	\$53,640,000	\$899,897	\$1,707,750	\$2,160,000	\$12,627	\$58,420,274	5.15%	\$2,029
2002	51,185,000	455,810	1,641,750	1,995,000	—	55,277,560	4.07	1,650
2003	48,865,000	—	1,573,275	1,825,000	—	52,263,275	3.82	1,532
2004	45,135,000	—	1,502,325	1,645,000	—	48,282,325	3.57	1,409
2005	40,900,000	—	1,428,075	—	—	42,328,075	3.30	1,301
2006	62,410,000	—	1,351,350	—	—	63,761,350	2.80	1,106
2007	56,145,000	—	1,271,325	—	—	57,416,325	2.40	1,120
2008	49,220,000	2,118,873	1,188,000	—	—	52,526,873	2.15	1,005
2009	42,050,000	1,845,561	971,850	—	—	44,867,411	1.82	857
2010	34,270,000	1,560,232	927,300	—	—	36,757,532	1.80	700

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

1. See the Schedule of Demographic and Economic Statistics within this section for personal income and population data.

**City of Alpharetta**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
2001	\$53,640,000	0.96%	\$1,515
2002	51,185,000	0.82	1,419
2003	48,865,000	0.71	1,317
2004	45,135,000	0.62	1,216
2005	40,900,000	0.52	1,069
2006	62,410,000	0.77	1,294
2007	56,145,000	0.60	1,096
2008	49,220,000	0.44	941
2009	42,050,000	0.33	803
2010	34,270,000	0.27	653

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

1. See the Schedule on Assessed Value and Estimated Actual Value of Taxable Property for property value data.

2. Population data can be found in the schedule of Demographic and Economic Statistics.

**City of Alpharetta**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of June 30, 2010

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Alpharetta <sup>1</sup>	Amount Applicable to City of Alpharetta
Overlapping General Obligation Debt:			
Fulton County School District	\$149,760,000	13.7%	\$20,517,120
Subtotal, overlapping debt	149,760,000		20,517,120
City of Alpharetta direct debt	34,270,000	100.0%	34,270,000
<b>Total direct and overlapping debt</b>	<b>\$184,030,000</b>		<b>\$54,787,120</b>

Sources: Assessed value data used to estimate applicable percentages provided by Fulton County Board of Assessors.

Debt outstanding data provided by Fulton County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

**City of Alpharetta**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limit	\$498,525,167	\$515,651,527	\$444,632,135	\$375,083,691	\$324,677,897	\$312,059,243	\$292,126,793	\$285,307,902	\$250,441,740	\$233,798,932
Total net debt applicable to limit	27,458,890	33,174,763	38,571,506	45,435,910	55,542,002	37,264,279	43,713,374	47,740,553	51,805,520	54,607,811
Legal debt margin	\$471,066,277	\$482,476,764	\$406,060,629	\$329,647,781	\$269,135,895	\$274,794,964	\$248,413,419	\$237,567,349	\$198,636,220	\$179,191,121
Total net debt applicable to the limit as a percentage of debt limit	6%	6%	9%	12%	17%	12%	15%	17%	21%	23%

**Legal Debt Margin Calculation for Current Fiscal Year**

Assessed value	\$4,499,165,969
Add back: exempt real property	486,085,608
Total assessed value	4,985,251,577
Debt limit (10% of total assessed value)	498,525,158
Debt applicable to limit:	
General obligation bonds	34,270,000
Less: Amount set aside for repayment of general obligation debt	(6,811,110)
Total net debt applicable to limit	27,458,890
<b>Legal debt margin</b>	<b>\$471,066,268</b>

**City of Alpharetta**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

Fiscal Year	Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>2</sup>	Median Age <sup>3</sup>	Education Levels in Years of Formal Schooling <sup>4</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>2</sup>
2001	35,406	1,435,465,458	40,543	33.3	16.0	18,723	2.9
2002	36,079	1,445,649,451	40,069	35.0	16.0	19,592	4.4
2003	37,090	1,462,532,880	39,432	33.0	16.0	19,154	2.4
2004	37,124	1,463,873,568	39,432	33.3	16.0	19,536	2.1
2005	38,274	1,509,220,368	39,432	33.0	16.0	19,567	4.5
2006	48,240	1,902,199,680	39,432	33.0	16.0	19,598	3.5
2007	51,243	2,393,048,100	46,700	35.6	16.0	18,966	3.0
2008	52,282	2,441,569,400	46,700	35.7	16.0	18,354	3.7
2009	52,334	2,470,060,132	47,198	36.3	16.0	11,639	3.6
2010	52,508	2,042,193,644	38,893	36.3	16.0	11,417	3.2

Data sources:

1. Bureau of the Census/County Regional Planning Commission
2. State Department of Labor
3. State Department of Commerce
4. School District, with school enrollment for fiscal year 2006 estimated based upon trend data. Reduction in school enrollment in 2009 due to adjustment for incorporation of City of Milton

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

**City of Alpharetta**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**  
**As of December 31**

Employer	2010			2001		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
ADP	2,000	1	3.93%	–	–	–%
McKesson HBOC	1,800	2	3.54	1,722	4	1.48
LexisNexis	1,076	3	2.12	–	–	–
Hewlett Packard	953	4	1.87	–	–	–
Verizon	817	5	1.61	1,500	5	1.29
AT&T Mobility	751	6	1.48	2,700	1	2.32
Comcast Cable	729	7	1.43	–	–	–
Cox Communications	676	8	1.33	–	–	–
Equifax	675	9	1.33	–	–	–
E Trade Financial	587	10	1.15	–	–	–
Nortel Networks	–	–	–	2,700	2	2.32
Compaq	–	–	–	1,810	3	1.55
Lucent Technologies	–	–	–	1,119	6	0.96
WorldCom	–	–	–	1,000	7	0.86
Radiant Systems	–	–	–	1,000	8	0.86
MetLife	–	–	–	800	9	0.69
Choice Point	–	–	–	650	10	0.56
	<b>10,064</b>		<b>19.79%</b>	<b>15,001</b>		<b>12.89%</b>

Source: City of Alpharetta Community Development Department

Note: Data for periods prior to 2001 is not available

**City of Alpharetta**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

<i>Function</i>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
General government										
Mayor and City Council										
Elected officials	7	7	7	7	6	7	7	7	7	7
City Administrator										
Full-time personnel	7	7	6	7	7	5	8	9	7	7
Part-time personnel	-	-	1	2	2	1	-	-	-	-
City Clerk										
Full-time personnel	2	2	2	2	2	3	-	-	-	-
Engineering										
Full-time personnel	29	29	26	28	23	23	21	20	20	17
Environmental Services										
Full-time personnel	-	-	-	-	-	-	-	-	-	5
Finance										
Full-time personnel	24	24	24	22	21	21	22	22	20	14
Part-time personnel	1	1	-	-	-	2	2	1	2	-
Human Resources										
Full-time personnel	3	3	3	6	6	6	6	6	6	5
Municipal Court										
Elected officials	1	1	1	1	1	1	1	1	1	1
Full-time personnel	7	7	8	8	6	6	6	5	3	3
Part-time personnel	1	1	-	-	-	1	-	-	1	1
Public Information										
Full-time personnel	1	1	1	1	1	2	2	2	-	-
Technology Services										
Full-time personnel	11	11	12	9	8	8	6	5	5	5
Part-time personnel	-	-	-	-	-	-	-	1	1	1
Community Development										
Full-time personnel	21	21	21	21	18	20	20	20	20	20
Public Safety										
Police										
Full-time certified officers	104	104	104	102	84	76	74	72	70	62
Full-time uncertified officers	-	-	-	-	3	1	-	-	1	2
Full-time civilian	34	34	32	30	27	30	30	27	34	36
Part-time civilian	6	6	3	8	2	3	3	3	-	-
Fire										
Full-time certified firefighters	93	93	94	86	77	83	81	74	69	64
Part-time certified firefighters	1	1	-	3	3	3	3	3	3	4
Full-time uncertified firefighters	-	-	-	3	6	1	-	4	5	2
Full-time support personnel	-	-	-	1	1	1	1	1	1	1
Public works										
Full-time personnel	33	33	33	28	31	35	35	35	31	24
Culture and recreation										
Full-time personnel	51	51	51	51	50	50	50	50	49	44
<b>Total</b>	<b>437</b>	<b>437</b>	<b>429</b>	<b>426</b>	<b>385</b>	<b>389</b>	<b>378</b>	<b>368</b>	<b>356</b>	<b>325</b>

Source: City of Alpharetta Budget Office

**City of Alpharetta**  
**OPERATING INDICATORS BY FUNCTION**  
**Last Eight Fiscal Years**

<i>Function</i>	<b>2010</b>	2009	2008	2007	2006	2005	2004	2003
<b>General government</b>								
Ordinances approved	20	35	40	30	30	25	30	22
Special events held	62	65	61	35	38	39	38	38
Court cases heard	9,859	12,449	12,428	12,527	12,342	12,499	12,342	11,733
Bond rating	Aa1-AAA	Aa1-AAA	Aa1-AAA	Aa1-AAA	Aa1-AA+	Aa1-AA+	Aa1-AA+	Aa1-AA+
Software applications supported	172	179	80	70	68	66	60	55
Grants managed	40	30	34	34	26	17	16	-
<b>Police</b>								
Calls for service	82,499	74,966	98,223	80,229	52,056	45,731	52,056	50,266
Part 1 crimes reported	1,676	1,126	1,899	2,077	1,922	1,445	1,727	1,661
Traffic citations issued	23,621	18,727	17,519	19,197	16,100	15,290	22,860	24,757
<b>Fire</b>								
Incident responses	6,143	6,197	5,939	5,590	5,113	5,119	4,909	4,472
Average response time	6:46	6:24	4:23	5:24	5:29	12:04	12:04	12:04
Fire safety programs conducted	145	126	100	395	203	299	203	321
Inspections conducted	7,216	7,404	5,093	6,456	4,646	5,753	4,646	3,619
<b>Highways and streets</b>								
Traffic signals timed	40	56	N/A	82	N/A	41	N/A	N/A
Average days to repair pothole	1	2	1	2	25	2	25	N/A
Stormwater plans reviewed	103	161	260	224	68	60	68	82
<b>Community development</b>								
New building permits issued	2,360	3,352	3,692	4,821	3,855	3,800	3,855	3,794
Parcels annexed	1	-	2	36	352	352	352	91
<b>Culture and recreation</b>								
Park acres maintained	311	311	306	306	300	306	300	300
Greenway acres maintained	205	205	200	200	200	200	200	200
Annual program registrants	20,132	21,135	23,597	23,777	23,500	23,791	23,500	23,612

Source: Various City departments

Note: Indicators are not available prior to 2003

**City of Alpharetta**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Fiscal Years**

<i>Function</i>	<b>2010</b>	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units and support vehicles	139	145	138	115	110	97	89	86	72	75
Police motorcycles	7	7	6	5	6	6	4	6	6	2
<b>Fire</b>										
Fire stations	6	6	6	6	6	4	5	5	5	5
Ladder units - in service	1	1	1	2	2	3	2	2	2	2
Ladder units - reserve	1	1	1	-	-	1	1	1	1	1
Pumper units - in service	6	6	6	6	6	5	5	5	5	5
Pumper units - reserve	2	2	2	2	2	2	2	2	2	2
<b>Highways and streets</b>										
Streets - paved (miles)*	218	270	270	270	257	217	211	206	200	194
Streets - unpaved (miles)	1	1	2	2	2	1	2	2	2	2
Sidewalk (miles)	205	202	204	170	143	116	N/A	N/A	N/A	N/A
Drainage - piped (miles)	100	100	99	99	90	40	40	40	35	34
Drainage - open (miles)*	40	165	165	165	157	140	140	140	143	143
<b>Culture and recreation</b>										
Parks - active and passive	14	11	9	9	9	9	7	7	7	7
Park acreage	762	762	757	760	769	769	769	764	537	537
Greenway and walking trails (miles)	11	11	11	11	11	11	10	6	6	6
Adaptive athletic fields	1	1	1	1	1	1	-	-	-	-
Athletic fields	29	28	29	29	29	29	29	28	28	28
Equestrian facilities	1	1	1	1	1	1	1	1	1	1
Hockey rinks	2	2	2	2	2	2	2	2	2	2
Swimming pools	1	1	2	2	2	2	2	2	1	1
Tennis courts	17	17	17	17	17	17	17	17	11	11
Recreation buildings	20	18	18	11	11	11	11	11	7	7
Playgrounds	7	7	7	7	6	6	5	4	4	4
Picnic shelters/restrooms	31	31	29	24	23	23	23	21	15	15

Sources: Various government departments

Note: Capital asset indicators are not available for the general government function

\* Change due to update of GIS records

## NOTES





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