

# Alpharetta

GEORGIA • U S A

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012







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**City of Alpharetta, Georgia**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2012**

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**Prepared By:**  
Thomas G. Harris, CPA  
Director of Finance

**Submitted By:**  
Robert J. Regus  
City Administrator



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# INTRODUCTORY SECTION



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## INTRODUCTORY SECTION

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**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, 2012. 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, LLC, have issued an unqualified (“clean”) opinion on the City of Alpharetta’s financial statements for the year ended June 30, 2012. The independent auditor’s report is located at the front of the financial section of this report.

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 bankruptcy. 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 59,397. Population growth has been fueled in part by the City’s strong economic base as well as the annexation of surrounding communities. With the 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 in 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 increase overall departmental appropriations (excluding grant/donation appropriations) or 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 still feeling the effects of reduced economic activity in several of our revenue trends, particularly revenues related to real estate (e.g. property taxes).

Alpharetta is at the heart of one of the largest fiber-linked networks in the United States and is the ideal location for companies on the forefront of the modern economy. As such, Alpharetta is currently home to many large computer software, telecommunication, financial, and professional service companies. In order to continue to attract and retain technology companies for Alpharetta, the Mayor and Council have created the Alpharetta Technology Commission (ATC), the first organization of its kind in Georgia. ATC's mission is to identify and pursue top investment opportunities and assist in the creation of

policy to facilitate the strongest possible climate for Alpharetta technology companies.

High level goals for the ATC include:

- Branding – create/implement a branding strategy for Alpharetta as the “Technology City of the South”.
- Incubation – facilitate funding opportunities for Alpharetta's technology companies.
- Infrastructure – develop and maintain a 15-year strategic infrastructure and incentive plan for the attraction/retention of Alpharetta's technology companies.

ATC members represent a cross section of Alpharetta's most talented technology companies and include:

- Legacy Firms – Amdocs, Hewlett-Packard, InFor Global Solutions, McKesson, Microsoft Corp, RedPrairie Corp, Siemens Industries, ThyssenKrupp Elevator Corp, Verint Systems Inc., and Verizon Business Networks.
- Emerging Firms – Edge Solutions, Jackson Healthcare, Lancope, Pyramid Consulting Inc., and Priority Payment Systems.
- Strategic Partners – Advanced Technology Development Center, Greater North Fulton Chamber of Commerce, Georgia Power Company, and Technology Association of Georgia.

The City, 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 still 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 should be submitted in line with the City's revenue trends. Even with added cost drivers such as healthcare, fuel, and utilities, departments responded with base operating budgets, for each activity and program, streamlined to function within the new revenue constraints.

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 2012 which, while flat with fiscal year 2011, represents a tax reduction for many property owners as the value of property within the City has declined. The city's competitive tax rate, coupled with a substantial Homestead Exemption goes great lengths in keeping Alpharetta not only an affordable place to live, but also strategically positions us relative to neighboring areas. The Homestead Exemption for FY 2012 was increased from \$35,000 to \$40,000. It should be noted that the \$40,000 Homestead Exemption saves our homeowners over \$2.6 million annually (e.g. equates to a 1.8 mill reduction for the average homeowner).

At the end of the current fiscal year, total fund balance for the general fund was \$21,330,298, which is an increase of \$765,257 from the prior year. Approximately 22% of total fund balance, or \$4,661,795, constitutes assigned fund balance for 2013 fiscal year expenditures.

Approximately 78% of total fund balance, or \$16,668,503, constitutes unassigned fund balance. This balance represents approximately 32% of 2013 budgeted expenditures. By or-

finance, the City has mandated that such balance not be less than 16% of budgeted expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. However, the current budgetary practice has been to reserve at least 21% for such purposes, representing \$11,000,000 at fiscal year end. The surplus after such emergency reserve will allow the City to fund one-time future capital in the amount of \$5,668,503 as part of the annual budget to be developed for fiscal year 2014.

These fund 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. With significant debt falling off in fiscal year 2012, the City's voters approved the issuance of General Obligation debt aimed at spurring redevelopment in downtown Alpharetta (e.g. includes land for a new county funded public library, 5-acre public park, new City Hall, parking garage, and space for future private sector investment) while being fully funded within the City's current millage rate structure.

### **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 2012, 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 million of these bond proceeds were spent on improvements the public demanded. It is important to note that these bond dollars are almost fully expended (est. \$500,000 remained unspent at year-end).

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 finalized the remaining portion of Westside Parkway during 2012, 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 traffic initiatives involved improvements to Douglas Road including a bridge replacement and sidewalk additions.

Also during 2012, the City allocated \$9.4 million of funding from various sources (e.g. General Fund, Debt Service Fund, contribution from the Alpharetta Business Community, etc.) towards the capital improvement program. Projects funded include: Haynes Bridge Road Realignment (\$2.4 million); infrastructure maintenance (e.g. signal system, striping, bridge maintenance, drainage, etc. \$1.1 million); sidewalks for Cumming Street and Maxwell Road (\$640,000); drainage study and erosion control measures for Webb Bridge Park (\$375,000); enterprise data management and disaster recovery information technology initiatives (\$330,000); recreation and parks facility maintenance (e.g. tennis court resurfacing at North Park, ball field light upgrades and parking lot repaving at Wills Park, facility reroofing, etc. \$379,000); city-wide fleet additions/replacements (\$1.1 million); etc.

As previously noted, the residents of Alpharetta overwhelmingly approved a referendum calling for the issuance of general obligation bonds in the principal amount of \$29,000,000. The bonds were issued for the purpose of funding the cost of providing for the acquisition, development, construction and equipping of a new city hall, a related parking structure and surrounding green space in downtown Alpharetta.

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, 2011. 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 23rd 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, 2011. 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 9th 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, 2012. 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 9th 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, 2011

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



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

# ELECTED AND APPOINTED OFFICIALS June 30, 2012

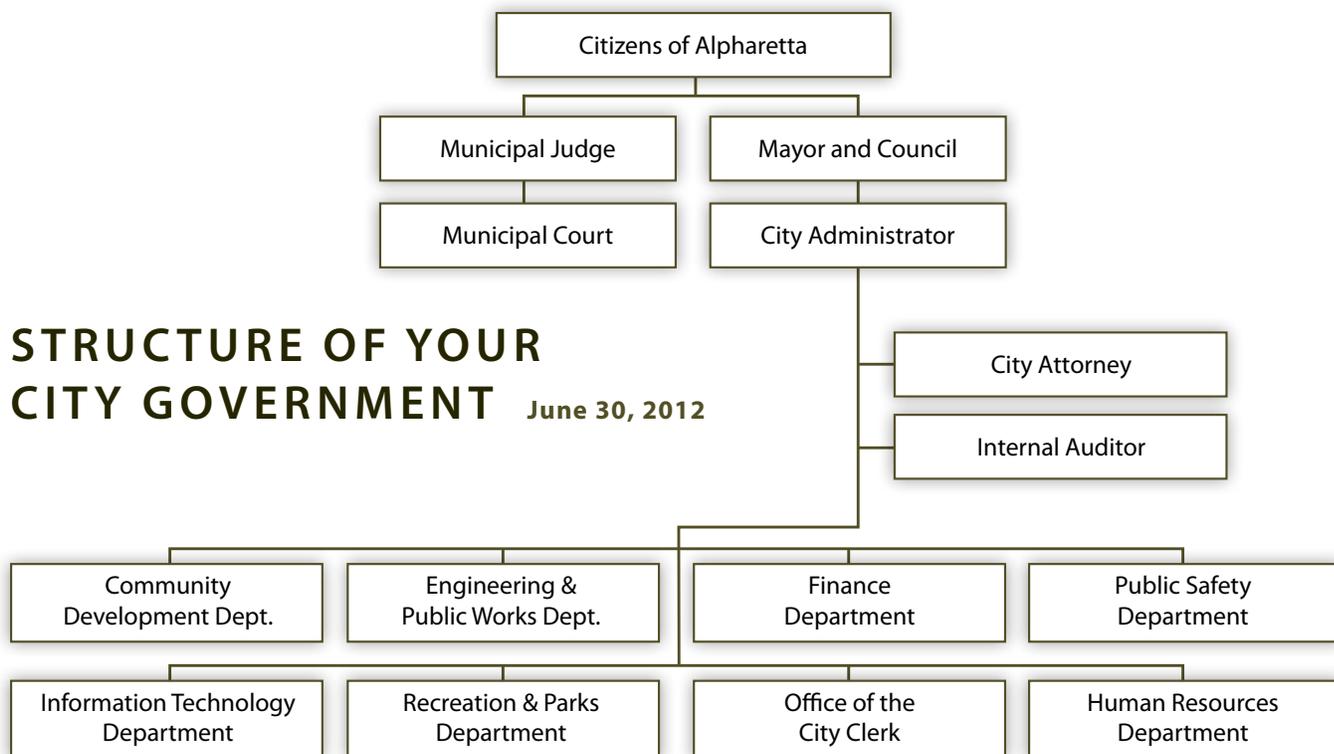
## Elected Officials

Mayor . . . . . David Belle Isle  
 Council Member – Post 1. . . . . Donald Mitchell  
 Council Member – Post 2. . . . . Mike Kennedy  
 Council Member – Post 3. . . . . Chris Owens  
 Council Member – Post 4. . . . . Jim Gilvin  
 Council Member – Post 5. . . . . Michael Cross  
 Council Member – Post 6. . . . . D. C. Aiken  
 Municipal Judge. . . . . Jim Matoney

## Appointed Officials

City Administrator . . . . . Robert J. Regus  
 City Attorney . . . . . Sam Thomas  
 City Clerk . . . . . Coty Thigpen  
 Finance Director. . . . . Thomas G. Harris  
 Assistant City Administrator . . . . . James Drinkard  
 Engineering & 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, 2012



# PUBLIC SAFETY

The Alpharetta Public Safety Department is a modern and proactive law enforcement agency, combining police, fire, and emergency-911 services in a consolidated command and administrative structure. Responding with a coordinated emergency response, the Public Safety Department is committed to providing a safe, secure and livable city for our residents, businesses and visitors.

Included below are a sampling of fiscal year 2012 workload and performance measures for the Public Safety Department that track our efforts and corresponding results toward keeping Alpharetta safe.

In addition to public safety response services, the Public Safety

Department is actively engaged with our community. Public Safety personnel conducted informative crime prevention, identity theft, child safety, loss prevention, and various other presentations at 71 Police and Citizens Together (PACT) neighborhood meetings, 24 Business Watch meetings, 176 fire safety events, 51 business fire drills, 120 car seat inspections, and 71 scout/school/other meetings.

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

## Public Safety Performance Summary for the 12 months ending 6/30/12

Sworn Police Officers . . . . .	105
Top priority calls <sup>1</sup> . . . . .	1,780
Violent/Property crimes:	
Arrests <sup>2</sup> . . . . .	415
Cleared cases <sup>2</sup> . . . . .	346
Other crimes:	
Drug arrests . . . . .	130
DUI arrests . . . . .	369
Other arrests <sup>3</sup> . . . . .	332
Certified Firefighters . . . . .	96
Fire Incidents:	
Residential structure . . . . .	31
Commercial/Industrial structure . . . . .	4
Non-structure <sup>4</sup> . . . . .	81
Non-Fire incidents <sup>5</sup> . . . . .	3,921
Rescue/Recovery incidents . . . . .	69
EMS incidents . . . . .	3,102
Hazardous material incidents . . . . .	44
911 calls . . . . .	31,744

1 Calls requiring immediate police response.  
 2 Arrests made and cases cleared may not occur in the same period as the reported crime.  
 3 Includes simple assault, counterfeiting, disorderly conduct, stolen property, etc.  
 4 Includes vehicle, trash, and vegetation fires, etc.  
 5 Incidents that require the dispatch of fire suppression equipment or personnel.  
 6 The benchmark represents performance data from governmental entities (both local and national) comparable in population/scope to the City of Alpharetta. While not applicable to all measures, benchmarks enable the city to assess its performance relative to its peers.  
 7 Represents total response time from when the call is received in the call center to when fire personnel arrive on the scene.

### Top Priority Calls per 1,000 residents

Actual Number: **30.82**  
 Alpharetta Target: 128.76  
 Benchmark<sup>6</sup>: 128.76

### Total Arrests per 1,000 residents

Actual Number: **21.57**  
 Alpharetta Target: 62.64  
 Benchmark<sup>6</sup>: 62.64

### % of Single Family and Two Family Structural Fires Contained to the Room of Origin

Actual Number: **78.95%**  
 Alpharetta Target: 63.00%  
 Benchmark<sup>6</sup>: 63.00%

### Fire Total Response Customer Time in minutes <sup>7</sup>

Actual Number: **6.18**  
 Alpharetta Target: 7.00

### Average Number of Seconds 911 Phone Rings

Actual Number: **5.30** ◀ See note below  
 Alpharetta Target: 5.00

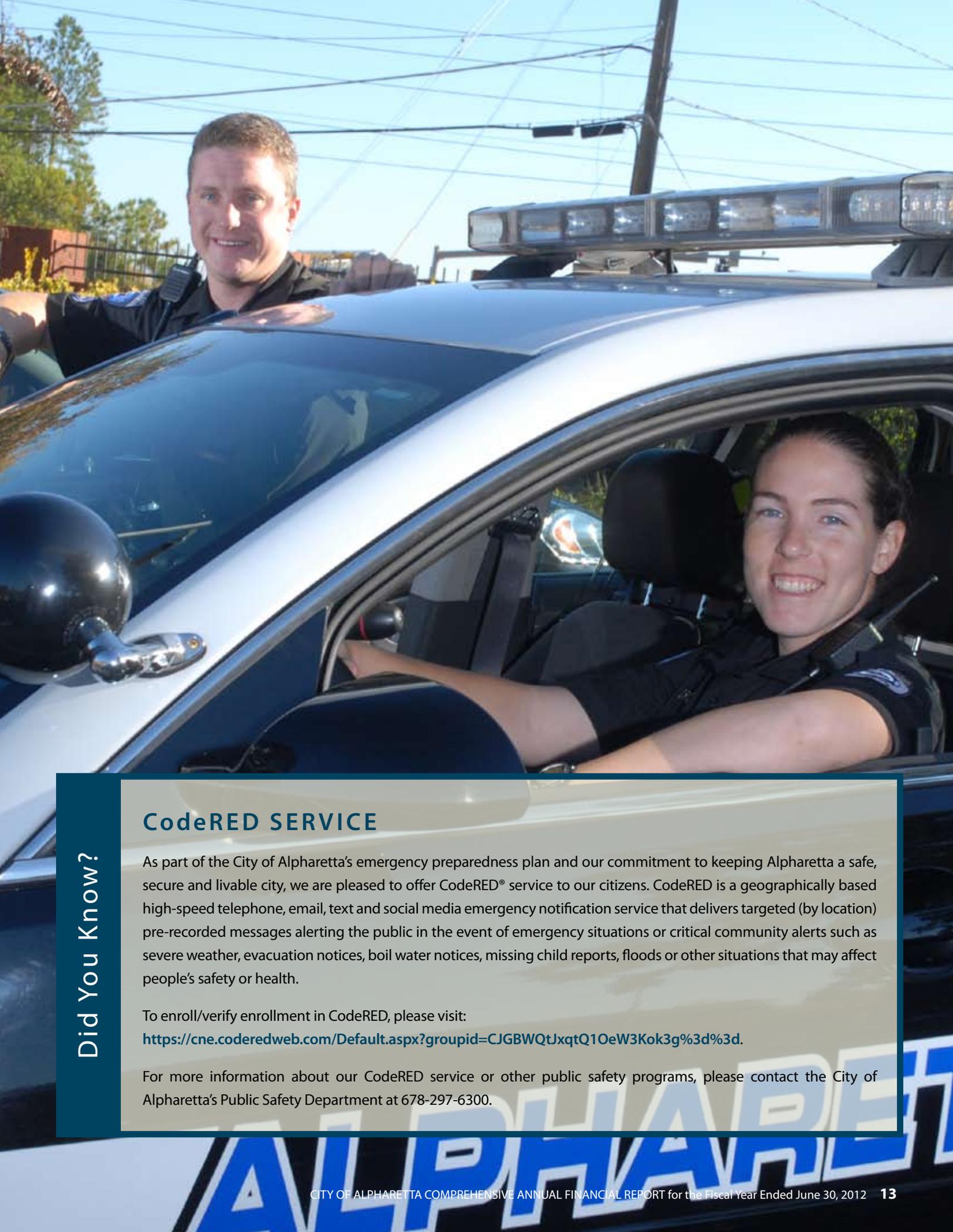


#### ► How are we addressing it?

Variance is minor and due to multiple factors including call volume/severity. Current procedures are sufficient to meet the 5.00 second target.

#### LEGEND

Green = meets or exceeds target; Yellow = approaches target; Red = needs improvement



Did You Know?

## CodeRED SERVICE

As part of the City of Alpharetta's emergency preparedness plan and our commitment to keeping Alpharetta a safe, secure and livable city, we are pleased to offer CodeRED® service to our citizens. CodeRED is a geographically based high-speed telephone, email, text and social media emergency notification service that delivers targeted (by location) pre-recorded messages alerting the public in the event of emergency situations or critical community alerts such as severe weather, evacuation notices, boil water notices, missing child reports, floods or other situations that may affect people's safety or health.

To enroll/verify enrollment in CodeRED, please visit:

<https://cne.coderedweb.com/Default.aspx?groupid=CJGBWQtJxqtQ1OeW3Kok3g%3d%3d>

For more information about our CodeRED service or other public safety programs, please contact the City of Alpharetta's Public Safety Department at 678-297-6300.



## Did You Know?

### CITY CENTER UPDATE

In November 2011, the voters of the City of Alpharetta approved the issuance of \$29 million in General Obligation Bonds to fund the redevelopment of 22-acres in the heart of Downtown Alpharetta (the “City Center” project). The city’s vision is of a vibrant environment of parks and civic space that will serve as a gathering place for citizens and attract business and investment to this important area of our community.

As proposed the first phase of the development will include:

- New Fulton County Library (funded separately through Fulton County);
- 5-acre Public Park;
- Town Square;
- New Alpharetta City Hall; and
- 450+/- space Public Parking Garage.

These components will create a place and an atmosphere where people naturally want to be; drawing residents and visitors to the heart of our community to read a good book, enjoy a family picnic, attend a community event, and enjoy the company of friends and neighbors. While there, many will also patronize the unique shops and restaurants that call Downtown Alpharetta home.

The environment created through these civic elements will also attract private investment that will drive the second phase of the development. Contained within the City’s vision are four future development sites that will be sold or ground leased to private-sector developers. For more information about the City Center project, please contact the City of Alpharetta at 678-297-6075.

# PUBLIC WORKS

The Engineering and Public Works Department has the responsibility to protect, preserve and maintain the City of Alpharetta's infrastructure with a focus on traffic control, city streets, stormwater, sidewalks and conservation.

Included below is a sampling of fiscal year 2012 workload and performance measures for the Engineering and Public Works Department that track our efforts and corresponding results toward optimizing the ability of our infrastructure to meet community needs.

In addition to focusing on the city's infrastructure, the Engineering and Public Works Department is dedicated to environmental sus-

tainability. During fiscal year 2012, Engineering and Public Works coordinated 32 environmental education events/workshops that included 1,018 volunteers and over 2,000 attendees. Additionally, the Department hosted 5 recycling events that facilitated the recycling of over 23,100 pounds of paper, electronics, etc.

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.

## Engineering and Public Works Performance Summary for the 12 months ending 6/30/12

Capital projects <sup>1</sup> :	
Total projects managed . . . . .	38
Total construction value . . . . .	\$15,939,458
Roadways:	
Total paved miles. . . . .	523
Paved miles resurfaced <sup>2</sup> . . . . .	5
Roadway repairs <sup>3</sup> . . . . .	49
Pothole repairs <sup>4</sup> . . . . .	154
Total traffic signals . . . . .	1,729
Traffic signal repairs . . . . .	126
Sidewalk repairs . . . . .	63
Stormwater and erosion control:	
Development/construction site inspections . . . . .	6,491
Stormwater structure inspections . . . . .	1,606
Private development plans reviewed . . . . .	133
Drainage repairs and maintenance . . . . .	99
Tree permits issued . . . . .	745
Utility permits issued . . . . .	155

### Average Time to Repair a Roadway in weekdays <sup>3</sup>

Actual Number: **3.18**  
 Alpharetta Target: 10.00

### Average Time to Repair a Pothole in weekdays <sup>4</sup>

Actual Number: **1.00**  
 Alpharetta Target: 2.00  
 Benchmark<sup>5</sup>: 3.05

### Avg. Time to Repair a Traffic Signal in weekdays

Actual Number: **1.11** ◀ See note below  
 Alpharetta Target: 1.00

**LEGEND**  
 Green = meets or exceeds target; Yellow = approaches target; Red = needs improvement



► **How are we addressing it?**  
 This measure tracks repairs to multiple signal types (e.g. traffic, flashing, etc.) as well as traffic signal replacements completed as part of larger intersection improvement projects. Traffic signals were generally repaired within the one day target. Traffic signal replacements averaged slightly over the one day target due primarily to several large intersection improvement projects that involved complete traffic signal change outs.

<sup>1</sup> Includes traffic control and maintenance/improvements to roadways, stormwater, sidewalks, facilities, etc. (design and construction components).  
<sup>2</sup> Approximately \$4.4 million has been invested in the milling and resurfacing program between fiscal years 2011-2013. This equates to \$1.5 million annually which is the targeted funding threshold to ensure city streets are maintained at acceptable levels. However, the funding over the three year period was not flat. Funding in fiscal year 2011 was augmented to \$2.6 million to take advantage of lower asphalt costs. Fiscal year 2012 funding totaled \$250,000 and was intended to target several roads not completed during the 2011 program year. Fiscal year 2013 funding totals \$1.5 million and represents the desired annual funding level.

<sup>3</sup> Repair of pavement damage less than 2" deep.  
<sup>4</sup> Repair of pavement damage greater than 2" deep.  
<sup>5</sup> The benchmark represents performance data from governmental entities (both local and national) comparable in population/scope to the City of Alpharetta. While not applicable to all measures, benchmarks enable the city to assess its performance relative to its peers.

# CULTURE & RECREATION

As a livable city with a nationally accredited recreational program, the City of Alpharetta's Recreation and Parks Department provides excellent active and passive recreational, educational and cultural opportunities for all members of our families and community in an outstanding park system.

Included below is a sampling of fiscal year 2012 workload and performance measures for the Recreation and Parks Department that track our efforts and corresponding results toward providing the highest quality recreational programs and facilities for our citizens and visitors.

The city is committed to continually improving its recreational opportunities and providing safe, functional, and beautiful park amenities to residents and visitors. Improvements completed during fiscal year 2012 include: drainage improvements at North Park; upgraded ball field lights at Wills Park (fields 1-4); resurfacing of the tennis

courts at North Park (courts 1-7); electrical system upgrades at the Equestrian Center; etc.

In addition to our current facilities and programs, future plans include the construction of new park and green space as part of the voter approved City Center development, construction of a splash pad play area at the Alpharetta pool at Wills Park, replacement fencing at various baseball fields within Wills Park, recreation management software upgrade, recreation and parks 5-year Master Plan update, and continued maintenance of city recreational facilities (e.g. reroofing, multi-purpose floor replacement, insulation, etc.).

Our outstanding park system, diverse recreational programs and excellent staff help ensure the City of Alpharetta remains the Signature City of our region. For the latest Recreation and Parks Department news, please "Like" us on our Facebook page at <http://www.facebook.com/alpharettarecreation>.

## Recreation and Parks Performance Summary for the 12 months ending 6/30/12

Total park acres . . . . .	764
Total greenway miles . . . . .	8
Total program participants <sup>1</sup> . . . . .	18,789
Breakdown by residency:	
Residents . . . . .	10,426
Non-residents <sup>2</sup> . . . . .	8,363
Breakdown by program/camp:	
Athletics/instructional sports. . . . .	10,347
Aquatics . . . . .	1,168
Cultural arts. . . . .	378
Dance . . . . .	471
Gymnastics . . . . .	1,991
Other <sup>3</sup> . . . . .	4,434
Pool attendance . . . . .	20,836
Equestrian Center events . . . . .	68
Parks Maintenance:	
Emergency requests. . . . .	12
Non-emergency requests . . . . .	334

### Park Acres per 1,000 residents

Actual Number: **13.23**  
 Alpharetta Target: 10.45  
 Benchmark<sup>4</sup>: 10.45



### % of Program Participants who are Residents

Actual Number: **55.49%** ◀ See note below  
 Alpharetta Target: 60.00%



### Average Time to Complete Emergency Request in minutes

Actual Number: **45.00**  
 Alpharetta Target: 120.00



▶ How are we addressing it?  
 Resident participation is a priority. Measures aimed at protecting and encouraging resident participation include advance registration and lower registration fees (non-residents pay a minimum of 150% of resident fees).

<sup>1</sup> Programs include athletics, aquatics, cultural arts, etc. Does not include Senior activities.  
<sup>2</sup> Non-residents program fees are 50% higher (minimum) than resident fees.  
<sup>3</sup> Includes summer programs at the Wills Park Recreation Center, dog shows at Wills Park, etc.  
<sup>4</sup> The benchmark represents performance data from governmental entities (both local and national) comparable in population/scope to the City of Alpharetta. While not applicable to all measures, benchmarks enable the city to assess its performance relative to its peers.

LEGEND  
 Green = meets or exceeds target; Yellow = approaches target; Red = needs improvement



Did You Know?

## RECREATION AND PARKS MASTER PLAN

The Recreation and Parks Master Plan is intended to help meet the needs of current and future residents by positioning Alpharetta to sustain and improve our community's vast and unique parks and recreation assets. This citizen-driven plan will establish a clear direction to guide city staff, advisory committees and elected officials in their efforts to enhance our community's parks and recreation services/facilities.

Alpharetta's Master Plan was developed in June 2008 and is in need of updating to match the current needs of our community both now and into the future. For more information about the Recreation and Parks Master Plan, please contact the Recreation and Parks Department at 678-297-6100.



Did You Know?

## TOP 10 EMPLOYERS

Providing a strong economic foundation for our community, the City of Alpharetta is pleased to recognize the top 10 Employers (based on the number of employees, effective July 1, 2012).

<i>Employer</i>	<i>No. of Employees</i>	<i>Employer</i>	<i>No. of Employees</i>
MCKESSON TECHNOLOGIES INC . . . . .	2,050	HEWLETT-PACKARD CO . . . . .	.906
ADP INC . . . . .	1,463	VERIZON BUSINESS NETWORK . . . . .	.823
LEXISNEXIS RISK SOLUTIONS INC . . . . .	1,289	E*TRADE FINANCIAL . . . . .	.765
COMCAST OF GEORGIA . . . . .	1,000	COX COMMUNICATIONS, INC. . . . .	.726
UPS SUPPLY CHAIN SOLUTIONS. . . . .	.941	RED PRAIRIE CORPORATION . . . . .	.672

# COMMUNITY DEVELOPMENT

The Community Development Department 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.

Included below is a sampling of fiscal year 2012 workload and performance measures for the Community Development Department that track our efforts and corresponding results toward maintaining and enhancing the outstanding quality of life for which Alpharetta is well known.

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.

## Community Development Performance Summary for the 12 months ending 6/30/12

### Permits and plan review:

Total permits issued . . . . .	3,178
Residential permits issued . . . . .	346
Construction permit applications received . . . . .	424
Inspections performed . . . . .	10,042
Development plans reviewed . . . . .	41

### Code Enforcement:

Total cases . . . . .	182
Resolved by voluntary compliance . . . . .	175
Resolved by forced compliance . . . . .	7
Removal of illegal signs . . . . .	4,845

### Business Licenses:

Total business licenses . . . . .	4,198
Renewals . . . . .	3,524
New . . . . .	674

### Average Time from Customer Submittal to Permit Issuance in calendar days

Actual Number: **13.13** ◀ See note below and to the left  
 Alpharetta Target: 13.00  
 Benchmark<sup>1</sup>: 12.76

### % of Residential Permits Issued within 2 calendar days

Actual Number: **73.70%**  
 Alpharetta Target: 66.00%  
 Benchmark<sup>1</sup>: 66.20%

### % of Construction Permits Completed (initial code review) within 14 calendar days

Actual Number: **98.35%**  
 Alpharetta Target: 87.00  
 Benchmark<sup>1</sup>: 86.53

### Average Time to Review a Development Plan in calendar days

Actual Number: **10.00**  
 Alpharetta Target: 11.00  
 Benchmark<sup>1</sup>: 11.19

### % of Inspections Completed Same Day as Request

Actual Number: **100.00%**  
 Alpharetta Target: 100.00%



#### ► How are we addressing it?

Variance is minor and due primarily to delays in customer pickup/payment of underlying permits. Current procedures are sufficient to meet the target (e.g. for those process components within the city's control).

**LEGEND**  
 Green = meets or exceeds target; Yellow = approaches target; Red = needs improvement

<sup>1</sup> The benchmark represents performance data from governmental entities (both local and national) comparable in population/scope to the City of Alpharetta. While not applicable to all measures, benchmarks enable the city to assess its performance relative to its peers.

# GENERAL GOVERNMENT

The Public Safety, Engineering and Public Works, Recreation and Parks, and Community Development Departments are the recognizable city services as they have the most 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.

Fiscal year 2012 general government performance highlights include:

- **6 Grant Applications Awarded and Approved for Funding**, resulting in grant funding of \$654,725 to support city initiatives such as: handheld oximeters for our firefighters so they can quickly and accurately test the carbon monoxide levels of people in fire situations; construction of a major roadway thoroughfare (Westside Parkway between Webb Bridge Road and Old Milton Parkway); construction of a children’s splash pad at our Wills Park pool facility; etc.
- **30 City/142 Community Sponsored Events Offered**. The city directly sponsors and manages over 30 special events throughout the year aimed at enhancing our community’s quality of life. An additional 142 events were held within the city that, while not directly managed by the city, did utilize city resources. For

upcoming events, please refer to the Calendar of Events (pages 16-17) or visit the city website at [www.alpharetta.ga.us](http://www.alpharetta.ga.us)

- **Over 580,000 Site Visits and 1.8 Million Page Views on City Website**. The city website is a great source of information on city meetings, special events, recreational offerings, etc.
- **Over 23,000 Online Payments Accepted**, totaling \$3.2 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.
- **28 Formal Solicitations Issued**, including requests for bids, proposals, qualifications, etc. culminating in over 220 vendor responses. Formal solicitations assist in maximizing competition for goods and services thereby ensuring a competitive price.
- **Over 15,100 Sanitation Accounts**, resulting in 36,900 tons of trash and 6,300 tons of recyclables collected.

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.

## General Government Performance Summary for the 12 months ending 6/30/12

### % of Construction Bids with a Purchase Order Issued within 4 months

Actual Number: **100.00%**  
Alpharetta Target: 85.00%



### Total Tons of Recycled Material Collected per Residential Account (single/multi-family)

Actual Number: **0.42**  
Alpharetta Target: 0.35  
Benchmark<sup>1</sup>: 0.35



### % of Non-Construction Bids with a Purchase Order Issued within 4 months

Actual Number: **75.00%** ◀ See note below  
Alpharetta Target: 85.00%



### Recycled Pounds per Household

Actual Number: **615.69**  
Alpharetta Target: 564.00



#### ▶ How are we addressing it?

The variance is isolated to two solicitations that exceeded the target. The first solicitation was a bid for Landscape Maintenance of all City Property which involved a complex scope of services and appendix requirements (e.g. detailed maps of all park land and right-of-ways) that resulted in significantly more document preparation time than what was allotted; all other portions of the process were within target. Overall, the Landscape Maintenance bid

exceeded the target by 15 days. The second solicitation was a bid for an Ammunition Storage Facility which experienced delays between the bid opening and recommendation of award to City Council. The main cause for the delays related to staff resource issues (e.g. temporary reprioritization of staff time to other initiatives). Overall, the Ammunition Storage Facility bid exceeded the target by 5 days.

#### LEGEND

Green = meets or exceeds target; Yellow = approaches target; Red = needs improvement

<sup>1</sup> The benchmark represents performance data from governmental entities (both local and national) comparable in population/scope to the City of Alpharetta. While not applicable to all measures, benchmarks enable the city to assess its performance relative to its peers.

## ALPHARETTA TECHNOLOGY COMMISSION

As part of the city's effort to continue to attract and retain technology companies for Alpharetta, Mayor David Belle Isle and the City Council have created the Alpharetta Technology Commission (ATC), the first organization of its kind in Georgia. ATC's mission is to identify and pursue top investment opportunities and assist in the creation of policy to facilitate the strongest possible climate for Alpharetta technology companies.

High-level goals for the ATC include:

- Branding – create/implement a branding strategy for Alpharetta as the “Technology City of the South”.
- Incubation – facilitate funding opportunities for Alpharetta's technology startup companies.
- Infrastructure – develop and maintain a 15-year strategic infrastructure and incentive plan for the attraction/retention of Alpharetta's technology companies.

ATC members represent a cross section of Alpharetta's most talented technology companies and include:

- Legacy Firms – Amdocs, Hewlett-Packard Co, InFor Global Solutions, McKesson, Microsoft Corporation, RedPrairie Corp, Siemens Industries, ThyssenKrupp Elevator Corp, Verint Systems Inc, and Verizon Business Networks.
- Emerging Firms – Edge Solutions, Jackson Healthcare, Lancope, Pyramid Consulting Inc, and Priority Payment Systems.
- Strategic Partners – Advanced Technology Development Center, Greater North Fulton Chamber of Commerce, Georgia Power Company, and Technology Association of Georgia.

For more information about the Alpharetta Technology Commission, please contact Peter Tokar, the City's Economic Development Director, at 678-297-6075.

# CITY MEETINGS

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

## City Council

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

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

City Hall, 678-297-6000

## Board of Zoning Appeals

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

City Hall, 678-297-6070

## Code Enforcement Board

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

City Hall, 678-297-6080

## Design Review Board

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

City Hall, 678-297-6070

## Natural Resources Commission

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

City Hall, 678-297-6200

## Planning Commission

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

City Hall, 678-297-6070

## Recreation Commission

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

City Hall, 678-297-6100



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



# 2013 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 additional city events, please visit [www.alpharetta.ga.us](http://www.alpharetta.ga.us)

<b>JAN</b>	<b>1</b>	<b>Holiday</b>		
	8	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	15	Golden Age Club Luncheon	Alpharetta Adult Activity Center	678-297-6142
	<b>21</b>	<b>City Holiday</b>		
<b>FEB</b>	5	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	6	Spring/Summer Program Registration - Priority Registration	Mutiple	678-297-6100
	8	Father/Daughter Valentines Dance	Alpharetta Community Center	678-297-6154
	9-10	Alpharetta Ambush Academy Soccer Tournament	City Parks	678-297-6063
	12	Love Birds for Valentine's Day	Crabapple Government Center	678-297-6165
	13	Spring/Summer Program Registration - City of Milton Registration	Mutiple	678-297-6100
	19	Golden Age Club Luncheon	Alpharetta Adult Activity Center	678-297-6142
	20	Spring/Summer Open Registration	Multiple	678-297-6100
<b>MAR</b>	5	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	12	Open House for Seniors	Alpharetta Adult Activity Center	678-297-6142
	19	Golden Age Club Luncheon	Alpharetta Adult Activity Center	678-297-6142
	21	Celebrate Spring Art Workshop	Crabapple Government Center	678-297-6165
	23	Children's Easter Egg Hunt	North Park Softball Fields 1-4	678-297-6142
	26	Wills Park Day Camp Registration - Priority Registration	Wills Park Recreation Center	678-297-6133
	<b>29</b>	<b>City Holiday</b>		
<b>APR</b>	2	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	2	Wills Park Day Camp - City of Milton Registration	Wills Park Recreation Center	678-297-6133
	<b>6</b>	<b>City Holiday</b>		
	9	Wills Park Day Camp - Open Registration	Wills Park Recreation Center	678-297-6133
	13-14	Alpharetta Arts StreetFest	Historic Downtown: Milton Ave	678-297-6078
	16	Golden Age Club lunch	Alpharetta Adult Activity Center	678-297-6142
	20	Community Yard Sale	Alpharetta Adult Activity Center	678-297-6142
27	Annual Touch A Truck	Wills Park	678-297-6133	
<b>MAY</b>	1	North Fulton Golden Games Opening Ceremony*	TBD	678-297-6142
	2	Alpharetta Sharks Parent Meeting	Alpharetta Community Center	678-297-6153
	7	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	9	Annual Taste of Alpharetta	Historic Downtown: Milton Ave	678-297-6078
	11	Mother/Daughter/Granddaughter Luncheon	Alpharetta Adult Activity Center	678-297-6142
	21	Golden Age Club Luncheon	Alpharetta Adult Activity Center	678-297-6142
	25	City Pool Opens	Wills Park Pool	678-297-6100
	<b>27</b>	<b>City Holiday</b>		
	28-30	Alpharetta Ambush Soccer Tryouts*	TBD	678-297-6163
	30	Alpharetta Sharks Swim Meet*	Wills Park Pool	678-297-6153
	30	Camp Happy Hearts Parents Meeting	TBD	678-297-6154
	TBD	Dance Recital	TBD	678-297-6154
TBD	Alpharetta Sharks Mock Swim Meet	Wills Park Pool	678-297-6153	
<b>JUN</b>	3	Senior Swim/Water Aerobics Begin	Wills Park Pool	678-297-6154
	3	Summer Day Camps Begin	Multiple	Various
	4	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	4	Swim Lessons Begin	Wills Park Pool	678-297-6153
	4-6	Alpharetta Ambush Soccer Tryouts*	TBD	678-297-6163
	8	Youth Fishing Derby	Brookside Office Park Lake	678-297-6133
	9	Alpharetta City Band Concert	Alpharetta Adult Activity Center	678-297-6142
	14	Freaky Friday Pool Party	Wills Park Pool	678-297-6153
	18	Golden Age Club Luncheon	Alpharetta Adult Activity Center	678-297-6142
	TBD	Alpharetta Sharks Home Swim Meet	Wills Park Pool	678-297-6153
	TBD	Art Camp begin	Crabapple Government Center	678-297-6165

\* At the printing of this publication, these dates or events are tentative. Please call to confirm.

# 2013 CITY OF ALPHARETTA CALENDAR OF EVENTS

continued from previous page

<b>JUL</b>	1-5	Summer Camp Skip Dates - Summer Camps will not be offered this week		
	2	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	4	<b>City Holiday</b>		
	4	July 4th Celebration and Fireworks	Wills Park	678-297-6142
	16	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	26-27	Georgia Recreation & Parks State Swim Meet*	TBD	678-297-6153
	TBD	Alphartta Sharks League Championship Meet	Georgia Tech	678-297-6153
	TBD	Movies on Milton	Historic Downtown: Milton Ave	678-297-6078
<b>AUG</b>	2	Friday Night Dive In	Wills Park Pool	678-297-6153
	2	Summer Day Camps End	Various	Various
	3	Annual Old Soldiers Day Race	Wills Park: 6am on-site registration; 7am start	678-297-6173
	3	Annual Old Soldier's Day Parade	Alpharetta City Hall	678-297-6078
	6	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	7	Fall/Winter Program Registration -Priority Registration	Multiple	678-297-6100
	14	Fall/Winter Program Registration - City of Milton Registration	Multiple	678-297-6100
	17	Midsummer Night's Mayor's Run and Fun	Historic Downtown: Milton Ave	678-297-6078
	20	Golden Age Club lunch	Alpharetta Adult Activity Center	678-297-6142
	21	Fall/Winter Program Open Registration	Multiple	678-297-6100
<b>SEP</b>	2	City Holiday		
	2	Pool Closes	Wills Park Pool	678-297-6153
	3	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	7	Fall Youth Athletics Leagues Begin	All City Parks	678-297-6100
	17	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	TBD	IronKids Triathlon	Wills Park	678-297-6078
	TBD	Mother/Son Sports Night	Alpharetta Community Center	678-297-6153
	TBD	Movies on Milton	Historic Downtown: Milton Ave	678-297-6078
<b>OCT</b>	1	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	5	Scarecrow Harvest	Historic Downtown: Milton Ave	678-297-6078
	15	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	26	Halloween Event at Wills Park	Wills Park	678-297-6133
	26	Indoor Craft Sale	Alpharetta Adult Activity Center	678-297-6142
<b>NOV</b>	5	Election Day		
	5	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	19	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6142
	26	Santa's Mailbox	North Pole	678-297-6133
	28-29	City Holiday		
	TBD	Restless In Resthaven Cemetery Tour	29 South Main St to Resthaven Cemetery	678-297-6078
	TBD	Spring Youth Sports Registration	Multiple	678-297-6100
	TBD	Vintage Corks & Gourmet Trucks	Historic Downtown: Milton Ave	678-297-6078
<b>DEC</b>	1	Alpharetta City Band Concert*	Alpharetta Adult Activity Center	678-297-6142
	3	Golden Age Club Meeting	Alpharetta Adult Activity Center	678-297-6142
	6	Annual Christmas Tree Lighting	Historic Downtown: Milton Ave	678-297-6078
	7	Breakfast with Santa	Alpharetta Adult Activity Center	678-297-6142
	14	Pet Photos with Santa Claws	Will Park - Event Lawn	678-297-6133
	17	Golden Age Club Luncheon	Alpharetta Adult Activity Center	678-297-6142
	25	City Holiday		
	31	City Holiday - Half Day		
	TBD	Cookies with Clauses	Alpharetta Community Center	678-297-6154
	TBD	Snow on the Square	Historic Downtown: Milton Ave	678-297-6078

\* At the printing of this publication, these dates or events are tentative. Please call to confirm.

# 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, 2012, 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alpharetta, Georgia as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

# INDEPENDENT AUDITOR'S REPORT

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress, schedules of employer contributions, and the General Fund Budgetary Comparison Schedule on pages 29-38 and 73-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

# INDEPENDENT AUDITOR'S REPORT

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

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 21, 2012



# 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, 2012. 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 \$246,693,107 (total net assets). Of this amount \$29,464,075 (unrestricted net assets) may be used to meet the ongoing obligations of the government.
- The City's total net assets increased by \$13,139,091.
- As of the close of the current fiscal year, the City of Alpharetta's governmental funds reported combined ending fund balances of \$61,020,577, an increase of \$23,118,313 from the prior year. The increase was primarily due to the deposit of bond proceeds for the City Center project.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$16,668,503 which represents approximately 31% of 2012 budgeted expenditures. By ordinance, the City has mandated that such balance not be less than 16% of budgeted expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. However, the current budgetary practice has been to reserve at least 21% for such purposes, representing \$11,000,000 at fiscal year end. The surplus after such emergency reserve will allow the City to fund one-time future capital in the amount of \$5,668,503 as part of the annual budget to be developed for fiscal year 2014.
- The City's total governmental activities debt (including notes) increased by \$29,000,000 during the current fiscal year as a result of the 2012 City Center Bond issuance. Regularly scheduled principal payments were made in the amount of \$6,030,750 resulting in a net increase in total governmental activities debt (including notes) of \$22,969,250.

## 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 40 and 41 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 eleven 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, Capital Project, Grant Capital, and

City Center funds, all of which are considered to be major funds. Data from the other seven 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 42 through 44 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 45 through 47 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 and other employee benefit trust activities.

The basic fiduciary fund financial statements can be found on pages 48 and 49 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 50 through 71 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 schedule for the general fund is presented on a generally accepted accounting principal basis in this section. This schedule is intended to demonstrate the government's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 73 through 75 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 77 through 88 of this report.

### CITY OF ALPHARETTA'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$73,187,929	\$49,096,616	\$2,142,352	\$2,088,824	\$75,330,281	\$51,185,440
Capital assets	233,663,735	221,795,872	-	-	233,663,735	221,795,872
<b>Total assets</b>	<b>306,851,664</b>	<b>270,892,488</b>	<b>2,142,352</b>	<b>2,088,824</b>	<b>308,994,016</b>	<b>272,981,312</b>
Current liabilities	5,121,085	6,561,901	1,122,949	1,091,385	6,244,034	7,653,286
Non-current liabilities outstanding	56,054,120	31,772,363	2,755	1,647	56,056,875	31,774,010
<b>Total liabilities</b>	<b>61,175,205</b>	<b>38,334,264</b>	<b>1,125,704</b>	<b>1,093,032</b>	<b>62,300,909</b>	<b>39,427,296</b>
Invested in capital assets, net of related debt	210,559,491	197,506,611	-	-	210,559,491	197,506,611
Restricted	6,669,541	9,944,113	-	-	6,669,541	9,944,113
Unrestricted	28,447,427	25,107,500	1,016,648	995,792	29,464,075	26,103,292
<b>Total net assets</b>	<b>\$245,676,459</b>	<b>\$232,558,224</b>	<b>\$1,016,648</b>	<b>\$995,792</b>	<b>\$246,693,107</b>	<b>\$233,554,016</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 \$246,693,107 at the close of the most recent fiscal year. The largest portion of the City's net assets (85.5%) reflects its net investment in capital assets (i.e., land, buildings, infrastructure, machinery, and equipment less any outstanding related debt used to acquire those assets). 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 (2.7%) represents resources that are subject to external restrictions

on how they may be used. At the close of fiscal year 2012 the City's restricted net assets were \$6,669,541 representing \$2,128,443 obligated for capital projects, \$327,547 restricted for the repayment of general obligation bond debt, \$2,486,266 restricted for emergency telephone activities, \$1,716,204 for law enforcement, and \$11,081 for the promotion of tourism.

The remaining balance in unrestricted net assets of \$29,464,075 (11.9%) 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	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
<i>Program revenues:</i>						
Charges for services	\$12,606,977	\$ 12,430,514	\$3,160,503	\$3,083,736	\$15,767,480	\$15,514,250
Operating grants and contributions	82,200	85,049	-	-	82,200	85,049
Capital grants and contributions	14,284,321	3,397,529	-	-	14,284,321	3,397,529
General revenues:					-	-
Property tax	21,451,396	24,818,984	-	-	21,451,396	24,818,984
Local option sales tax	12,239,330	11,230,204	-	-	12,239,330	11,230,204
Other taxes	15,951,485	14,343,669	-	-	15,951,485	14,343,669
Unrestricted investment earnings	87,739	84,599	4,480	3,427	92,219	88,026
<b>Total revenues</b>	<b>76,703,448</b>	<b>66,390,548</b>	<b>3,164,983</b>	<b>3,087,163</b>	<b>79,868,431</b>	<b>69,477,711</b>
<b>Expenses</b>						
General government	10,825,565	8,731,761	-	-	10,825,565	8,731,761
Public safety	25,811,403	25,935,466	-	-	25,811,403	25,935,466
Public works	13,955,690	17,823,080	-	-	13,955,690	17,823,080
Community development	3,901,289	3,883,385	-	-	3,901,289	3,883,385
Culture and recreation	7,324,834	7,049,036	-	-	7,324,834	7,049,036
Interest on long-term debt	1,766,432	1,632,890	-	-	1,766,432	1,632,890
Solid waste	-	-	3,144,127	3,048,205	3,144,127	3,048,205
<b>Total expenses</b>	<b>63,585,213</b>	<b>65,055,618</b>	<b>3,144,127</b>	<b>3,048,205</b>	<b>66,729,340</b>	<b>68,103,823</b>
Increase in net assets	13,118,235	1,334,930	20,856	38,958	13,139,091	1,373,888
Net assets - beginning	232,558,224	231,223,294	995,792	956,834	233,554,016	232,180,128
Net assets - ending	<b>\$245,676,459</b>	<b>\$232,558,224</b>	<b>\$1,016,648</b>	<b>\$995,792</b>	<b>\$246,693,107</b>	<b>\$233,554,016</b>

**Governmental activities.** Governmental activities increased the City's net assets by \$13,118,235 (compared to an increase of \$1,334,930 in the prior year) accounting for nearly all of the growth in the net assets of the City (business-type activities had an increase in net assets of \$20,856). Key elements of this change from year to year are as follows:

- Total governmental program revenues increased by \$10,886,792 primarily due to an increase in capital grants and contributions.
- Total general revenues decreased by \$747,506 from the prior year primarily due to lower property taxes as a

result of declining real estate values and an increase in the homestead exemption. This decrease was partially offset by slightly higher sales taxes, franchise taxes, hotel motel taxes, and other taxes.

- Total expenses of the governmental activities decreased by \$1,470,405, primarily, as a result of decreased capital expenditures.

**Business-type activities.** Business-type activities increased the City of Alpharetta's net assets by \$20,856, 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, unassigned 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 2012, the City reported governmental funds combined ending fund balance of \$61,020,577, an increase of \$23,118,313 from the prior year. The increase is primarily due to the receipt of bond proceeds for the City Center Project. Approximately 25.4% of this balance or \$15,479,711 constitutes unassigned fund balance.

The remainder of the fund balance is categorized as restricted or assigned. Restricted fund balance consists of amounts restricted for capital projects of \$31,250,773, law enforcement of \$1,716,204, emergency telephone activities of \$2,486,266, debt service of \$327,547 and \$11,081 for the promotion of tourism. Assigned fund balance consists of amounts assigned for grant projects of \$85,510, capital projects of \$5,001,690 and 2013 fiscal year expenditures of \$4,661,795.

**General fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the general fund was \$21,330,298 which is an increase of \$765,257 from the prior year. In terms of liquidity, total fund balance represents approximately 41% of 2013 budgeted expenditures.

Approximately 22% of total fund balance or \$4,661,795 constitutes assigned fund balance for 2013 fiscal year expenditures. The remaining 78% of total fund balance or \$16,668,503 constitutes unassigned fund balance. This balance represents approximately 32% of 2013 budgeted expenditures. By ordinance, the City has mandated that such balance not be less than 16% of budgeted expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. However, the current budgetary practice has been to reserve at least 21% for such purposes, representing \$11,000,000 at fiscal year end. The surplus

after such emergency reserve will allow the City to fund one-time future capital in the amount of \$5,668,503 as part of the annual budget to be developed for fiscal year 2014.

The fund balance of the City's general fund increased during fiscal year 2012 by \$765,257. Revenues exceeded expenditures by \$4,065,887, however, net transfers out were \$3,420,620 and offset in part by proceeds from Sale of Capital Assets for \$119,990. Council approved the utilization of prior year fund balance for capital projects (\$5,308,746). Other significant variances are explained below:

- From a year to year operational perspective, total revenues increased by \$1,258,050. Property taxes were down as noted earlier due to declining real estate values and an increase in the homestead exemption. Total expenditures increased by \$1,412,111 from the prior year primarily due to increased cost of healthcare, fuel, and utilities which was partially offset by not filling vacant positions. Net transfers out increased by \$638,466.
- Revenues of \$49,827,914 exceeded amount budgeted by \$3,012,958. Although property taxes were \$237,961 less than budgeted, business taxes were \$987,564 greater than budgeted, and licenses and permits were \$701,211 greater than budgeted. The City again had improved sales tax revenues, as revenues were \$889,330 greater than budgeted, due to continued improvement in the local economy.
- Expenditures came in well under budget, at \$45,762,027 with \$2,602,698 of the budgetary appropriation unspent. Management continues to work with department heads to ensure only necessary purchases are made, and to ensure all departments do not exceed budget appropriations, which generates a budget conscious atmosphere throughout the City.

**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 \$4,373,797 was transferred to this fund from the general fund and \$4,300,000 from other funds, while expenditures amounted to \$11,886,555. The above, together with additional revenues of \$3,242,417 and proceeds from sale of capital assets of \$487,153, resulted in an increase in fund balance of \$516,812 yielding a fund balance at year-end of

\$5,813,050 as compared to \$5,296,238 at end of prior year. The final section of Westside Parkway and Douglas Road bridge and roundabout were some of the larger projects completed in the current fiscal year.

**Grant Capital Fund.** The Grant Capital Fund is used to account for the proceeds of capital grants that are expended to acquire or construct capital assets. Grant revenue was \$1,530,854 for the current year as compared to \$702,124 in the prior year. Capital outlay expenditures increased by \$1,875,510 from the prior year to \$3,329,997. The increased activity is related to several federally funded transportation projects and intersection improvement projects being constructed. This activity has resulted in fund balance decreases from \$610,351 to (\$3,064,302) at year end.

**City Center Fund.** The City Center Fund is used to account for the proceeds of bonds that are expended to construct the City Center Project. The City issued \$29,000,000 in general obligation bonds and received additional bond premiums in the amount of \$1,001,322 in the current fiscal year. Expenditures for capital outlay of \$335,189 and bond issuance costs of \$400,334 were incurred. Restricted fund balance for the construction of City Center is \$29,265,799 at year end.

**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. The City utilizes a governmental activities internal service fund to account for risk management services.

**Solid Waste Fund.** Unrestricted net assets of the solid waste enterprise fund at the end of the year amounted to \$1,016,648. The total increase in net assets for the solid waste funds was \$20,856. Operating revenues increased \$76,767 over the prior year. Total expenses increased by \$95,922. The increase in both revenues and expenses is a direct result of increased fees costs of the contracts for solid waste services.

**Risk Management Fund.** Unrestricted net assets of the risk management fund at the end of the year amounted to \$776,140. Total operating revenues increased by \$234,846 to \$825,631. Total operating expenses decreased by \$110,771 to \$826,237. Claim expenditures continue to decrease, as the City has not had many large injuries related to workers compensation.

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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 an increase in total budgeted revenues in the amount of \$10,482 for budgeted contributions and donations. Total budgeted expenditures increased by \$33,321 from the beginning of the year consisting of an increase to Culture and Recreation for \$26,627, Public Safety for \$1,250, Engineering and Public Works for \$1,444, and Human Resources for \$4,000.

Property taxes were \$237,961 less than the amount budgeted and Fines and Forfeitures were \$149,818 less than the amount budgeted. However, tax revenues from sales and use, franchise, business, and other taxes exceeded amount budgeted by \$2,401,622, and revenues from licenses and permits, intergovernmental, charges for services investment earnings, contributions and donations, and other revenues exceeded the amount budgeted by \$999,115. The net result of all the revenue variances was that actual total revenues exceeded final budget total revenues by \$3,012,958.

Total actual expenditures were \$2,602,698 less than final budgeted total expenditures due to conservative budget estimates and continued concerted effort by departments to minimize expenditures as a precautionary measure due to economic conditions. Among departments with larger favorable variances in expenditures were Public Safety which expended \$673,850 less than final budget, Culture and Recreation which expended \$589,495 less than final budget and Engineering and Public Works which expended \$180,322 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, 2012, amounts to \$233,663,735 (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 Phase 3 (\$11,339,986).
- Douglas Road Bridge & Roundabout (\$1,582,038).
- Kimball Bridge at Waters Road Intersection Improvements (\$874,019)
- Webb Bridge/Park Bridge/Shirley Bridge Intersection Improvements(\$789,572)

### CITY OF ALPHARETTA’S CAPITAL ASSETS

#### Net of Depreciation

	Governmental Activities	
	2012	2011
Land and permanent improvements	\$74,407,473	\$67,318,668
Buildings	24,071,014	25,499,162
Improvement other than buildings	13,992,849	13,114,441
Machinery and equipment	6,623,986	6,499,679
Infrastructure	110,385,855	105,145,587
Construction in progress	4,182,558	4,218,335
<b>Total</b>	<b>\$233,663,735</b>	<b>\$221,795,872</b>

*Additional information on the City of Alpharetta’s capital assets can be found in note IV.C on pages 60 and 61 of this report.*

**Long-term debt.** At the end of the fiscal year 2012, the City’s total outstanding debt was \$50,029,100. Total outstanding debt consists of \$49,280,000 of general obli-

gation bonds, and \$749,100 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	
	2012	2011
General obligation bonds	\$49,280,000	\$26,220,000
Notes payable	749,100	839,850
<b>Total</b>	<b>\$50,029,100</b>	<b>\$27,059,850</b>

The City’s total debt increased by \$22,969,250 (84.9%) during the 2012 fiscal year (includes bond debt and notes). The increase is due to the issuance of \$29,000,000 of general obligation bonds for City Center Project in fiscal year 2012.

The City currently has an uninsured “AAA” rating from Standard & Poor’s and an “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

ratios; 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 \$479,413,845.

Additional information on the City's long-term debt can be found in note IV.E on pages 63 through 65 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, job losses, etc.

All of these factors have combined to limit revenue growth and in many cases reduce revenues below prior year levels (e.g. property taxes, investment earnings, etc.). In addition to stagnant or falling revenues, certain costs such as fuel, utilities, and healthcare are rising significantly – for the most part outside of our control.

In light of the economic challenges and its impact on City resources, we have compiled a fiscal year 2013 budget that accomplishes the following:

- Continuation of the same high service levels our citizenry and stakeholders deserve and have come to expect from our City.
- Tax-burden reductions for our homeowners and business owners including:
  - Maintenance of the city's millage rate at 5.750 mills (flat with FY 2012) even after funding debt service on the voter approved City Center bonds and \$2.4 million for a recurring capital

program (discussed further below). This will represent a tax reduction for many property owners as the value of property within the city has declined. Homeowners will also see a reduction due to a shift in the components of the millage rate (discussed below) that will subject more of their tax bill to the city's homestead exemption.

- Maintenance of the city's \$40,000 homestead exemption which saves our homeowners over \$2.6 million annually. This savings equates to a 1.6 mill reduction for the average homeowner.
- Additional funding for economic development initiatives citywide (e.g. Technology Commission, Progress Partners, business recruitment, branding/marketing, etc.) including a focus on downtown revitalization through additional/expanded special events and projects such as City Center.
- Prioritization of capital initiatives within the budget through implementation of a recurring capital program (financial best practice). The City's budget funds \$2.4 million (\$2.18 million through property taxes and an additional \$250,000 through general revenue) annually for recurring capital improvements (e.g. milling & resurfacing of city streets, traffic equipment maintenance, fleet replacement, etc.).

- Coverage of estimated revenue impacts resulting from passage of House Bill 386 (taxation reform) which eliminates motor vehicle taxes on all vehicles titled after March 1, 2013. The City is forecasting motor vehicle revenues to be fully phased-out over the seven year period ending in FY 2020. HB 386 created a Motor Vehicle Title Fee that is intended to offset the reduction in motor vehicle taxes. The FY 2013 budget includes a reduction in motor vehicle taxes that is partially offset through a conservative estimate of title fee collections

HB 386 included additional provisions relating to sales tax exemptions aimed at making our community more competitive for industry/business retention and recruitment. The city is currently in negotiation with its companion governmental entities within Fulton County over redistribution of LOST proceeds based on the 2010 Census findings. It is anticipated that the redis-

tribution will fully offset the impacts from HB 386 and result in additional revenue above what is forecasted in the FY 2013 budget.

- Alignment of departmental operating budgets to the city's short-term revenue outlook while also covering the primary cost drivers (e.g. healthcare, fuel, and utilities).

### 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, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Authority
<b>Assets</b>				
Cash and cash equivalents	\$6,935,294	\$258,265	\$7,193,559	\$126,851
Investments	27,618,290	1,740,472	29,358,762	-
Receivables, net of allowance for uncollectibles	6,179,787	141,559	6,321,346	33,533
Direct financing lease receivable	-	-	-	4,540,000
Prepaid expenses	193,210	-	193,210	-
Restricted assets:				
Cash	29,534,284	-	29,534,284	-
Investments	628,103	-	628,103	-
Deferred charges	491,567	-	491,567	94,794
Net pension asset	1,110,426	2,056	1,112,482	-
Net OPEB asset	496,968	-	496,968	-
Capital assets, non-depreciable	78,590,031	-	78,590,031	-
Capital assets, depreciable, net of accumulated depreciation	155,073,704	-	155,073,704	-
<b>Total assets</b>	<b>306,851,664</b>	<b>2,142,352</b>	<b>308,994,016</b>	<b>4,795,178</b>
<b>Liabilities</b>				
Accounts payable and other current liabilities	5,121,085	257,943	5,379,028	2,045
Unearned revenue	-	865,006	865,006	-
Interest payable	316,202	-	316,202	33,533
Bonds payable, due within one year	1,705,000	-	1,705,000	575,000
Bonds payable, due in more than one year	48,854,539	-	48,854,539	4,308,184
Capital lease payable, due within one year	314,898	-	314,898	-
Capital lease payable, due in more than one year	1,696,010	-	1,696,010	-
Notes payable, due within one year	94,875	-	94,875	-
Notes payable, due in more than one year	654,225	-	654,225	-
Other noncurrent liabilities, due within one year	1,858,730	2,755	1,861,485	-
Other noncurrent liabilities, due in more than one year	559,641	-	559,641	-
<b>Total liabilities</b>	<b>61,175,205</b>	<b>1,125,704</b>	<b>62,300,909</b>	<b>4,918,762</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	210,559,491	-	210,559,491	-
Restricted for:				
Capital projects	2,128,443	-	2,128,443	-
Debt service	327,547	-	327,547	-
Law enforcement	1,716,204	-	1,716,204	-
Promotion of tourism	11,081	-	11,081	-
Emergency telephone activities	2,486,266	-	2,486,266	-
Unrestricted	28,447,427	1,016,648	29,464,075	(123,584)
<b>Total net assets</b>	<b>\$245,676,459</b>	<b>\$1,016,648</b>	<b>\$246,693,107</b>	<b>\$(123,584)</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, 2012

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	\$10,825,565	\$3,262,882	-	-	\$(7,562,683)	-	\$(7,562,683)	-
Public safety	25,811,403	5,011,033	15,293	-	(20,785,077)	-	(20,785,077)	-
Public works	13,955,690	12,304	23,755	14,284,321	364,690	-	364,690	-
Community development	3,901,289	2,301,293	-	-	(1,599,996)	-	(1,599,996)	-
Culture and recreation	7,324,834	2,019,465	43,152	-	(5,262,217)	-	(5,262,217)	-
Interest on long-term debt	1,766,432	-	-	-	(1,766,432)	-	(1,766,432)	-
<b>Total governmental activities</b>	<b>63,585,213</b>	<b>12,606,977</b>	<b>82,200</b>	<b>14,284,321</b>	<b>(36,611,715)</b>	<b>-</b>	<b>(36,611,715)</b>	<b>-</b>
Business-type activities:								
Solid waste	3,144,127	3,160,503	-	-	-	16,376	16,376	-
<b>Total business-type activities</b>	<b>3,144,127</b>	<b>3,160,503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,376</b>	<b>16,376</b>	<b>-</b>
<b>Total primary government</b>	<b>\$66,729,340</b>	<b>\$15,767,480</b>	<b>\$82,200</b>	<b>\$14,284,321</b>	<b>(36,611,715)</b>	<b>16,376</b>	<b>(36,595,339)</b>	<b>-</b>
Component unit:								
Development Authority	\$163,175	\$310,018	-	-	-	-	-	146,843
<b>Total component unit</b>	<b>\$163,175</b>	<b>\$310,018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146,843</b>
General revenues:								
Property taxes					21,451,396	-	21,451,396	-
Sales taxes					12,239,330	-	12,239,330	-
Franchise taxes					6,430,151	-	6,430,151	-
Hotel/Motel occupancy tax					3,364,193	-	3,364,193	-
Business taxes					3,912,564	-	3,912,564	-
Other taxes					2,244,577	-	2,244,577	-
Unrestricted investment earnings					87,739	4,480	92,219	-
<b>Total general revenues</b>					<b>49,729,950</b>	<b>4,480</b>	<b>49,734,430</b>	<b>-</b>
Change in net assets					13,118,235	20,856	13,139,091	146,843
Net assets (deficit), beginning of year					232,558,224	995,792	233,554,016	(270,427)
<b>Net assets (deficit), end of year</b>					<b>\$245,676,459</b>	<b>\$1,016,648</b>	<b>\$246,693,107</b>	<b>\$(123,584)</b>

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

**City of Alpharetta**  
**BALANCE SHEET**  
**Governmental Funds**  
June 30, 2012

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Project	Grant Capital	City Center		
<b>Assets</b>						
Cash and cash equivalents	\$2,870,119	\$1,686,177	–	–	\$2,212,155	\$6,768,451
Investments	17,232,691	5,884,957	–	–	3,376,994	26,494,642
Taxes receivable, net	2,048,454	–	–	–	384,677	2,433,131
Accounts receivable	122,707	–	–	–	346,230	468,937
Intergovernmental	–	902,950	2,361,317	–	13,452	3,277,719
Due from other funds	1,096,549	–	–	–	12,673	1,109,222
Restricted assets:						
Cash	–	–	–	29,534,284	–	29,534,284
Investments	–	–	–	–	628,103	628,103
<b>Total assets</b>	<b>\$23,370,520</b>	<b>\$8,474,084</b>	<b>\$2,361,317</b>	<b>\$29,534,284</b>	<b>\$6,974,284</b>	<b>\$70,714,489</b>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable	\$1,256,209	\$1,387,506	\$152,379	\$268,485	\$847,039	\$3,911,618
Retainage payable	–	373,711	193,912	–	67,381	635,004
Accrued liabilities	525,890	–	–	–	25,765	551,655
Due to other funds	12,673	–	922,053	–	174,496	1,109,222
Deferred revenue	245,450	899,817	2,281,765	–	59,381	3,486,413
<b>Total liabilities</b>	<b>2,040,222</b>	<b>2,661,034</b>	<b>3,550,109</b>	<b>268,485</b>	<b>1,174,062</b>	<b>9,693,912</b>
Fund balances:						
Restricted for:						
Capital projects	–	811,360	–	29,265,799	1,173,614	31,250,773
Law enforcement	–	–	–	–	1,716,204	1,716,204
Emergency telephone activities	–	–	–	–	2,486,266	2,486,266
Debt service	–	–	–	–	327,547	327,547
Promotion of tourism	–	–	–	–	11,081	11,081
Assigned for:						
Grant projects	–	–	–	–	85,510	85,510
Capital projects	–	5,001,690	–	–	–	5,001,690
Fiscal year 2013 budget	4,661,795	–	–	–	–	4,661,795
Unassigned	16,668,503	–	(1,188,792)	–	–	15,479,711
<b>Total fund balances</b>	<b>21,330,298</b>	<b>5,813,050</b>	<b>(1,188,792)</b>	<b>29,265,799</b>	<b>5,800,222</b>	<b>61,020,577</b>
<b>Total liabilities and fund balances</b>	<b>\$23,370,520</b>	<b>\$8,474,084</b>	<b>\$2,361,317</b>	<b>\$29,534,284</b>	<b>\$6,974,284</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.	233,663,735
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,486,413
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the government activities.	776,140
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(55,071,010)
Prepaid expenditures are costs applicable to future periods and, therefore, are not reported in governmental funds.	193,210
Net pension and OPEB assets that are not a financial resource and, therefore, not reported in governmental funds.	1,607,394
<b>Net assets of governmental activities</b>	<b>\$245,676,459</b>

*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, 2012

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Project	Grant Capital	City Center		
Revenues						
Taxes:						
Property taxes	\$16,494,539	-	-	-	6,731,881	\$23,226,420
Sales and use taxes	12,239,330	-	-	-	-	12,239,330
Other taxes	12,587,292	-	-	-	3,364,193	15,951,485
Licenses and permits	2,201,211	-	-	-	-	2,201,211
Charges for services	2,871,235	-	-	-	2,313,371	5,184,606
Impact fees	-	-	-	-	468,657	468,657
Fines and forfeitures	3,045,182	-	-	-	884,937	3,930,119
Intergovernmental	85,489	3,227,377	1,530,854	-	568,538	5,412,258
Contributions and donations	25,277	-	-	-	-	25,277
Investment earnings	53,079	15,040	-	-	19,620	87,739
Other revenues	225,280	-	-	-	-	225,280
<b>Total revenues</b>	<b>49,827,914</b>	<b>3,242,417</b>	<b>1,530,854</b>	<b>-</b>	<b>14,351,197</b>	<b>68,952,382</b>
<b>Expenditures</b>						
Current:						
General government	8,843,442	-	-	-	16,135	8,859,577
Public safety	21,916,806	-	-	-	2,779,862	24,696,668
Public works	6,580,587	-	-	-	-	6,580,587
Community development	1,915,502	-	-	-	2,018,516	3,934,018
Culture and recreation	6,120,896	-	-	-	19,875	6,140,771
Capital outlay	-	11,886,555	3,329,997	335,189	2,181,008	17,732,749
Debt service:						
Principal	318,154	-	-	-	6,030,750	6,348,904
Interest	66,640	-	-	-	1,303,486	1,370,126
Bond issuance costs	-	-	-	400,334	-	400,334
<b>Total expenditures</b>	<b>45,762,027</b>	<b>11,886,555</b>	<b>3,329,997</b>	<b>735,523</b>	<b>14,349,632</b>	<b>76,063,734</b>
Excess (deficiency) of revenues over expenditures	4,065,887	(8,644,138)	(1,799,143)	(735,523)	1,565	(7,111,352)
<b>Other financing sources (uses):</b>						
Proceeds from sale of capital assets	119,990	-	-	-	13,700	133,690
Issuance of capital lease	-	487,153	-	-	-	487,153
Proceeds from general obligation bonds issued	-	-	-	29,000,000	-	29,000,000
Premium on general obligation bonds issued	-	-	-	1,001,322	-	1,001,322
Transfers in	1,345,677	8,673,797	-	-	271,600	10,291,074
Transfers out	(4,766,297)	-	-	-	(5,917,277)	(10,683,574)
<b>Total other financing sources (uses)</b>	<b>(3,300,630)</b>	<b>9,160,950</b>	<b>-</b>	<b>30,001,322</b>	<b>(5,631,977)</b>	<b>30,229,665</b>
Net change in fund balances	765,257	516,812	(1,799,143)	29,265,799	(5,630,412)	23,118,313
<b>Fund balances, beginning of year</b>	<b>20,565,041</b>	<b>5,296,238</b>	<b>610,351</b>	<b>-</b>	<b>11,430,634</b>	<b>37,902,264</b>
<b>Fund balances (deficits), end of year</b>	<b>\$21,330,298</b>	<b>\$5,813,050</b>	<b>\$(1,188,792)</b>	<b>\$29,265,799</b>	<b>\$5,800,222</b>	<b>\$61,020,577</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, 2012

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

Net change in fund balances - total governmental funds	\$23,118,313
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 capital outlays exceeded depreciation in the current period.	5,737,019
The net effect of various miscellaneous transactions involving capital assets (i.e. donations and sales) is to increase net assets.	6,130,844
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	632,369
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.	(24,023,156)
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.	392,542
Prepaid expenses are costs applicable to future periods and, therefore, are not reported in the funds.	70,202
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.	1,060,102
Change in net assets - governmental activities	\$13,118,235

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

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

June 30, 2012

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Fund	Risk Management Fund
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$258,265	\$166,843
Investments	1,740,472	1,123,648
Accounts receivable, net of allowance for uncollectibles	141,559	-
Total current assets	2,140,296	1,290,491
<b>Non-current assets:</b>		
Other noncurrent assets	2,056	-
Total assets	2,142,352	1,290,491
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	257,149	22,808
Accrued salaries	794	-
Unearned revenue	865,006	-
Compensated absences payable	2,755	-
Claims payable, due within one year	-	201,658
Total current liabilities	1,125,704	224,466
<b>Non-current liabilities:</b>		
Claims payable, due in more than one year	-	289,885
Total noncurrent liabilities	-	289,885
Total liabilities	1,125,704	514,351
<b>Net Assets</b>		
Unrestricted	1,016,648	776,140
Total net assets	\$1,016,648	\$776,140

*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, 2012

	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	\$3,160,228	-
Charges for service	-	769,000
Miscellaneous revenue	275	56,631
<b>Total operating revenues</b>	<b>3,160,503</b>	<b>825,631</b>
<b>Operating Expenses</b>		
Administration	3,144,127	81,526
Claims and judgements	-	217,211
Premiums	-	527,500
<b>Total operating expenses</b>	<b>3,144,127</b>	<b>826,237</b>
<b>Operating income (loss)</b>	<b>16,376</b>	<b>(606)</b>
<b>Non-Operating Revenues</b>		
Investment earnings	4,480	648
<b>Total non-operating revenues</b>	<b>4,480</b>	<b>648</b>
Change in net assets before transfers	20,856	42
<b>Transfers In</b>	<b>-</b>	<b>392,500</b>
Change in net assets	20,856	392,542
<b>Net Assets, beginning of year</b>	<b>995,792</b>	<b>383,598</b>
<b>Net Assets, end of year</b>	<b>\$1,016,648</b>	<b>\$776,140</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, 2012

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Fund	Risk Management Fund
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$3,178,268	\$862,001
Payments to vendors/suppliers	(3,092,440)	(630,440)
Payments on claims	-	(254,829)
Payments to employees	(53,674)	-
<b>Net cash provided by (used in) operating activities</b>	<b>32,154</b>	<b>(23,268)</b>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(50,298)	(330,586)
Interest and dividends received	4,480	648
<b>Net cash used in investing activities</b>	<b>(45,818)</b>	<b>(329,938)</b>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Transfers in	-	392,500
<b>Net cash provided by non-capital financing activities</b>	<b>-</b>	<b>392,500</b>
Increase (decrease) in cash and cash equivalents	(13,664)	39,294
<b>Cash and cash equivalents, beginning of year</b>	<b>271,929</b>	<b>127,549</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$258,265</b>	<b>\$166,843</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$16,376	\$(606)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Decrease (increase) in accounts receivable	(16,894)	36,370
Decrease in accounts payable	(3,221)	(21,414)
Increase in other accrued liabilities	34,785	-
Increase in compensated absence	1,108	-
Decrease in claims payable	-	(37,618)
<b>Net cash provided by (used in) operating activities</b>	<b>\$32,154</b>	<b>\$(23,268)</b>

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

City of Alpharetta  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**Pension (and Other Employee Benefit) Trust Fund**

June 30, 2012

*Assets*

Cash	\$905,093
Investments, mutual funds	37,343,619
<b>Total assets</b>	<b>38,248,712</b>

*Liabilities*

Accounts payable	34,234
<b>Total liabilities</b>	<b>34,234</b>

*Net Assets*

Net assets held in trust for pension	37,352,368
Net assets held in trust for other employee benefits	862,110
<b>Total net assets</b>	<b>\$38,214,478</b>

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

City of Alpharetta  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**Pension (and Other Employee Benefit) Trust Fund**

For the Fiscal Year Ended June 30, 2012

***Additions***

Contributions:

Employee contributions	\$379,876
Employer contributions	3,862,110
<b>Total contributions</b>	<b>4,241,986</b>

Investment income:

Net depreciation in fair value of investments	(510,592)
Interest and dividends	1,739,697
Net investment income	1,229,105
<b>Total additions</b>	<b>5,471,091</b>

***Deductions***

Benefit payments	902,423
<b>Total deductions</b>	<b>902,423</b>

Net increase	4,568,668
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***Net Assets Held in Trust for Pension Benefits***

Beginning of year	33,645,810
<b>End of year</b>	<b>\$38,214,478</b>

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

# City of Alpharetta – Notes to the Financial Statements

June 30, 2012

## 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, intergovernmental revenues, 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 **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 **grant capital 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.

The **city center fund** is used to account for the redevelopment of 22-acres of property in the heart of downtown Alpharetta funded from the proceeds of the 2012 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 also reports the following fund types:

The **Special Revenue funds** are used to account for specific revenues, such as confiscations/forfeitures, hotel/motel tax revenues, impact fee revenues, various grants and contributions, and charges for operation of the City's Emergency 911 system, all of which are legally restricted to expenditures for particular purposes.

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 expenditures of the City's 2006 general obligation bonds, issued for construction of various city projects.

The **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 **Pension and Other Employee Benefit Trust funds** are used to account for the accumulation of resources to be used for retirement annuity payments and employer portion of retiree health insurance premiums, 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. However, any interfund services provided and

used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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 ob-

ligations 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 on assessed property values as of January 1. 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. These payments are accounted for using the purchases method and are recognized as expenditures in the fund financial statements when payment is made, and are recognized as prepaid items in the government-wide financial statements.

### **4. Restricted assets**

Proceeds of the 2006 General Obligation Bond Issue and the 2012 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 con-

struction” 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 all infrastructure assets that it currently owns and has a responsibility for maintaining 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

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

**Fund Balance** – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

**Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

**Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote of the City Council. Only the City Council may modify or rescind the commitment. The City's Council would effectively commit fund balance through the approval of an ordinance; however there are no commitments as of the fiscal year ending June 30, 2012.

**Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The Council retains the authority to make assignments.

**Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. The City, by ordinance, has created a minimum fund balance policy to be no less than 16% of the next fiscal year's budgeted expenditures, in order to maintain adequate reserves to cover unforeseen emergencies and/or revenue shortfalls. Current budgetary practice has been to reserve at least 21% for such purposes or an amount equal to 2.5 months of operating expenditures.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

**Net Assets** – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

## 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 \$55,071,010 difference are as follows:

Bonds payable	\$(49,280,000)
Less: Deferred charges for issuance costs	491,567
Plus: Issuance premium	(1,279,539)
Capital lease payable	(2,010,908)
Notes payable	(749,100)
Accrued interest payable	(316,202)
Compensated absences	(1,926,828)
<i>Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities</i>	<u><u>\$(55,071,010)</u></u>

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 \$5,737,019 difference are as follows:

Capital outlay	\$14,299,284
Depreciation expense	(8,562,265)
<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities</i>	<u><u>\$5,737,019</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**

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 \$6,130,844 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.	\$(987,853)
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.	7,118,697
<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities</i>	<u>\$6,130,844</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 \$1,060,102 difference are as follows:

Compensated absences	\$(58,254)
Accrued interest	(112,387)
Net OPEB asset	738,481
Net pension asset	492,262
<i>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities</i>	<u>\$1,060,102</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 \$24,023,156 difference are as follows:

Principal repayments:	
General obligation bonds	\$5,940,000
Capital lease	318,154
Note payable	90,750
Proceeds from new capital lease	(487,153)
Proceeds from new bonds	(29,000,000)
Premium on new bonds	(1,001,322)
Payment of the cost of bond issuance	400,334
Amortization of issuance costs	(33,243)
Amortization of deferred charges on refunding	(312,753)
Amortization of bond premium	62,077
<i>Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net assets of governmental activities</i>	<u>\$(24,023,156)</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.

The following funds and General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2012:

Hotel/Motel Fund	\$(147,569)
General Fund departments:	
Legal	(4,458)

These over expenditures were funded by greater than anticipated revenues and by available fund balance.

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.

### IV. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

As of June 30, 2012, the City of Alpharetta had the following investments:

Investment	Standards & Poor Rating	Weighted Average Maturity	Fair Value
Georgia Fund 1	n/a	48 days	\$14,266,304
Agency*	AA+	0.730 years	2,431,717
U.S. Government Agency	AA+	1.302 years	2,697,115
U.S. Treasuries	AA+	1.165 years	9,380,457
Municipal Bonds	AAA	0.989 years	125,110
Collateral Mortgage Obligations	AA+	1.344 years	71,727
Fidelity Money Market Account	AAA	1 day	1,014,435
<b>Total</b>			<b>\$29,986,865</b>

\* The investments reported as agency include FDIC insured corporate stocks

In addition to the investments listed above, the City has investments of \$37,343,619 recorded in the Pension Trust Fund. These funds are invested in mutual funds with a weighted-average maturity of 6.99 years. The mutual funds are invested in stocks and corporate bonds, with a PIMCO rating of AA-.

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 require-

ments. 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. 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, 2012 were properly collateralized.

Through the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing 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 State Treasurer of the State of Georgia. 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 State Treasurer 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	Capital Projects	Grant Capital	Solid Waste	Nonmajor Governmental
Receivables:					
Taxes	\$2,322,199	–	–	\$202,750	\$491,124
Accounts	122,707	–	–	–	346,230
Intergovernmental	–	902,950	2,361,317	–	13,452
<b>Gross receivables</b>	<b>2,444,906</b>	<b>902,950</b>	<b>2,361,317</b>	<b>202,750</b>	<b>850,806</b>
Less allowance for uncollectibles	(273,745)	–	–	(61,191)	(106,447)
<b>Net total receivables</b>	<b>\$2,171,161</b>	<b>\$902,950</b>	<b>\$2,361,317</b>	<b>\$141,559</b>	<b>\$744,359</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, as well as the Solid Waste charges for services.

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, 2012 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	\$67,318,668	\$5,807,906	–	\$1,280,899	\$74,407,473
Construction in progress	4,218,335	7,228,023	(53,475)	(7,210,325)	4,182,558
<b>Total assets, not being depreciated</b>	<b>71,537,003</b>	<b>13,035,929</b>	<b>(53,475)</b>	<b>(5,929,426)</b>	<b>78,590,031</b>
Capital assets, being depreciated:					
Buildings	36,744,158	427,338	(1,076,233)	166,190	36,261,453
Improvements other than buildings	27,545,092	1,615,120	–	744,312	29,904,524
Machinery and equipment	16,527,135	1,507,338	(740,297)	337,173	17,631,349
Infrastructure	157,331,674	4,832,256	–	4,681,751	166,845,681
<b>Total assets, being depreciated</b>	<b>238,148,059</b>	<b>8,382,052</b>	<b>(1,816,530)</b>	<b>5,929,426</b>	<b>250,643,007</b>
Less accumulated depreciation for:					
Buildings	(11,244,996)	(1,133,823)	188,380	–	(12,190,439)
Improvements other than buildings	(14,430,651)	(1,481,024)	–	–	(15,911,675)
Machinery and equipment	(10,027,456)	(1,673,679)	693,772	–	(11,007,363)
Infrastructure	(52,186,087)	(4,273,739)	–	–	(56,459,826)
<b>Total accumulated depreciation</b>	<b>(87,889,190)</b>	<b>(8,562,265)</b>	<b>882,152</b>	<b>–</b>	<b>(95,569,303)</b>
<b>Total assets, being depreciated, net</b>	<b>150,258,869</b>	<b>(180,213)</b>	<b>(934,378)</b>	<b>5,929,426</b>	<b>155,073,704</b>
<b>Governmental activities capital assets, net</b>	<b>\$221,795,872</b>	<b>\$12,855,716</b>	<b>\$(987,853)</b>	<b>–</b>	<b>\$233,663,735</b>

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

<i>Governmental activities:</i>	
General government	\$1,076,128
Public safety	1,440,700
Public works	4,949,350
Community development	42,286
Culture and recreation	1,053,801
<b>Total depreciation expense - governmental activities</b>	<b>\$8,562,265</b>

**Construction Commitments.** The government has active construction projects as of June 30, 2012. 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 and general administration facilities. At year end the government's commitments with contractors include:

Project	Spent-to-Date	Remaining Commitment
Park improvements	\$1,424,484	\$120,270
Sidewalk and pedestrian projects	158,087	232,008
Street and transportation improvements	14,537,980	4,007,523
Public safety facilities	6,800	69
Machinery, equipment, and technology	5,433,207	672,023
Economic development	–	58,390
General administrative facilities	344,900	2,117,820
<b>Total</b>	<b>\$21,905,458</b>	<b>\$7,208,103</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 transpor-

tation improvements as well as the public safety improvements. The City Center fund has incurred expenditures for the general administrative facilities.

## D. Interfund Receivables, Payables, and Transfers

The composition of due to/from other fund balances as of June 30, 2012, is as follows:

*Due to/from other funds:*

Receivable Fund	Payable Fund	Amount
General fund	Grant capital fund	\$922,053
General fund	Nonmajor governmental funds	174,496
		<u>\$1,096,549</u>
Nonmajor governmental funds	General fund	<u>\$12,673</u>

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, 2012:

Transfer in	Transfer out	Amount
General fund	Nonmajor governmental funds	<u>\$1,345,677</u>
Capital Projects fund	General fund	\$4,373,797
Capital Projects fund	Nonmajor governmental funds	4,300,000
		<u>\$8,673,797</u>
Nonmajor governmental funds	Nonmajor governmental funds	<u>\$271,600</u>
Risk Management fund	General fund	<u>\$392,500</u>

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, 2012 is \$76,910,000.

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%	\$20,280,000
City center project	May 2032	2.0 - 3.75%	29,000,000
<b>Total</b>			<b>\$49,280,000</b>

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

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2013	\$1,705,000	\$1,850,800
2014	1,750,000	1,794,700
2015	1,815,000	1,719,300
2016	1,880,000	1,634,750
2017	1,940,000	1,572,350
2018-2022	10,775,000	6,680,765
2023-2027	13,260,000	4,314,275
2028-2032	16,155,000	1,794,750
<b>Total</b>	<b>\$49,280,000</b>	<b>\$21,361,690</b>

**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.

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 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

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 \$6,852. 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, 2012 are as follows:

Fiscal Year Ending June 30	Principal	Interest
2013	\$575,000	\$189,700
2014	595,000	166,300
2015	620,000	143,550
2016	640,000	119,100
2017	670,000	88,750
2018-2019	1,440,000	73,000
<b>Total</b>	<b>\$4,540,000</b>	<b>\$780,400</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, 2012 are as follows:

Fiscal Year Ending June 30	Principal	Interest
2013	\$94,875	\$31,300
2014	98,175	27,440
2015	102,300	23,686
2016	105,600	19,650
2017	110,550	14,645
2018-2019	237,600	12,045
<b>Total</b>	<b>\$749,100</b>	<b>\$128,766</b>

**Capital Leases.** The City has entered into three lease agreements as lessee for financing the acquisition of machinery and equipment, including new accounting software and two fire trucks, 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, 2012, the City had \$2,418,042 of machinery and equipment and construction in progress under capital leases.

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

Fiscal Year Ending June 30	Governmental Activities
2013	\$384,794
2014	384,794
2015	384,794
2016	384,794
2017	384,794
2018-2021	332,030
Total minimum lease payments	2,256,000
Less amount representing interest	245,092
<b>Present value of future minimum lease payments</b>	<b>\$2,010,908</b>

**Changes in Long-term Liabilities.** Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental activities</i>					
Bonds payable:					
General obligation bonds	\$26,220,000	\$29,000,000	\$(5,940,000)	\$49,280,000	\$1,705,000
Less deferred charges on refunding	(312,753)	–	312,753	–	
Plus issuance premium	340,294	1,001,322	(62,077)	1,279,539	
<b>Net bonds payable</b>	<b>26,247,541</b>	<b>30,001,322</b>	<b>(5,689,324)</b>	<b>50,559,539</b>	
Notes payable	839,850	-	(90,750)	749,100	94,875
Capital lease	1,841,909	487,153	(318,154)	2,010,908	314,898
Net OPEB obligation (asset)	241,513	144,569	(883,050)	(496,968)	
Claims and judgments	529,161	230,787	(268,405)	491,543	201,658
Compensated absences	1,868,574	1,901,325	(1,843,071)	1,926,828	1,657,072
<b>Governmental activity Long-term liabilities</b>	<b>\$31,568,548</b>	<b>\$32,765,156</b>	<b>\$(9,092,754)</b>	<b>\$55,240,950</b>	<b>\$3,973,503</b>
<i>Business-type activities</i>					
Compensated absences	\$1,647	\$2,990	\$(1,882)	\$2,755	\$2,755
<b>Business-type activity Long-term liabilities</b>	<b>\$1,647</b>	<b>\$2,990</b>	<b>\$(1,882)</b>	<b>\$2,755</b>	<b>\$2,755</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.

For business-type activities, 100% of the compensated absences are considered due within one year, as the employee in the fund typically uses all vacation within a one year period.

Long-term liability activity for the Development Authority for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$5,090,000	–	\$(550,000)	\$4,540,000	\$575,000
Less deferred charges	(6,852)	–	857	(5,995)	–
Plus issuance premium	444,125	–	(94,946)	349,179	–
<b>Revenue bonds payable, net</b>	<b>\$5,527,273</b>	<b>–</b>	<b>\$(644,089)</b>	<b>\$4,883,184</b>	<b>\$575,000</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, 2012	Fiscal Year Ended June 30, 2011
Unpaid claims, beginning of fiscal year	\$529,161	\$676,259
Claims incurred	230,787	292,112
Claims paid	(268,405)	(439,210)
<b>Unpaid claims, end of fiscal year</b>	<b>\$491,543</b>	<b>\$529,161</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. For all reporting, funding, accounting and actuarial purposes, the Plans have been merged into a single plan, The City of Alpharetta Combined Defined Benefit Plan (the "Combined Plan") effective July 1, 2011. The Combined Plan is administered by a Board of Trustees, who has 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 an actuarial valuation of the Combined Plan 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 Combined Plan covers 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 Combined Plan 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 Combined Plan provides retirement and death benefits to Plan members and beneficiaries. The Combined Plan does not issue separate stand-alone financial reports.

At January 1, 2012, the date of the most recent actuarial valuation, there were 566 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	69
Vested terminated employees not yet receiving benefits	132
Active employees	365
<b>Total</b>	<b>566</b>

*Summary of Significant Accounting Policies.* The financial statements of the Combined Plan 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. Administrative costs are paid from the earnings of the fund.

Investments of the Combined Plan 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 2012 employees contributed \$379,876 to the Enhanced Plan. The City is required to contribute at an actuarially determined rate: the contribution rate for 2012 was 10.9% of payroll for the Combined Plan. The annual required contributions for the current year were determined as part of the January 1, 2011 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.

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) – Combined Plan

	For the Plan Year Ending June 30, 2012	For the Plan Year Ending June 30, 2011
Annual required contribution (ARC)	\$2,553,324	\$3,528,345
Adjustments to annual required contribution	–	41,865
Interest on net pension obligation (asset)	(45,586)	(155,238)
Annual pension cost	2,507,738	3,414,972
Contributions made	3,000,000	3,100,000
Increase (decrease) in NPO	(492,262)	314,972
NPO (asset) at beginning of year	(620,220)	(935,192)
NPO (asset) at end of year	<u>\$ (1,112,482)</u>	<u>\$ (620,220)</u>

### History of Annual Pension Cost and Net Pension Obligation (Combined)

Fiscal Period Ending	Annual Pension Cost	Percentage Contributed	Net Pension Asset
2012	\$2,507,738	120%	\$ (1,112,482)
2011	3,414,972	91%	(620,220)
2010	2,843,745	100%	(935,192)

The following is a schedule of funding progress for the Combined 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]
1/1/2012	\$34,978,043	\$37,890,920	\$2,912,877	92.3%	\$22,141,454	13.2%

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, 2012.

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### **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, 2012, there were 411 participants. Plan provisions and contribution requirements are established and may be amended by the City's Council.

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, 2012, the City's contribution to the 401(a) plan was \$1,030,243. The amount contributed by employees into the 457 plan was \$1,233,112.

## 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. Through June 30, 2011 the plan operated on a “pay-as-you-go” basis. In May of 2012, the City created an irrevocable trust and contributed \$862,110 to the trust. 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, 2010, the most recent actuarial valuation:

Active participants	392
Retirees and beneficiaries currently receiving benefits	3
<b>Total</b>	<b>395</b>

The following is a schedule of funding progress:

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]
1/1/2010	–	\$862,110	\$862,110	0.0%	\$23,011,719	3.7%

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, 2012	For the Plan Year Ending June 30, 2011
Annual required contribution	\$129,560	\$129,564
Adjustments to annual required contribution	3,272	-
Interest expense	11,737	6,982
Annual OPEB cost	144,569	136,546
Contributions made	883,050	16,518
Increase in net OPEB obligation	(738,481)	120,028
Net OPEB obligation at beginning of year	241,513	121,485
<b>Net OPEB obligation (asset) at end of year</b>	<b>\$(496,968)</b>	<b>\$241,513</b>

### History of Annual OPEB Cost and Net OPEB Obligation (Asset)

Fiscal Period Ending	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)
2012	\$144,569	611%	\$(496,968)
2011	136,546	12%	241,513
2010	114,339	43%	121,485

*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, 2010. The assumptions used in the January 1, 2010 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
Inflation Rate . . . . .	1%

*OPEB Trust Fund.* During the fiscal year ended June 30, 2012, the City established an irrevocable OPEB Trust Fund and fully funded the actuarial accrued liability of \$862,110 (as of the latest actuarial report dated January 1, 2010).

### 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 \$3,364,193 for the fiscal year ended June 30, 2012. Of this amount 100%, or \$3,364,193, was expended. Expenditures of the tax were used to promote tourism as required by O.C.G.A. 48-13-51.

### H. Change in Reporting Entity

Effective July 1, 2011 legal action was undertaken by the City to combine the two defined benefit pension plans, whereby they now pool all assets which are available to pay benefits to the participants in the City's combined defined benefit pension plan. Therefore, the City combined the two previously reported fiduciary funds into one pension trust fund.



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

**City of Alpharetta Combined 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]
2012	\$34,978,043	\$37,890,920	\$2,912,877	92.3%	\$22,141,454	13.2%
2011	30,911,129	34,040,993	3,129,864	90.8%	23,393,451	13.4%
2010	25,771,126	34,033,273	8,262,147	75.7%	23,011,719	35.9%
2009	21,995,902	29,472,196	7,476,294	74.6%	21,345,172	35.0%
2008	20,748,440	27,163,261	6,414,821	76.4%	19,929,090	32.2%
2007	17,767,828	23,539,742	5,771,914	75.5%	17,127,360	33.7%

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

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

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

Actuarial Valuation Date	Annual Required Contribution (ARC)	% of ARC Contributed
2011	\$2,553,324	117%*
2010	3,528,345	88%*
2009	2,999,252	95%*
2008	2,776,563	91%*
2007	2,279,042	100%
2006	1,027,306	190%

\* The difference in ARC and the contribution was made up with the net pension asset.

The plan reports a net pension asset of \$1,112,482 at year end.

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]
2010	–	\$862,110	\$(862,110)	0%	\$23,011,719	3.7%
2009	–	696,331	(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$16,732,500	\$16,732,500	\$16,494,539	\$(237,961)
Sales and use taxes	11,350,000	11,350,000	12,239,330	889,330
Franchise taxes	6,300,000	6,300,000	6,430,151	130,151
Business taxes	2,925,000	2,925,000	3,912,564	987,564
Other taxes	1,850,000	1,850,000	2,244,577	394,577
Licenses and permits	1,500,000	1,500,000	2,201,211	701,211
Charges for services	2,682,500	2,682,500	2,871,235	188,735
Fines and forfeitures	3,195,000	3,195,000	3,045,182	(149,818)
Intergovernmental	79,652	79,652	85,489	5,837
Contributions and donations	500	10,982	25,277	14,295
Investment earnings	30,000	30,000	53,079	23,079
Other revenues	159,322	159,322	225,280	65,958
<b>Total revenues</b>	<b>46,804,474</b>	<b>46,814,956</b>	<b>49,827,914</b>	<b>3,012,958</b>
<b>Expenditures</b>				
Current:				
General government:				
City clerk	270,000	270,000	191,640	78,360
Mayor and council	288,115	288,115	238,982	49,133
Municipal court	1,024,358	1,024,358	938,942	85,416
Legal	480,000	480,000	484,458	(4,458)
City administrator	1,391,344	1,391,344	1,326,391	64,953
Finance	3,027,909	3,027,909	2,677,670	350,239
Human resources	391,153	395,153	332,952	62,201
Technology services	1,291,483	1,291,483	1,275,237	16,246
Internal audit	157,359	157,359	157,076	283
Non-departmental	751,061	1,613,171	1,220,094	393,077
<b>Total general government</b>	<b>9,072,782</b>	<b>9,938,892</b>	<b>8,843,442</b>	<b>1,095,450</b>
Public safety	22,589,406	22,590,656	21,916,806	673,850
Engineering and public works	6,759,465	6,760,909	6,580,587	180,322
Community development	1,961,072	1,961,072	1,915,502	45,570
Culture and recreation	6,683,764	6,710,391	6,120,896	589,495
Debt service				
Principal	350,533	350,533	318,154	32,379
Interest	52,272	52,272	66,640	(14,368)
<b>Total expenditures</b>	<b>47,469,294</b>	<b>48,364,725</b>	<b>45,762,027</b>	<b>2,602,698</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(664,820)</b>	<b>(1,549,769)</b>	<b>4,065,887</b>	<b>5,615,656</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	61,320	61,320	119,990	58,670
Transfers in	1,240,000	1,240,000	1,345,677	105,677
Transfers out	(5,060,297)	(5,060,297)	(4,766,297)	294,000
<b>Total other financing sources (uses)</b>	<b>(3,758,977)</b>	<b>(3,758,977)</b>	<b>(3,300,630)</b>	<b>458,347</b>
<b>Net change in fund balances</b>	<b>(4,423,797)</b>	<b>(5,308,746)</b>	<b>765,257</b>	<b>6,074,003</b>
Fund balances, beginning of year	20,565,041	20,565,041	20,565,041	-
<b>Fund balances, end of year</b>	<b>\$16,141,244</b>	<b>\$15,256,295</b>	<b>\$21,330,298</b>	<b>\$6,074,003</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 or committed to expenditures for particular purposes other than capital projects or debt service.

**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, as required by state law.

**Confiscated Assets 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, as required by state law.

**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.

**Emergency 911 Fund** – This 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, as required by state law.

### Debt Service Funds

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**Debt Service Fund** – This fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

### Capital Projects Fund

---

**Bond IV Fund** – This fund is used to account for capital projects funded from the proceeds of the November 2004 referendum which resulted in the issuance of general obligation bonds, Series 2006.

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

June 30, 2012

	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Nonmajor Government Funds
	Hotel Motel	Impact Fee	Confiscated Assets	Grant Operating	E911		Bond IV	
<b>Assets</b>								
Cash and cash equivalents	\$1,433	\$82,949	\$1,711,728	\$17,452	\$353,892	\$37,572	\$7,129	\$2,212,155
Investments	9,649	558,644	-	117,536	2,383,384	253,037	54,744	3,376,994
Taxes receivable, net	295,649	-	-	-	-	89,028	-	384,677
Accounts receivable	-	-	-	-	346,230	-	-	346,230
Intergovernmental	-	-	-	13,452	-	-	-	13,452
Due from other funds	-	-	12,673	-	-	-	-	12,673
Restricted assets:								
Investments	-	-	-	-	-	-	628,103	628,103
<b>Total assets</b>	<b>\$306,731</b>	<b>\$641,593</b>	<b>\$1,724,401</b>	<b>\$148,440</b>	<b>\$3,083,506</b>	<b>\$379,637</b>	<b>\$689,976</b>	<b>\$6,974,284</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$177,390	-	\$3,319	\$4,281	\$571,475	-	\$90,574	\$847,039
Retainage payable	-	-	-	-	-	-	67,381	67,381
Accrued expenditures	-	-	-	-	25,765	-	-	25,765
Due to other funds	118,260	-	6,236	50,000	-	-	-	174,496
Deferred revenue	-	-	-	7,291	-	52,090	-	59,381
<b>Total liabilities</b>	<b>295,650</b>	<b>-</b>	<b>9,555</b>	<b>61,572</b>	<b>597,240</b>	<b>52,090</b>	<b>157,955</b>	<b>1,174,062</b>
<b>Fund Balances</b>								
Restricted:								
Capital projects	-	641,593	-	-	-	-	532,021	1,173,614
Law enforcement	-	-	1,714,846	1,358	-	-	-	1,716,204
Promotion of tourism	11,081	-	-	-	-	-	-	11,081
Emergency telephone activities	-	-	-	-	2,486,266	-	-	2,486,266
Debt service	-	-	-	-	-	327,547	-	327,547
Assigned for grant projects	-	-	-	85,510	-	-	-	85,510
<b>Total fund balances</b>	<b>11,081</b>	<b>641,593</b>	<b>1,714,846</b>	<b>86,868</b>	<b>2,486,266</b>	<b>327,547</b>	<b>532,021</b>	<b>5,800,222</b>
<b>Total liabilities and fund balances</b>	<b>\$306,731</b>	<b>\$641,593</b>	<b>\$1,724,401</b>	<b>\$148,440</b>	<b>\$3,083,506</b>	<b>\$379,637</b>	<b>\$689,976</b>	<b>\$6,974,284</b>

City of Alpharetta  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**  
**Nonmajor Governmental Funds**  
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Nonmajor Government Funds
	Hotel Motel	Impact Fee	Confiscated Assets	Grant Operating	E911		Bond IV	
<b>Revenues</b>								
Property taxes	-	-	-	-	-	\$6,731,881	-	\$6,731,881
Hotel/Motel taxes	3,364,193	-	-	-	-	-	-	3,364,193
Impact fees	-	468,657	-	-	-	-	-	468,657
Charges for services	-	-	-	-	2,313,371	-	-	2,313,371
Forfeiture income	-	-	884,937	-	-	-	-	884,937
Intergovernmental	-	-	-	33,168	535,370	-	-	568,538
Investment earnings	134	1,304	450	77	5,625	12,000	30	19,620
Total revenues	3,364,327	469,961	885,387	33,245	2,854,366	6,743,881	30	14,351,197
<b>Expenditures</b>								
Current:								
General government	-	14,060	-	-	-	2,075	-	16,135
Culture and recreation	-	-	-	19,875	-	-	-	19,875
Public safety	-	-	466,180	29,743	2,283,939	-	-	2,779,862
Community development	2,018,516	-	-	-	-	-	-	2,018,516
Capital outlay	-	-	-	-	-	-	2,181,008	2,181,008
Debt service:								
Principal	-	-	-	-	-	6,030,750	-	6,030,750
Interest	-	-	-	-	-	1,303,486	-	1,303,486
Total expenditures	2,018,516	14,060	466,180	49,618	2,283,939	7,336,311	2,181,008	14,349,632
Excess (deficiency) of revenues over expenditures	1,345,811	455,901	419,207	(16,373)	570,427	(592,430)	(2,180,978)	1,565
<b>Other Financing Sources (Uses)</b>								
Proceeds from sale of capital assets	-	-	13,700	-	-	-	-	13,700
Transfers in	-	-	-	-	-	271,600	-	271,600
Transfers out	(1,345,677)	(271,600)	-	-	-	(4,300,000)	-	(5,917,277)
Total other financing sources (uses)	(1,345,677)	(271,600)	13,700	-	-	(4,028,400)	-	(5,631,977)
Net change in fund balances	134	184,301	432,907	(16,373)	570,427	(4,620,830)	(2,180,978)	(5,630,412)
Fund balances, beginning of year	10,947	457,292	1,281,939	103,241	1,915,839	4,948,377	2,712,999	11,430,634
Fund balances, end of year	\$11,081	\$641,593	\$1,714,846	\$86,868	\$2,486,266	\$327,547	\$532,021	\$5,800,222

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, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Hotel/Motel taxes	\$3,100,000	\$3,100,000	\$3,364,193	\$264,193
Investment earnings	-	-	134	134
<b>Total revenues</b>	<b>3,100,000</b>	<b>3,100,000</b>	<b>3,364,327</b>	<b>264,327</b>
<b><i>Expenditures</i></b>				
Current:				
Community development	1,860,000	1,870,947	2,018,516	(147,569)
<b>Total expenditures</b>	<b>1,860,000</b>	<b>1,870,947</b>	<b>2,018,516</b>	<b>(147,569)</b>
Excess of revenues over expenditures	1,240,000	1,229,053	1,345,811	116,758
<b><i>Other Financing Uses</i></b>				
Transfers out	(1,240,000)	(1,240,000)	(1,345,677)	(105,677)
<b>Total other financing uses</b>	<b>(1,240,000)</b>	<b>(1,240,000)</b>	<b>(1,345,677)</b>	<b>(105,677)</b>
Net changes in fund balances	-	(10,947)	134	11,081
<b>Fund balances, beginning of year</b>	<b>10,947</b>	<b>10,947</b>	<b>10,947</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$10,947</b>	<b>-</b>	<b>\$11,081</b>	<b>\$11,081</b>

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, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Impact fees	\$30,000	\$30,000	\$468,657	\$438,657
Investment earnings	2,500	2,500	1,304	(1,196)
Total revenues	32,500	32,500	469,961	437,461
<b><i>Expenditures</i></b>				
Current:				
General government	900	218,192	14,060	204,132
Total expenditures	900	218,192	14,060	204,132
Excess (deficiency) of revenues over expenditures	31,600	(185,692)	455,901	641,593
<b><i>Other Financing Uses</i></b>				
Transfers out	(271,600)	(271,600)	(271,600)	-
Total other financing uses	(271,600)	(271,600)	(271,600)	-
Net changes in fund balances	(240,000)	(457,292)	184,301	641,593
Fund balances, beginning of year	457,292	457,292	457,292	-
Fund balances, end of year	\$217,292	-	\$641,593	\$641,593

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Forfeiture income	\$50,000	\$50,000	\$884,937	\$834,937
Investment earnings	2,500	2,500	450	(2,050)
<b>Total revenues</b>	<b>52,500</b>	<b>52,500</b>	<b>885,387</b>	<b>832,887</b>
<b><i>Expenditures</i></b>				
Current:				
Public safety	250,000	1,334,438	466,180	868,258
<b>Total expenditures</b>	<b>250,000</b>	<b>1,334,438</b>	<b>466,180</b>	<b>868,258</b>
Excess (deficiency) of revenues over expenditures	(197,500)	(1,281,938)	419,207	1,701,145
<b><i>Other Financing Sources</i></b>				
Proceeds from sale of capital assets	-	-	13,700	13,700
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>13,700</b>	<b>13,700</b>
Net changes in fund balances	(197,500)	(1,281,938)	432,907	1,714,845
<b>Fund balances, beginning of year</b>	<b>1,281,939</b>	<b>1,281,939</b>	<b>1,281,939</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$1,084,439</b>	<b>\$1</b>	<b>\$1,714,846</b>	<b>\$1,714,845</b>

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, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Intergovernmental	\$31,241	\$61,459	\$33,168	\$(28,291)
Investment earnings	-	-	77	77
Contributions	17,500	-	-	-
<b>Total revenues</b>	<b>48,741</b>	<b>61,459</b>	<b>33,245</b>	<b>(28,214)</b>
<b><i>Expenditures</i></b>				
Current:				
Public safety	39,759	40,102	29,743	10,359
Culture and recreation	41,970	54,345	19,875	34,470
Contingencies	120,253	120,253	-	120,253
<b>Total expenditures</b>	<b>201,982</b>	<b>214,700</b>	<b>49,618</b>	<b>165,082</b>
Excess (deficiency) of revenues over expenditures	(153,241)	(153,241)	(16,373)	136,868
<b><i>Other Financing Sources</i></b>				
Transfers in	50,000	50,000	-	(50,000)
<b>Total other financing sources</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>(50,000)</b>
Net changes in fund balances	(103,241)	(103,241)	(16,373)	86,868
Fund balances, beginning of year	103,241	103,241	103,241	-
<b>Fund balances, end of year</b>	<b>-</b>	<b>-</b>	<b>\$86,868</b>	<b>\$86,868</b>

City of Alpharetta  
**Emergency 911 Fund**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Charges for services	\$2,115,000	\$2,115,000	\$2,313,371	\$198,371
Intergovernmental	660,400	660,400	535,370	(125,030)
Investment earnings	2,259	2,259	5,625	3,366
Total revenues	2,777,659	2,777,659	2,854,366	76,707
<b><i>Expenditures</i></b>				
Current:				
Public safety	2,777,659	4,137,498	2,283,939	1,853,559
Total expenditures	2,777,659	4,137,498	2,283,939	1,853,559
Net changes in fund balances	-	(1,359,839)	570,427	1,930,266
Fund balances, beginning of year	1,915,839	1,915,839	1,915,839	-
Fund balances, end of year	\$1,915,839	\$556,000	\$2,486,266	\$1,930,266

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, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$6,708,000	\$6,708,000	\$6,731,881	\$23,881
Investment earnings	20,000	20,000	12,000	(8,000)
<b>Total revenues</b>	<b>6,728,000</b>	<b>6,728,000</b>	<b>6,743,881</b>	<b>15,881</b>
<b>Expenditures</b>				
Current:				
General government	5,000	5,000	2,075	2,925
Debt service:				
Principal	6,030,750	6,030,750	6,030,750	-
Interest	1,184,295	1,303,486	1,303,486	-
<b>Total expenditures</b>	<b>7,220,045</b>	<b>7,339,236</b>	<b>7,336,311</b>	<b>2,925</b>
Deficiency of revenues over expenditures	(492,045)	(611,236)	(592,430)	18,806
<b>Other Financing Sources (Uses)</b>				
Transfers in	271,600	271,600	271,600	-
Transfers out	(4,300,000)	(4,300,000)	(4,300,000)	-
<b>Total other financing sources (uses)</b>	<b>(4,028,400)</b>	<b>(4,028,400)</b>	<b>(4,028,400)</b>	<b>-</b>
Net change in fund balances	(4,520,445)	(4,639,636)	(4,620,830)	18,806
<b>Fund balances, beginning of year</b>	<b>4,948,377</b>	<b>4,948,377</b>	<b>4,948,377</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$427,932</b>	<b>\$308,741</b>	<b>\$327,547</b>	<b>\$18,806</b>

## FIDUCIARY FUNDS

### Pension Trust Funds

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

#### Pension Plan Fund

This fund is used to account for assets, city contributions and disbursements of the City of Alpharetta Combined Defined Benefit Pension Plan.

#### OPEB Plan Fund

This fund is used to account for assets, city and employee contributions and disbursements of the City of Alpharetta Health Retirement Plan.

### City of Alpharetta COMBINING STATEMENT OF FIDUCIARY NET ASSETS Pension (and Other Employee Benefits) Fiduciary Funds

June 30, 2012

	Pension Plan	OPEB Plan	Total Fiduciary Funds
<i>Assets</i>			
Cash	\$42,983	\$862,110	\$905,093
Mutual funds	37,343,619	-	37,343,619
<b>Total assets</b>	<b>37,386,602</b>	<b>862,110</b>	<b>38,248,712</b>
<i>Liabilities</i>			
Accounts payable	34,234	-	34,234
<b>Total liabilities</b>	<b>34,234</b>	<b>-</b>	<b>34,234</b>
<i>Net Assets</i>			
Net assets held in trust for retiree benefits	\$37,352,368	\$862,110	\$38,214,478

City of Alpharetta

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
Pension (and Other Employee Benefits) Fiduciary Funds**

For the Fiscal Year Ended June 30, 2012

	Pension Plan	OPEB Plan	Total Fiduciary Funds
<b><i>Additions</i></b>			
Contributions:			
Employee contributions	\$379,876	–	\$379,876
Employer contributions	3,000,000	862,110	3,862,110
Total contributions	3,379,876	862,110	4,241,986
Investment income:			
Net depreciation in fair value of investments	(510,592)	–	(510,592)
Net interest and dividends	1,739,697	–	1,739,697
Net investment income	1,229,105	–	1,229,105
Total additions	4,608,981	862,110	5,471,091
<b><i>Deductions</i></b>			
Benefit payments	902,423	–	902,423
Total deductions	902,423	–	902,423
Net increase	3,706,558	862,110	4,568,668
<b><i>Net Assets Held In Trust for Retiree Benefits</i></b>			
Beginning of year, restated	33,645,810	–	33,645,810
End of year	\$37,352,368	\$862,110	\$38,214,478



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

June 30, 2012

*Assets*

Cash	\$126,851
<b>Total assets</b>	<b>\$126,851</b>

*Liabilities and Fund Balance*

Accounts payable	\$2,045
Total liabilities	2,045
Unassigned	124,806
Total fund balance	124,806
<b>Total liabilities and fund balance</b>	<b>\$126,851</b>

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

For the Fiscal Year Ended June 30, 2012

*Revenues*

Investment earnings	\$36
Miscellaneous income	860,018
Total revenues	860,054

*Expenditures*

Community development	19,325
Debt service:	
Principal	550,000
Interest	212,200
Total expenditures	781,525
Net change in fund balances	78,529
<b>Fund balance, beginning of year</b>	<b>46,277</b>
<b>Fund balance, end of year</b>	<b>\$124,806</b>

# 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** ..... 90 - 97

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** ..... 98 - 100

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

**Debt Capacity** ..... 101 - 102

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** ..... 103

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** ..... 104 - 106

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.*

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

	2012	2011	2010	2009	2008
<i>Governmental activities</i>					
Invested in capital assets, net of related debt <sup>2</sup>	\$210,559,491	\$197,506,611	\$187,034,265	\$175,867,666	\$167,306,416
Restricted	6,669,541	9,944,113	7,524,218	18,232,657	18,140,239
Unrestricted	28,447,427	25,107,500	36,664,811	25,022,020	25,645,599
<b>Total governmental activities net assets</b>	<b>\$245,676,459</b>	<b>\$232,558,224</b>	<b>\$231,223,294</b>	<b>\$219,122,343</b>	<b>\$ 211,092,254</b>
<i>Business-type activities<sup>1</sup></i>					
Invested in capital assets, net of related debt	-	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	1,016,648	995,792	956,834	982,404	843,883
<b>Total business-type activities net assets</b>	<b>\$1,016,648</b>	<b>\$995,792</b>	<b>\$956,834</b>	<b>\$982,404</b>	<b>\$843,883</b>
<i>Primary government</i>					
Invested in capital assets, net of related debt	\$210,559,491	\$197,506,611	\$ 187,034,265	\$175,867,666	\$167,306,416
Restricted	6,669,541	9,944,113	7,524,218	18,232,657	18,140,239
Unrestricted	29,464,075	26,103,292	37,621,645	26,004,424	26,489,482
<b>Total primary government net assets</b>	<b>\$246,693,107</b>	<b>\$233,554,016</b>	<b>\$232,180,128</b>	<b>\$220,104,747</b>	<b>\$211,936,137</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  
**NET ASSETS BY COMPONENT**  
**Last Ten Fiscal Years**  
 (Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
<i>Governmental activities</i>					
Invested in capital assets, net of related debt <sup>2</sup>	\$159,669,387	\$82,695,772	\$31,096,624	\$18,081,075	\$15,452,957
Restricted	14,174,532	14,392,861	12,951,724	12,540,493	16,990,626
Unrestricted	24,814,424	22,444,151	14,828,584	13,125,220	5,389,140
<b>Total governmental activities net assets</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>
<i>Business-type activities<sup>1</sup></i>					
Invested in capital assets, net of related debt	-	-	-	\$2,598,670	\$2,597,943
Restricted	-	-	-	1,649,342	1,645,519
Unrestricted	630,455	467,185	435,139	460,343	269,267
<b>Total business-type activities net assets</b>	<b>\$630,455</b>	<b>\$467,185</b>	<b>\$435,139</b>	<b>\$4,708,355</b>	<b>\$4,512,729</b>
<i>Primary government</i>					
Invested in capital assets, net of related debt	\$159,669,387	\$82,695,772	\$31,096,624	\$20,679,745	\$18,050,900
Restricted	14,174,532	14,392,861	12,951,724	14,189,835	18,636,145
Unrestricted	25,444,879	22,911,336	15,263,723	13,585,563	5,658,407
<b>Total primary government net assets</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>

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

<i>Expenses</i>	<b>2012</b>	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities <sup>1</sup> :										
General government	\$10,825,565	\$8,731,761	\$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	25,811,403	25,935,466	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	13,955,690	17,823,080	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	3,901,289	3,883,385	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	7,324,834	7,049,036	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	1,766,432	1,632,890	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	63,585,213	65,055,618	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	3,144,127	3,048,205	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	3,144,127	3,048,205	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	\$66,729,340	\$68,103,823	\$62,270,477	\$63,689,594	\$61,785,535	\$57,873,691	\$48,355,859	\$47,072,443	\$45,283,246	\$42,544,729
<i>Program Revenues</i>										
Governmental activities:										
Charges for services <sup>3</sup> :										
General government	\$3,262,882	\$3,791,391	3,921,041	\$4,461,205	\$4,169,775	\$4,053,626	\$4,299,561	\$641,391	\$560,148	\$465,150
Public safety	5,011,033	4,704,105	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	12,304	14,214	10,543	27,799	64,874	228,036	110,457	172,052	134,418	5,808
Community development	2,301,293	2,051,232	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	2,019,465	1,869,572	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	82,200	85,049	180,396	689,900	273,823	1,129,000	116,537	74,860	68,360	65,818
Capital grants and contributions <sup>4</sup>	14,284,321	3,397,529	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	26,973,498	15,913,092	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	3,160,503	3,083,736	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	3,160,503	3,083,736	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	30,134,001	\$18,996,828	\$22,994,786	\$18,097,702	\$21,490,524	\$26,616,916	\$66,033,223	\$21,159,179	\$13,748,141	\$13,209,287
<i>Net (Expense)/Revenue:</i>										
Governmental activities	\$(36,611,715)	\$(49,142,526)	\$(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	16,376	35,531	(32,319)	108,330	153,633	121,411	(246,305)	(4,267,100)	174,764	(291,068)
Total primary government net expense	\$(36,595,339)	\$(49,106,995)	\$(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 Ten Fiscal Years**  
(Accrual Basis of Accounting)

*continued*

**General Revenues  
and Other Changes  
In Net Assets**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Property taxes	\$21,451,396	\$24,818,984	\$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	12,239,330	11,230,204	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>	6,430,151	6,152,869	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>	3,364,193	3,133,641	2,831,888	3,062,307	3,674,176	3,479,163	3,130,740	2,705,566	-	-
Business taxes <sup>5</sup>	3,912,564	3,023,400	3,096,541	3,155,734	3,138,828	3,054,027	2,835,449	2,632,855	-	-
Other taxes <sup>5</sup>	2,244,577	2,033,759	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	87,739	84,599	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>49,729,950</b>	<b>50,477,456</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	4,480	3,427	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>4,480</b>	<b>3,427</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>\$49,734,430</b>	<b>\$50,480,883</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	\$13,118,235	\$1,334,930	\$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	20,856	38,958	(25,570)	138,521	213,428	163,270	32,046	(4,273,216)	195,596	(200,276)
<b>Total primary government</b>	<b>\$13,139,091</b>	<b>\$1,373,888</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 a 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 Ten 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
2011	24,818,984	11,230,204	6,152,869	3,133,641	3,023,400	2,033,759	50,392,857
2012	21,451,396	12,239,330	6,430,151	3,364,193	3,912,564	2,244,577	49,642,211

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)

	2012	2011 <sup>3</sup>	2010	2009	2008
General fund					
Reserved	-	-	\$63,663	\$33,154	\$49,466
Unreserved	-	-	18,815,691	21,262,328	22,833,742
Assigned - subsequent budget appropriations	4,661,795	4,441,136	-	-	-
Unassigned	16,668,503	16,123,905	-	-	-
<b>Total general fund</b>	<b>\$21,330,298</b>	<b>\$20,565,041</b>	<b>\$18,879,354</b>	<b>\$21,295,482</b>	<b>\$22,883,208</b>
All other governmental funds					
Reserved	-	-	\$10,508,967	\$11,653,684	\$15,270,790
Unreserved, reported in:					
Special revenue funds	-	-	3,711,378	3,087,843	2,746,028
Capital projects funds <sup>1</sup>	-	-	19,154,319	16,364,581	13,698,188
Restricted:					
Capital projects	31,250,773 <sup>4</sup>	4,411,296	-	-	-
Law enforcement	1,716,204	1,281,939	-	-	-
Emergency telephone services	2,486,266	1,915,839	-	-	-
Grant projects	-	610,351	-	-	-
Debt service	327,547	4,948,377	-	-	-
Promotion of tourism	11,081	10,947	-	-	-
Assigned:					
Grant projects	85,510	103,241	-	-	-
Capital projects	5,001,690	4,055,233	-	-	-
Unassigned	(1,188,792)	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$39,690,279</b>	<b>\$17,337,223</b>	<b>\$33,374,664</b>	<b>\$31,106,108</b>	<b>\$31,715,006</b>

	2007	2006	2005	2004	2003
General fund					
Reserved	\$411,191	\$416,165	\$381,148	\$910,188	\$746,100
Unreserved	19,435,188	21,989,576	20,565,210	17,675,936	13,182,532
Assigned - subsequent budget appropriations	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total general fund</b>	<b>\$19,846,379</b>	<b>\$22,405,741</b>	<b>\$20,946,358</b>	<b>\$18,586,124</b>	<b>\$13,928,632</b>
All other governmental funds					
Reserved	\$14,809,412	\$15,644,487	\$13,927,318	\$13,303,127	\$17,064,512
Unreserved, reported in:					
Special revenue funds	2,035,713 <sup>2</sup>	129,081	46,402	10,722	813,753
Capital projects funds <sup>1</sup>	18,023,349	20,494,549	(2,687,361)	-	-
Restricted:					
Capital projects	-	-	-	-	-
Law enforcement	-	-	-	-	-
Emergency telephone services	-	-	-	-	-
Grant projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned:					
Promotion of tourism	-	-	-	-	-
Grant projects	-	-	-	-	-
Capital projects	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$34,868,474</b>	<b>\$36,268,117</b>	<b>\$11,286,359</b>	<b>\$13,313,849</b>	<b>\$17,878,265</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.
3. During 2011 the City implemented GASB Statement No. 54, which changed the reporting of the fund balance.
4. During 2012 the City issued \$29,000,000 of general obligation bonds, which remained unspent at year-end.

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

(Modified Accrual Basis of Accounting)

	2012	2011	2010	2009	2008
<b>Revenues</b>					
Property taxes	\$23,226,420	\$25,175,624	\$25,940,049	\$26,363,736	\$25,276,979
Sales tax	12,239,330	11,230,204	11,174,798	10,696,787	11,263,805
Other taxes	15,951,485	14,343,669	13,830,636	13,849,941	14,033,302
Licenses and permits	2,201,211	1,819,139	1,497,744	1,369,379 <sup>3</sup>	2,241,052
Intergovernmental	5,412,258	1,417,580	1,018,726	2,654,411	4,789,371 <sup>2</sup>
Contributions and donations	25,277	96,957	1,038,048	1,185,269	1,401,217
Charges for services	5,184,606	5,194,559	4,640,288	4,646,782	4,863,146
Impact fees	468,657	251,116	104,486	591,847	453,917
Fines and forfeitures	3,930,119	4,235,789	3,867,865	3,726,714	3,936,673
Investment earnings	87,739	84,599	350,630	1,204,047 <sup>4</sup>	2,363,020
Miscellaneous	225,280	405,286	295,292	476,829	320,005
<b>Total revenues</b>	<b>68,952,382</b>	<b>64,254,522</b>	<b>63,758,562</b>	<b>66,765,742</b>	<b>70,942,487</b>
<b>Expenditures</b>					
General government	8,859,577	7,805,079	7,390,748	8,394,078	8,178,118
Public safety	24,696,668	24,489,746	23,891,333	23,656,964	21,584,771
Public works	6,580,587	6,343,910	7,025,225	7,312,275	6,929,946
Community development	3,934,018	3,813,176	3,624,923	3,741,557	4,083,613
Culture and recreation	6,140,771	6,139,829	6,168,144	6,303,376	6,453,642
Capital outlay	17,732,749	20,157,683	4,729,958	9,724,389 <sup>5</sup>	16,246,727
Debt service:					
Principal	6,348,904	8,580,773	8,109,879	7,624,937	7,316,818
Interest	1,370,126	1,522,673	1,789,637	2,438,731	2,745,648
Other charges	400,334	—	—	153,513	—
<b>Total expenditures</b>	<b>76,063,734</b>	<b>78,852,869</b>	<b>62,729,847</b>	<b>69,349,820</b>	<b>73,539,283</b>
Excess (deficiency) of revenues over (under) expenditures	(7,111,352)	(14,598,347)	1,028,715	(2,584,078)	(2,596,796)
<b>Other Financing Sources (Uses)</b>					
Transfers in	10,291,074	6,837,811	8,143,936	7,867,835	8,532,046
Transfers out	(10,683,574)	(7,564,111)	(9,393,322)	(7,867,835)	(8,532,651)
General obligation bond proceeds	29,000,000	—	—	8,620,000	—
Premium on bond issuance	1,001,322	—	—	—	—
Payments to refunding escrow	—	—	—	(8,624,872)	—
Capital leases	487,153	725,000	—	—	2,427,366
Sale of capital assets	133,690	247,893	73,099	244,000	53,396
<b>Total other financing sources (uses)</b>	<b>30,229,665</b>	<b>246,593</b>	<b>(1,176,287)</b>	<b>239,128</b>	<b>2,480,157</b>
<b>Net change in fund balances</b>	<b>\$23,118,313</b>	<b>\$(14,351,754)</b>	<b>\$(147,572)</b>	<b>\$(2,344,950)</b>	<b>\$(116,639)</b>
Debt service as a percentage of noncapital expenditures	13.1%	15.7%	16.8%	16.9%	17.4%
Total debt service expenditures	8,119,364	10,103,446	9,899,516	10,217,181	10,062,466
Total non-capital expenditures	61,764,450	64,544,837	59,080,042	60,507,757	57,895,569

*continued*

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.

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

(Modified Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
<b>Revenues</b>					
Property taxes	\$22,498,377	\$20,918,071	\$18,723,147	\$17,230,919	\$17,594,524
Sales tax	9,992,908	8,838,133	7,748,031	7,353,813	5,638,618
Other taxes	13,536,410	12,023,499	11,147,065	12,111,232	11,359,475
Licenses and permits	2,650,990	2,428,720	2,276,966	1,321,281	1,096,780
Intergovernmental	190,137	416,456	196,872	1,171,126	470,698
Contributions and donations	1,194,078 <sup>1</sup>	—	—	—	—
Charges for services	4,899,304	4,189,487	3,919,248	3,311,125	3,292,827
Impact fees	1,115,177	724,847	1,312,996	425,190	760,135
Fines and forfeitures	3,477,753	2,820,273	1,952,446	2,358,334	2,084,267
Investment earnings	3,179,417	1,105,481	975,868	204,192	660,410
Miscellaneous	1,207,870	566,229	604,288	508,612	868,793
<b>Total revenues</b>	<b>63,942,421</b>	<b>54,031,196</b>	<b>48,856,927</b>	<b>45,995,824</b>	<b>43,826,527</b>
<b>Expenditures</b>					
General government	7,223,771	8,303,827	8,364,720	8,242,792	7,468,563
Public safety	19,858,875	16,924,195	14,540,215	13,349,993	12,375,049
Public works	5,762,199	3,595,196	3,381,817	3,001,165	3,150,609
Community development	3,890,550	3,557,433	2,863,836	2,659,983	3,807,186
Culture and recreation	6,043,546	5,466,088	5,643,779	5,452,189	4,976,514
Capital outlay	16,189,652	9,274,131	8,090,107	7,030,850	4,004,921
Debt service:					
Principal	6,345,025	4,856,725	4,309,250	3,800,950	3,840,106
Interest	2,807,337	2,006,528	2,194,637	2,378,921	2,529,581
Other charges	—	171,700	—	—	32,992
<b>Total expenditures</b>	<b>68,120,955</b>	<b>54,155,823</b>	<b>49,388,361</b>	<b>45,916,843</b>	<b>42,185,521</b>
Excess (deficiency) of revenues over (under) expenditures	(4,178,534)	(124,627)	(531,434)	78,981	1,641,006
<b>Other Financing Sources (Uses)</b>					
Transfers in	13,195,113	7,984,514	6,012,438	3,193,088	4,705,000
Transfers out	(13,195,113)	(8,235,382)	(5,984,082)	(3,193,088)	(4,765,000)
General obligation bond proceeds	—	26,290,000	—	—	—
Premium on bond issuance	—	520,136	—	—	—
Payments to refunding escrow	—	—	—	—	—
Capital leases	—	—	—	—	—
Sale of capital assets	219,529	6,500	227,259	14,095	35,303
<b>Total other financing sources (uses)</b>	<b>219,529</b>	<b>26,565,768</b>	<b>255,615</b>	<b>14,095</b>	<b>(24,697)</b>
<b>Net change in fund balances</b>	<b>\$(3,959,005)</b>	<b>\$26,441,141</b>	<b>\$(275,819)</b>	<b>\$93,076</b>	<b>\$1,616,309</b>
<b>Debt service as a percentage of noncapital expenditures</b>					
Total debt service expenditures	19.8%	18.6%	18.7%	18.9%	20.1%
Total non-capital expenditures	9,152,362	7,034,953	6,503,887	6,179,871	6,402,679
Total non-capital expenditures	46,322,696	37,846,739	34,794,367	32,706,122	31,777,921

**City of Alpharetta**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**Last Ten 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
2011	25,175,624	11,230,204	6,152,869	1,176,898	1,619,468	5,394,434	50,749,497
2012	23,226,420	12,239,330	6,430,151	1,198,459	1,687,862	6,635,013	51,417,235

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					
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%
2011	1,966,548,340	2,634,434,718	193,069,470	85,922	546,731,438	4,247,407,012	5.75	11,985,346,125	40.00%
2012	1,900,633,180	2,603,970,058	198,495,280	29,308	541,498,910	4,161,628,916	5.75	11,757,819,565	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 \$30,000 per household in fiscal year 2008.

Homestead exemption was increased to \$35,000 per household in fiscal year 2011.

Homestead exemption was increased to \$40,000 per household in fiscal year 2012.

**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		
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
2011	2010	4.215	1.535	5.750	10.281	0.000	10.281	18.502	0.000	18.502	0.250	34.783
2012	2011	4.215	1.535	5.750	10.281	0.270	10.551	18.502	0.000	18.502	0.250	35.053

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
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
2011	4	1	1	1	7
2012	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	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
BRE COH GA LLC	\$81,188,640	1	1.95%	–		–
Sanctuary Park Realty Holding	74,956,840	2	1.80			
GGP North Point Inc	56,513,390	3	1.36	30,456,480	1	1.19%
CH Realty IV Royal Centre LLC	30,549,440	4	0.73	–		–
Metropolitan Life Insurance Co	27,172,240	5	0.65	–		–
Gardner Drive	26,000,000	6	0.62	16,101,990	3	0.63
Northside Ventures Inc	22,202,280	7	0.53			
CP Venture Two LLC	21,877,600	8	0.53	9,491,610	8	0.37
Imperatum Georgia Corp	21,309,830	9	0.51	9,318,080	9	0.36
AT & T Resource Mgmt Corp	20,020,680	10	0.48	14,606,710	4	0.57
HBO & CO of GA	–		–	18,137,590	2	0.71
Allianz Life Insurance	–		–	14,265,680	5	0.56
Digital Equipment Corp	–		–	11,310,720	6	0.44
State Farm Mutual Inc.	–		–	10,013,800	7	0.39
Highwoods Forsyth LTD Partnership	–		–	9,169,840	10	0.36
	<b>\$ 381,790,940</b>		<b>9.17%</b>	<b>\$142,872,500</b>		<b>5.58%</b>

Source: Fulton County Board of Assessors

**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
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	18,188,180	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	302,259	19,529,469	99.86
2007	2006	21,345,278	20,926,995	98.04	395,199	21,322,194	99.89
2008	2007	23,626,058	23,144,721	97.96	446,659	23,591,380	99.85
2009	2008	25,158,928	24,170,200	96.07	929,707	25,099,907	99.77
2010	2009	24,787,156	24,113,565	97.28	552,995	24,666,560	99.51
2011	2010	23,238,644	22,902,145	98.55	182,995	23,085,140	99.34
2012	2011	21,922,802	21,691,376	98.94	–	21,691,376	98.94

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			
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
2011	26,220,000	1,841,909	839,850	—	—	28,901,759	1.18	502
2012	49,280,000	2,010,909	749,100	—	—	52,040,009	1.97	876

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>
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
2011	26,220,000	0.22	455
2012	49,280,000	0.42	830

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, 2012

	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	\$163,265,000	8.1%	\$13,224,465
Fulton County School District	118,700,000	13.7%	16,261,900
Subtotal, overlapping debt	281,965,000		29,486,365
City of Alpharetta direct debt	52,040,009	100.0%	52,040,009
<b>Total direct and overlapping debt</b>	<b>\$334,005,009</b>		<b>\$81,526,374</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.

1. 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 with 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**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit	\$470,312,783	\$479,413,845	\$498,525,167	\$515,651,527	\$444,632,135	\$375,083,691	\$324,677,897	\$312,059,243	\$292,126,793	\$285,307,902
Total net debt applicable to limit	48,952,453	21,271,623	27,458,890	33,174,763	38,571,506	45,435,910	55,542,002	37,264,279	43,713,374	47,740,553
Legal debt margin	\$421,360,330	\$458,142,222	\$471,066,277	\$482,476,763	\$406,060,629	\$329,647,781	\$269,135,895	\$274,794,964	\$248,413,419	\$237,567,349
Total net debt applicable to the limit as a percentage of debt limit	10%	4%	6%	6%	9%	12%	17%	12%	15%	17%

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

Assessed value	\$4,161,628,916
Add back: exempt real property	541,498,910
Total assessed value	4,703,127,826
Debt limit (10% of total assessed value)	470,312,783
Debt applicable to limit:	
General obligation bonds	49,280,000
Less: Amount set aside for repayment of general obligation debt	(327,547)
Total net debt applicable to limit	48,952,453
<b>Legal debt margin</b>	<b>\$421,360,330</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>
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	8.1
2010	52,508	2,042,193,644	38,893	36.3	16.0	11,417	7.9
2011	57,571	2,442,795,101	42,431	36.8	16.0	11,022	7.8
2012	59,397	2,642,513,133	44,489	36.8	16.0	12,033	6.9

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	2012			2005*		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
McKesson	2,050	1	2.44%	1,400	4	1.38%
ADP	1,463	2	1.74	1,700	3	1.68
LexisNexis	1,289	3	1.54	-	-	-
Comcast of Georgia	1,000	4	1.19	-	-	-
UPS Supply Chain Solutions	941	5	1.12	850	10	0.84
Hewlett Packard	906	6	1.08	1,000	7	0.99
Verizon	823	7	0.98	-	-	-
E Trade Financial	765	8	0.91	-	-	-
Cox Communications	726	9	0.87	-	-	-
Red Prairie Corporation	672	10	0.80	-	-	-
AT&T	-	-	-	2,600	1	2.57
Cingular Wireless	-	-	-	1,800	2	1.78
Lucent Technologies	-	-	-	1,359	5	1.34
Equifax	-	-	-	1,195	6	1.18
Radiant Systems	-	-	-	925	8	0.91
MCI	-	-	-	900	9	0.89
	<b>10,635</b>		<b>12.68%</b>	<b>13,729</b>		<b>13.56%</b>

Source: City of Alpharetta Community Development Department

\*Note: Information for top 10 employers was not available for 2002 through 2004.

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

<i>Function</i>	<b>2012</b>	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Mayor and City Council										
Elected officials	7	7	7	7	7	7	6	7	7	7
City Administrator										
Full-time personnel	7	7	7	7	6	7	7	5	8	9
Part-time personnel	3	2	-	-	1	2	2	1	-	-
City Clerk										
Full-time personnel	2	2	2	2	2	2	2	3	-	-
Engineering										
Full-time personnel	29	29	29	29	26	28	23	23	21	20
Environmental Services										
Full-time personnel	-	-	-	-	-	-	-	-	-	-
Finance										
Full-time personnel	24	24	24	24	24	22	21	21	22	22
Part-time personnel	1	1	1	1	-	-	-	2	2	1
Human Resources										
Full-time personnel	3	3	3	3	3	6	6	6	6	6
Municipal Court										
Elected officials	1	1	1	1	1	1	1	1	1	1
Full-time personnel	8	8	7	7	8	8	6	6	6	5
Part-time personnel	-	-	1	1	-	-	-	1	-	-
Public Information										
Full-time personnel	-	1	1	1	1	1	1	2	2	2
Technology Services										
Full-time personnel	11	11	11	11	12	9	8	8	6	5
Part-time personnel	-	-	-	-	-	-	-	-	-	1
Community Development										
Full-time personnel	20	20	21	21	21	21	18	20	20	20
Public Safety										
Police										
Full-time certified officers	105	105	104	104	104	102	84	76	74	72
Full-time uncertified officers	-	-	-	-	-	-	3	1	-	-
Full-time civilian	30	25	34	34	32	30	27	30	30	27
Part-time civilian	12	3	6	6	3	8	2	3	3	3
Fire										
Full-time certified firefighters	95	95	93	93	94	86	77	83	81	74
Part-time certified firefighters	2	2	1	1	-	3	3	3	3	3
Full-time uncertified firefighters	-	-	-	-	-	3	6	1	-	4
Full-time support personnel	-	-	-	-	-	1	1	1	1	1
Public works										
Full-time personnel	33	33	33	33	33	28	31	35	35	35
Culture and recreation										
Full-time personnel	51	51	51	51	51	51	50	50	50	50
<b>Total</b>	<b>444</b>	<b>430</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>

Source: City of Alpharetta Budget Office

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

<i>Function</i>	<b>2012</b>	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General government</b>										
Ordinances approved	13	12	20	35	40	30	30	25	30	22
Special events held	90	62	62	65	61	35	38	39	38	38
Court cases heard	18,946	21,336 <sup>1</sup>	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-AAA	Aa1-AAA	Aa1-AA+	Aa1-AA+	Aa1-AA+	Aa1-AA+
Software applications supported	164	173	172	179	80	70	68	66	60	55
Grants managed	40	43	40	30	34	34	26	17	16	-
<b>Police</b>										
Calls for service	70,711	74,773	82,499	74,966	98,223	80,229	52,056	45,731	52,056	50,266
Part 1 crimes reported	1,797	1,486	1,676	1,126	1,899	2,077	1,922	1,445	1,727	1,661
Traffic citations issued	22,517	21,561	23,621	18,727	17,519	19,197	16,100	15,290	22,860	24,757
<b>Fire</b>										
Incident responses	5,268	5,410	6,143	6,197	5,939	5,590	5,113	5,119	4,909	4,472
Average response time	6:18	6:18	6:46	6:24	4:23	5:24	5:29	12:04	12:04	12:04
Fire safety programs conducted	176	146	145	126	100	395	203	299	203	321
Inspections conducted	7,215	7,269	7,216	7,404	5,093	6,456	4,646	5,753	4,646	3,619
<b>Highways and streets</b>										
Traffic signals timed	51	50	40	56	N/A	82	N/A	41	N/A	N/A
Average days to repair pothole	1	1	1	2	1	2	25	2	25	N/A
Stormwater plans reviewed	133	133	103	161	260	224	68	60	68	82
<b>Community development</b>										
New building permits issued	2,995	2,516	2,360	3,352	3,692	4,821	3,855	3,800	3,855	3,794
Parcels annexed	-	-	1	-	2	36	352	352	-	91
<b>Culture and recreation</b>										
Park acres maintained	312	312	311	311	306	306	300	306	300	300
Greenway acres maintained	206	206	205	205	200	200	200	200	200	200
Annual program registrants	26,366	20,106	20,132	21,135	23,597	23,777	23,500	23,791	23,500	23,612

Source: Various City departments

1. The City purchased new court management software which allowed them to process court cases more efficiently.

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

<i>Function</i>	<b>2012</b>	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units and support vehicles	135	146	139	145	138	115	110	97	89	86
Police motorcycles	8	7	7	7	6	5	6	6	4	6
<b>Fire</b>										
Fire stations	6	6	6	6	6	6	6	4	5	5
Ladder units - in service	1	1	1	1	1	2	2	3	2	2
Ladder units - reserve	1	1	1	1	1	-	-	1	1	1
Pumper units - in service	6	6	6	6	6	6	6	5	5	5
Pumper units - reserve	2	2	2	2	2	2	2	2	2	2
<b>Highways and streets</b>										
Streets - paved (miles)*	214	214	218	270	270	270	257	217	211	206
Streets - unpaved (miles)	1	1	1	1	2	2	2	1	2	2
Sidewalk (miles)	211	205	205	202	204	170	143	116	N/A	N/A
Drainage - piped (miles)	100	100	100	100	99	99	90	40	40	40
Drainage - open (miles)*	40	40	40	165	165	165	157	140	140	140
<b>Culture and recreation</b>										
Parks - active and passive	14	15	14	11	9	9	9	9	7	7
Park acreage	764	764	762	762	757	760	769	769	769	764
Greenway and walking trails (miles)	12	12	11	11	11	11	11	11	10	6
Adaptive athletic fields	1	1	1	1	1	1	1	1	-	-
Athletic fields	28	28	29	28	29	29	29	29	29	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	1	1	2	2	2	2	2	2
Tennis courts	17	17	17	17	17	17	17	17	17	17
Recreation buildings	20	20	20	18	18	11	11	11	11	11
Playgrounds	8	8	7	7	7	7	6	6	5	4
Picnic shelters/restrooms	24	33	31	31	29	24	23	23	23	21

Sources: Various government departments

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

\* Change due to update of GIS records





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