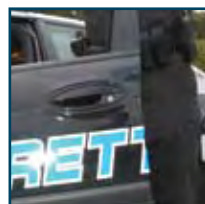
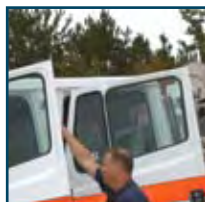


# Comprehensive Annual Financial Report

## For the Fiscal Year Ended June 30, 2007

# Alpharetta

G E O R G I A • U S A



*Committed to Excellence*





City of Alpharetta, Georgia

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

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

Submitted By:  
Robert J. Regus  
City Administrator





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# Introductory Section



**To the Honorable Mayor, Members of the 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, 2007. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, Certified Public Accounts, LLC, have issued an unqualified (“clean”) opinion on the City of Alpharetta’s financial statements for the year ended June 30, 2007. 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.

### **Profile of the Government**

The City of Alpharetta (the “City”), incorporated in 1858, is located in the northern part of Georgia, which is considered to be the top growth area in the state. Originally chartered as the county seat of Milton County, it was named from the Greek words “alpha” meaning first and “retta” meaning town. In 1932, Milton County was merged with Fulton County, and today Alpharetta remains one of thirteen local governments within Fulton County. The City currently occupies a land area of 25.8 square miles and serves a population of 51,243. The City of Alpharetta is empowered to levy a property tax on both real and personal property located within



its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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 of Alpharetta charter. Policy making and legislative authority are vested in the governing council, consisting of the mayor and six council members, all elected on a non-partisan basis. The mayor is chosen by popular vote. Council members run for a specific post, but they are elected by a city-wide vote. City of Alpharetta elected officials serve for terms of four (4) years and until their respective successors are elected and qualified. Terms of office begin on January 2nd immediately following the date of election into office. No council member elected and qualified for three (3) consecutive terms shall be eligible for the succeeding term. No mayor elected and qualified for two (2) consecutive terms shall be eligible for the succeeding term. Elections are held every two years and are conducted by the Fulton County Board of Elections. The Mayor and City Council appoint a City Admin-



istrator to carry out the day to day operations of the government.

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 and cultural activities. Sanitation services are provided through relationships with other governments and private carriers. The City created a legally separate entity, the Development Authority of Alpharetta, to assist with, among other things, capital funding. Financial information for the authority has been included within this document. Additional information on this entity can be found in Note I.A in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial stability and health of the government. The Mayor and Council are required to adopt a final budget no later than the close of the fiscal year. 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 budget is prepared by fund, function, and department, with performance measurement. Department heads may transfer resources within a department (within a fund) as they see fit. Transfers between departments or funds, however, need approval from the governing council.

## Local Economy

The City enjoys a favorable economic environment and indicators point to continued stability and growth. Businesses located within the Georgia 400 corridor (Georgia 400 highway connects the City of Atlanta north to Alpharetta and continues through Forsyth County) have continued to prosper, with recent announcements by major employers about the potential relocation of corporate headquarters to Alpharetta. Already home to many large computer software, telecommunication, financial, and professional service companies such as McKesson, ADP, Hewlett Packard, Radiant Systems, GE, and AT & T Mobility, Alpharetta continues to be the ideal location for companies on the forefront of the modern economy, in the heart of one of the largest fiber-linked networks in the United States.

The commercial real estate market saw considerable activity during the 2007 fiscal year. In excess of 1.5 million square feet of new commercial construction, valued at approximately \$136 million, was permitted. Over 780 new businesses opened their doors during the period, bringing the total estimated number of jobs in Alpharetta to 105,254. Average lease rates for Class A office space rose to \$23.50 per square foot, and with vacancy rates continuing to fall, landlords are offering few concessions. Retail vacancy rates remained under 4% in spite of several new properties being introduced into the market.

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

The local housing market remained healthy in FY 2007 with permits issued for 472 new housing starts with a combined value of nearly \$65 million. Additionally, Alpharetta residents invested in excess of \$3.8 million in major home improvement projects, which excludes projects that did not require permits. The median home value in the city rose to \$295,514, and approximately 48% of Alpharetta homes are valued above \$300,000. The community remains affordable to residents as Alpharetta's median household income rose to \$86,528. The average household income reached an impressive \$117,862.

## Long-term Financial Planning

As detailed within the following financial statements, the City maintains a minimum General Fund balance designation equal to 18% of operating expenditures which amounted to \$8,428,718 at year end. Additionally, the City has established \$500,000 as a designation for workers' compensation. Fund Balance in excess of the designations above is further designated to be utilized in subsequent periods for pay-as-you-go capital projects and one-time, non-recurring expenditures. For fiscal year ended June 30, 2007, \$4,082,558 in available fund balance has been designated for use in the 2007/2008 fiscal

year budget. The balance remaining as undesignated/unreserved at year end amounts to \$6,423,912. Such amounts will be reviewed by council for consideration as part of the fiscal year 2009 budget. These balances have come about through prudent fiscal policies and conservative budget practices and will help ensure our long term stability.

Governments across the country have experienced economic downturns, which have resulted in decreased services and deferred maintenance of assets and infrastructure. Although many of the circumstances which led to such downturns were not always in the control of the government, Alpharetta has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success. The City has historically acknowledged the need to provide a taxation rate commensurate with the government's level of service. While providing quality service, the City was able to lower the tax rate from 2006 to 2007 from 7 mills to 6.6 mills.

Financial planning also involves ensuring that fiscal obligations are not only met but if possible smoothing the effect to the taxpayer over a period that better matches the benefit. As such, the City has been setting aside funds over the past few years, currently accumulated at \$10.7 million, to stabilize the required taxes that would have to be levied to service the annual debt requirements of certain general obligation bonds. With these reserves, it is projected that the City will not need to increase the required debt service millage rate to cover the annual costs of escalating principal and interest payments.

The City is expected to continue towards the development as an economic hub and preferred location for business investment. One of the more considerable improvements to our community will be developed by Thomas Enterprises, Inc. This developer will create a 64-acre mixed use development on the northwest corner of Georgia 400 and Old Milton Parkway to be named Prospect Park. The development will offer 750,000 square feet of retail space, including approximately 141 storefronts of retail, restaurants, and a theater. The de-

velopment will also feature a full service hotel, 40 commercial office condominiums, and 464 residential units. Groundbreaking on this project occurred in the last quarter of fiscal year 2006. Further, the City will be home to the 12,000 seat amphitheater, which will be operated by the Atlanta Symphony Orchestra and owned by the Woodruff Arts center. The amphitheater will be located on Encore Parkway, which will include performing and visual arts complex and education center. This project is expected to be complete by the summer of 2008.

The City also continues to explore options to bring about the development of City Center. Alpharetta City Center is envisioned as a catalyst development that will attract additional investment and private sector activity; promoting the transformation of Downtown Alpharetta into a vibrant, attractive destination for the City's resident's and visitors. The project is to be a people-oriented, mixed use development that is consistent with the Historic Downtown Aesthetic. The project is projected to be made up of a minimum of approximately 30,000 square feet of retail / restaurant use; 40,000 square feet of office use; and 120 units of fee simple condominiums. Alpharetta City Center is planned as the site of a new City Hall, approximately 50,000 square feet.

### **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 relevancy to the changing financial needs of the government.

### **Major Initiatives**

During fiscal year 2007, the City began many of the projects identified in the \$26.6 million general obligation bond of 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 \$6.5 million of these bond proceeds were spent

on improvements the public demanded. Traffic improvement, consisting of the continued networking of traffic signals into the City's transportation control system as well as lane expansion, is a high priority for the City of Alpharetta. One of the major improvements for the year was the opening of Westside Parkway from Webb Bridge Road to Cumming Street. Additionally, the City will continue to construct portions of Westside Parkway, a major thoroughfare named for its location – to the west of Georgia 400. When complete, this parkway will enable the movement of traffic on a divided 4-lane road from its southern terminus of Mansell Road to its northern terminus at Windward Parkway. The proposed length of Westside Parkway is 5.93 miles. Other major initiatives funded with these proceeds include: the completion of the Police Evidence Building; substantial improvements to Cogburn Road Park; sidewalks for Cogburn Road and the Greenway Connection.

During 2007, the City also allocated \$7 million of General Fund monies toward capital improvements such as milling and resurfacing (\$2.4 million), Union Hill Hockey Rink (\$250,000), Kimball Bridge / Waters Road Intersection (\$240,000), and public safety vehicle replacements (\$720,000). 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 (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, 2006. This was the eighteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2006. In order to qualify for the Dis-

tinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. We believe our current budget continues to meet the Distinguished Budget Presentation Program's requirements and have submitted it to GFOA to determine its eligibility for another certificate.

Further, the government also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its annual citizen's report dated June 30, 2006. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. We believe our current popular report continues to meet the Award for Outstanding Achievement in Popular Annual Financial Reporting and have submitted it to GFOA to determine its eligibility for another certificate.

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, 2006

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.



*Charles S. Cox*

President

*Jeffrey R. Enen*

Executive Director

## Elected and Appointed Officials June 30, 2007

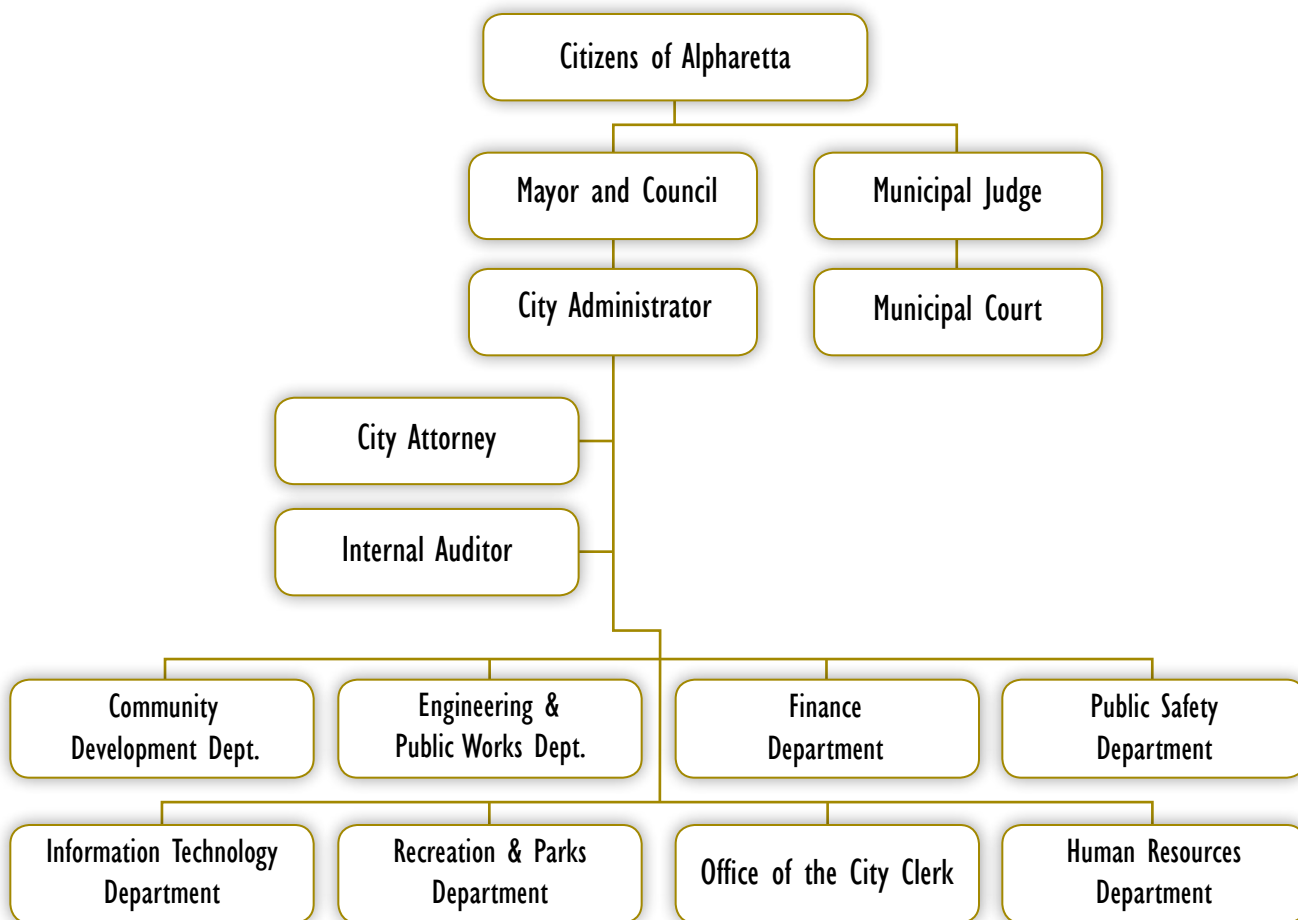
### Elected Officials

Mayor ..... Arthur Letchas  
 Council Member – Post 1. .... Doug DeRito  
 Council Member – Post 2. .... Jim Paine  
 Council Member – Post 3. .... John Monson  
 Council Member – Post 4. .... Debbie Gibson  
 Council Member – Post 5. .... David Belle Isle  
 Council Member – Post 6. .... D. C. Aiken  
 Municipal Judge. .... Jim Matoney

### Appointed Officials

City Administrator ..... Robert J. Regus  
 City Attorney ..... Sam Thomas  
 City Clerk ..... Sue Rainwater  
 Finance Director. .... Thomas G. Harris  
 Assistant City Administrator ..... Robert T. Rokovitz  
 Engineering & Public Works Director .. John Moskaluk  
 Information Technology Director. .... Randy Bundy  
 Recreation & Parks Director ..... Mike Perry  
 Court Clerk ..... Elizabeth Sahlin  
 Public Safety Director. .... Gary George  
 Community Development Director .... Diana Wheeler

## City of Alpharetta Organizational Chart June 30, 2007







## Committed to Excellence in General Government

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

### 150th Celebration

Please join the City of Alpharetta in celebrating our Sesquicentennial, 150th birthday, in 2008! In addition to sanctioning several organization or business-sponsored events, the city will be offering numerous 150th birthday celebration events throughout 2008, including the installation of approximately ten historical markers along the roadways throughout our city; the publication of a pictorial history book of our historical records, photographs, and heritage of our city; and the creation of a historic outdoor mural in downtown Alpharetta. All of the 150th birthday events will focus on honoring our past, celebrating our present, and imagining a bright future for a great community. For more information on our Sesquicentennial activities, please contact Kim Dodson, Special Events Manager, at 678-297-6078 or [kdodson@alpharetta.ga.us](mailto:kdodson@alpharetta.ga.us).



As part of the 150th year celebration, a pictorial book featuring Alpharetta's fascinating history will be available in the Summer 2008.

"As we prepare to recognize our rich history with our 150th celebration, our City continues to invest in technologies that will enable us to provide our citizenry with the most proficient and up to date services so we can meet the challenges of today and tomorrow with the same success as evidenced by our past."

**David Belle Isle**, City Council, Post 5





The City of Alpharetta provides quality services to our community, using the most effective, economical, and innovative approaches available in order to minimize the tax burden on our community. Great value to the taxpayers begins with a commitment to excellence within the internal departments of our city government. With this commitment in mind, our internal departments, from Grant Management to Human Resources, are driven to achieve more with less.

**30% Increase  
in Grant Funds**

**49% Increase  
in Website Visits**

**15% More Newsletter  
Recipients**

For fiscal year 2007, General Government's performance highlights include: a 30% increase in the number of grants being managed, a 49% increase in visits to the city's website, a 15% increase in the city's newsletter distribution, an 11% increase in the number of special events offered, a 20% increase in number of ordinances prepared, a 2% growth in the total number of full-time equivalent positions being supported, a 7% increase in the number of workstations supported, and a 3% increase in the number of software applications supported. In addition, between July 1, 2006 and June 30, 2007, 10 new grants were approved and received funding, totaling \$624,599 in taxpayers' savings to our community. All of these internal services enable our Recreation and Parks, Public Safety, Engineering and Public Works, and Community Development Departments to offer outstanding city services to our residents, businesses, and visitors, distinguishing the City of Alpharetta as a great place to live, work, recreate, and retire for now and the future.



"Managing fiscal operations to ensure the proper distribution of revenues while reducing unnecessary financial exposure to our taxpayers takes more than a sharp pencil; it takes an understanding and appreciation for the economy and the inherent shifts in the market to properly plan for tomorrow's expenditures using today's dollars coupled with our future funding expectations."

**D. C. Aiken, City Council, Post 6**



## Committed to Excellence in Public Safety

The Public Safety function focuses on the protection of the welfare, health, and safety of our community. The goals of our Public Safety Department include: to protect the public, to encourage participation between officers and citizens, to maintain strong partnerships with our community, to maximize the saving of lives, to minimize the loss of property and avoid loss whenever possible through prevention and education.

### Public Safety Foundation

Consistent with the city council goal of providing a safe, secure, and livable city, the Alpharetta Public Safety Foundation was formed and officially recognized by the Alpharetta City Council in December 2006, bringing together business leaders, community leaders, and the city's Public Safety Department. The Public Safety Foundation is a not-for-profit organization with the following goals: creating a dialogue between the city's public safety department and local businesses; identifying, prioritizing, and supplementing the safety needs of our local community through private funding and donations; and supporting the needs of the city's public safety personnel in compassionate and meaningful ways. This foundation will further improve the city's ability to respond to chronic and emergency needs at no additional costs to the taxpayers. This partnership demonstrates that public safety is a shared responsibility between all of us in our great city. For more information on the Public Safety Foundation, please visit [www.apsfoundation.org](http://www.apsfoundation.org).



"Our city is blessed to have a committed professional staff, dozens of certified and trained volunteers, and exemplary leaders protecting our city day and night. From bike patrols to traffic control and hazmat response to fire investigation, the entire force embodies a unified and cohesive philosophy in providing enforcement and emergency services to our community."

**Douglas DeRito**, City Council, Post 1







**Responded to 44 Fire  
and 2,865 Medical  
Incidents**

**Over 80 Thousand  
Calls for Service**

To further enhance public safety, in fiscal year 2007, the City of Alpharetta took a proactive approach and consolidated our public safety services, merging the Police Department with the Fire and Emergency Services Department. With a centralized command structure, managed growth, streamlined communications, and a clear vision for the future of the new Public Safety Department, they responded to 44 residential fires, 2,865 medical incidents, and 80,229 calls for service from July 1, 2006 through June 30, 2007. Throughout the year, there were 37,145 citations issued, including 21,359 red light citations. These citations resulted in the collection of \$2,797,324 in fines and forfeitures in 212 court sessions.

Beyond emergency situations, our Public Safety Department proactively educates our residential and business community throughout the year, conducting 71 business watch programs, 395 fire safety programs and two Citizens Academies. In addition, the Public Safety Department provided a variety of outreach programs, conducting 27 Police And Citizens Together (PACT) programs, and mentoring 71 Police Athletic League (PAL) participants. To ensure the safety of the public through compliance with all city fire codes, there were 6,456 new and existing building inspections completed during the fiscal year. With the hard work and dedication of our valued public safety personnel, our city continues to be a safe, secure, and livable city for all of us.

## ALPHARETTA HISTORY & HERITAGE



**SESQUICENTENNIAL  
SNAPSHOT**

**The Milton County  
Courthouse**



Milton County Courthouse in 1895. County officials gather in front of the Milton County Courthouse. A photographer's tent is seen on the right side of the photo.

Courtesy Clayton Camera Craft and Edwin & Martha Chester



## Committed to Excellence in Culture and Recreation

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

### Camp Happy Hearts

Camp Happy Hearts, an eight-week summer day camp subsidized by the City of Alpharetta's Recreation and Parks Department, offers a variety of recreational activities for mild special needs children in our area. With one camp counselor for every four children, campers enjoy swimming, arts and crafts, field trips, games, and many more fun summer activities. For more information about Camp Happy Hearts or other summer camps in our community, please contact the Alpharetta Recreation and Parks Department at 678-297-6143.



"Alpharetta is a premier location to live due to our variety of recreation programs and park facilities. We offer programs for a wide range of ages and interests, providing award-winning recreation and parks facilities. This year, we have expanded our passive and active ways to enjoy recreation by adding a dog park (Waggy World) for our four-legged citizens, Cogburn Road Park, complete with an active play area, walking trail and open green space, and Rock Mill Park (our Environmental Park) with environmental education kiosks, pavilions, and direct access to our 6.2 mile Greenway trail."

**Jim Paine**, City Council, Post 2 and Mayor Pro Tem





Consistent with the city council goal of providing recreational, education, and cultural opportunities, our Recreation and Parks Department offers a wide range of recreational activities, promoting the physical, social, and mental wellness of people of all ages and skill levels in our community, ranging from adult computer classes at the Alpharetta Adult Activity Center to women's beginning running program at the Alpharetta Community Center. From July 1, 2006 through June 30, 2007, there were 27,631 total registrations in the city's recreational programs, including 5,938 participants in athletic programs, 468 participants in art classes, 645 participants in tennis, and 375 participants in karate.

## 15 Special Events

**Over 27,000  
Recreational  
Registrations**

While supporting all of these great recreational programs at safe and convenient city facilities throughout our community, the department also hosted 15 special events, including the July 4th Celebration, Atlanta Symphony Orchestra Concert, and the Old Soldier's Day Race. New projects for fiscal year 2007 included: an update to our Comprehensive Parks Master Plan, equipment upgrades at Wills Park's Equestrian Center, the installation of a pavilion at Webb Bridge Park, the completion of the new Cogburn Road Park, and installation of an air-conditioning system in the Wills Park Recreation Center's gym. Our city parks, greenway, and city facilities provide many great opportunities for individuals to improve their health and enjoy the natural beauty of our environment.

### ALPHARETTA HISTORY & HERITAGE



#### SESQUICENTENNIAL SNAPSHOT

**Milton High School  
in 1924**



Milton High School tenth and eleventh grade classes for 1924. Elizabeth Norman is on the far left, third row. Elizabeth and her sisters, Marian and Martha Nell, became school teachers. Their mother, Nancy Lee Shell Norman, taught at Milton High.

Courtesy Marian Norman Bagwell



## Committed to Excellence in Public Works

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

### Traffic Mitigation

To further improve our community and mitigate traffic congestion, the City of Alpharetta is actively and aggressively addressing our transportation system needs. In addition to synchronizing traffic lights and expanding our existing sidewalk system, work to improve the intersections of Kimball Bridge Road at Waters Road and Webb Bridge Road at Shirley Bridge Road began during fiscal year 2007. Future intersection improvements are planned for the following locations: Windward Parkway at Highway 9, Windward Parkway at North Point Parkway, and North Point Parkway at Kimball Bridge Road. Our City council and Engineering/Public Works Department are working together to build and maintain a comprehensive transportation system for our city.



"Keeping up with the tremendous growth of our city, our Engineering and Public Works Department works continuously to design, construct, and maintain the city's infrastructure for our citizens, businesses, and visitors. During the past two years, the city has made great strides in effectively dealing with our traffic challenges. The enhancements in traffic signal timing have won national recognition for improving traffic operations within our city. Congratulations to our great folks in the Engineering and Public Works Department for a job well done!"

**John Monson, City Council, Post 3**







**38% Decrease in  
Time to Complete  
Work Requests**

**Over \$19 Million in  
Capital Contracts**

As a proactive community with a focus on our future, the City's Engineering and Public Works Department is dedicated to maintaining and improving our infrastructure and transportation system, developing a comprehensive transportation network of roadway, greenways, and walkways in our community. Throughout the 2007 fiscal year, our Engineering and Public Works Department coordinated and maintained city streets, traffic signals, and city facilities. As a responsive city department, the Engineering and Public Works Department significantly increased response time in a variety of areas, including sidewalk completion, pothole/gutter repair, roadway sign upgrade/replacements, roadway striping, storm drain clean-up, etc. On average, the number of days required to complete work requests decreased by 38% throughout fiscal year 2007.

Beyond public works, from July 1, 2006 through June 30, 2007, the Engineering and Public Works Department managed 61 capital/bond contracts, including \$19,014,733 in capital contracts, representing a 28% increase in the amount of capital contracts being managed over the prior fiscal year. All of the work of our Engineering and Public Work Department makes the city of Alpharetta a better place to live, work, recreate, and retire for the present and the future.

## ALPHARETTA HISTORY & HERITAGE



### SESQUICENTENNIAL SNAPSHOT

**The city's first  
phone call**



In his general merchandise store on Main Street, Mayor Toy Lively makes the city's first phone call using the newly installed dial system.

*Courtesy Southern Telephone News, March 1941 Issue, via Mike Lively and Jack Peevy*

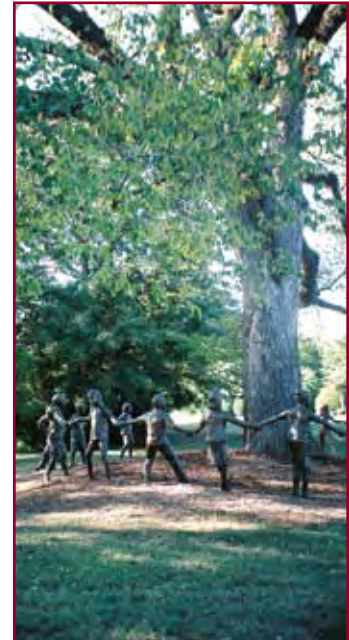


## Committed to Excellence in Community Development

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

### The Friendship Ring

Consistent with the city council goal of providing cultural opportunities for individuals of all ages, the City of Alpharetta dedicated the Friendship Ring, a series of 21 bronze sculptures of children linked in a ring around a large specimen tree, in July 2007, at the corner of Old Milton Parkway and Roswell Street. In addition to recognizing the beauty of the large heritage elm tree, the sculpture includes spaces where children interact with the sculpture, becoming part of the public art. To further enhance this great piece of public art, benches and lights were added to the site to allow for greater enjoyment of the beautiful sculpture.



"Beyond guiding quality growth, the Community Development Department prides itself on creating curbside charisma and community aesthetics. We recognize that establishing an enchanting environment builds upon our sense of community, sustains economic growth, and preserves the character of our town. In addition to public art such as the 'Friendship Ring' depicted above, we approved the creation of a more appealing landscape design in front of our public safety department which fronts Old Milton Parkway just east of 400, a significant hospitality corridor."

**Debbie Gibson**, City Council, Post 4





### **36 Parcels Annexed**

### **4,821 New Building Permits**

### **Over 20,000 Building Inspections**

While balancing the growth and development of our city with the protection of the natural resources in our environment, Community Development recruited three major business prospects and annexed 36 parcels into our great city during fiscal year 2007. From July 1, 2006 through June 30, 2007, while protecting the public health, safety, and welfare by ensuring compliance with city codes and ordinances, Community Development processed 71 new public hearing filings, issued 4,821 new building permits, conducted 2,874 code enforcement inspections, and 20,094 building inspection throughout the fiscal year. In addition, during fiscal year 2007, Community Development managed four special projects and two image enhancement projects for our city, including initiating the design work for the City Center Project for the new city hall and for the landscape beautification project at the Public Safety Headquarters. All of this outstanding work from our Community Development Department makes Alpharetta a great place to live, work, recreate, and retire.

## **ALPHARETTA HISTORY & HERITAGE**



### **SESQUICENTENNIAL SNAPSHOT**

**C.P. Brady  
& Sons**



Courtesy Connie Mashburn

In 1934, C. P. Brady bought the old J.J. Webb & Sons building that stood at the northeast corner of Academy and North Main Streets. The Wachovia Bank currently occupies this lot. For the next 35 years, the Brady family, including sons Loyal and Ben, operated a gasoline station, garage, small Chevrolet dealership, and taxi service from this building. The structure was razed around 1970.

# 2008 Calendar of Events



January	18	<b>Alpharetta's 150th Anniversary Kickoff</b>	Wills Park: Mansell House	678-297-6078
	18	<b>Historical Marker Unveiling</b>	TBD	678-297-6078
February	7	<b>Historical Marker Unveiling</b>	TBD	678-297-6078
	8	<b>Father/Daughter Dance</b>	Alpharetta Community Center	678-297-6150
	14	<b>Be My Valentine Drop-In Craft</b>	Crabapple Government Center	678-297-6160
March	2	<b>Alpharetta Marathan and Half Marathon</b>	City Hall	678-297-6078
	15	<b>Children's Easter Egg Hunt</b>	North Park	678-297-6100
	29	<b>Alpharetta's Children's Festival</b>	Alpharetta Community Center: Event Lawn	678-297-6165
April	19	<b>Touch A Truck</b>	North Park	678-297-6100
	19-20	<b>Alpharetta Arts StreetFest</b>	Historic Downtown: Milton Ave	678-297-6078
	25	<b>National Dance Week Celebration</b>	Alpharetta Community Center	678-297-6150
May	2	<b>Spring Student/Staff Art Show</b>	Crabapple Government Center	678-297-6160
	10	<b>Mother/Daughter/Granddaughter Luncheon</b>	North Park: Adult Activity Center	678-297-6140
	15	<b>18th Annual Taste of Alpharetta</b>	Old Milton Pkwy @ Wills Park	678-297-6078
	17	<b>12th Annual Mayor's Challenge Road Race</b>	Wills Park: Pool	678-297-6078
	17	<b>Rhythm n' Shoes Dance Recital</b>	Stone Creek Church	678-297-6100
June	4	<b>Tennis Day for Seniors</b>	North Park: Tennis Center	678-297-6140
	7	<b>Western Round-Up Pool Party</b>	Wills Park: Pool	678-297-6107
	8	<b>Alpharetta City Bank Concert</b>	North Park: Adult Activity Center	678-297-6140
July	4	<b>Fireworks and Children's Activities</b>	Alpharetta Community Center & Wills Park	678-297-6150
	16	<b>20th Anniversary Party</b>	North Park: Adult Activity Center	678-297-6140
	25	<b>Friday Night Dive-In</b>	Wills Park: Pool	678-297-6100
	26	<b>7th Annual Fishing Derby</b>	Brookside Office Park Lake	678-297-6140
August	2	<b>Old Soldier's Day Race</b>	Wills Park: Pool	678-297-6100
	2	<b>Old Soldier's Day Band, Program, and Parade</b>	City Hall	678-297-6078
	8	<b>Olympics Kick-Off Pool Party</b>	Wills Park: Pool	678-297-6107
	16	<b>Alpharetta Community Center Open House</b>	Alpharetta Community Center	678-297-6100
September	13	<b>Old Milton Country Fair</b>	Milton Center	678-297-6078
	TBD	<b>Grandparent/Grandchild Fishing Derby</b>	Brookside Office Park Lake	678-297-6140
October	4	<b>Scarecrow Harvest</b>	Historic Downtown: Old Roswell St	678-297-6078
	25	<b>Halloween Hayrides &amp; Haunts</b>	Wills Park: Recreation Center	678-297-6130
	28 - 30	<b>Decorate a Pumpkin</b>	Alpharetta Community Center	678-297-6150
	TBD	<b>Fall Student/Staff Art Show</b>	Crabapple Government Center	678-297-6165
December	7	<b>31st Annual Christmas Tree Lighting</b>	Historic Downtown: Milton Ave	678-297-6078
	TBD	<b>Santa's Calling</b>	North Pole	678-297-6130
	TBD	<b>Alpharetta City Band Concert</b>	North Park: Alpharetta Adult Activity Center	678-297-6140
	TBD	<b>Cookies with the Clauses</b>	Alpharetta Community Center	678-297-6100
	TBD	<b>Breakfast with Santa</b>	North Park: Alpharetta Adult Activity Center	678-297-6140



# Financial Section



# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

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Honorable Mayor and Members  
Of 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, 2007, which collectively comprise the City of Alpharetta, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Alpharetta, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alpharetta, Georgia as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • [www.mjcpa.com](http://www.mjcpa.com)  
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In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2007, on our consideration of the City of Alpharetta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 27 through 35 and the schedule of funding progress and budgetary comparison information on pages 65 through 66 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As described in Notes IV.C and V.G, the City of Alpharetta, Georgia has retroactively reported major general infrastructure assets, as required by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended and interpreted, as of and for the year ended June 30, 2007.

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

Atlanta, Georgia  
December 13, 2007

*Mauldin & Jenkins, LLC*

## **Financial Section**

# **Management's Discussion and Analysis**

# 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, 2007. 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 \$199,288,798 (*total net assets*). Of this amount \$25,444,879 (*unrestricted net assets*) may be used to meet the ongoing obligations of the government.
- The City's total net assets increased by \$17,932,565. Approximately 50% of this amount is attributable to an increase in capital assets. These new assets were acquired through the annexation of 1.52 square miles of area adjoining Alpharetta.
- As of the close of the current fiscal year, the City of Alpharetta's governmental funds reported combined ending fund balances of \$54,714,853, a decrease of \$3,959,005 from the prior year, primarily due to the expenditure of bond monies in the Bond IV capital fund. The General Fund's unreserved, undesignated fund balance at year end is \$6,423,912 or 11.7% of the governmental funds' combined ending fund balance, which is available for spending at the City's discretion.
- At the end of the current fiscal year, the unreserved fund balance designated for operations in the general fund was \$13,011,276. Of the amount, \$4,582,558 was designated for use in the fiscal year 2008 annual budget for one-time type expenditures. The remaining balance of \$8,428,718 (representing 18% of operating expenditures of the 2008 budget) has been set aside for fiscal emergencies.
- The City's total governmental activities debt (including notes) decreased by \$6,345,025 during the current fiscal year due to regularly scheduled principal payments being made.

## Overview of the Financial Statements

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

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

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

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

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



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

The government-wide financial statements can be found on pages 37 and 38 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 govern-

mental fund statement of revenues, expenditures, and changes in fund balances for the general, debt service, capital project, and bond IV (2006 general obligation bond issue) 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 City adopts an annual appropriated budget for all its governmental funds, except capital projects funds, for which project-length budgets are adopted. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 39 through 41 of this report.

**Proprietary funds.** The City maintains one of 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 enterprise funds 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. Since the City does not currently use internal service funds, budgetary appropriations and expenditures are maintained within the function of each fund where these services would otherwise be performed.

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.

The basic proprietary fund financial statements can be found on pages 42 through 44 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 ac-

counting used for fiduciary funds is much like that used for proprietary funds. The Fiduciary Fund financial statements provide separate information for the pension trust activities.

The basic fiduciary fund financial statements can be found on pages 45 and 46 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 47 through 63 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 benefits to its employees. In addition, a budgetary comparison schedule 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 64 through 66 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 68 through 76 of this report.

## Government-wide Financial Analysis

Following is a summary of the City's net assets as found on page 37 of this report.

### City of Alpharetta's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$61,340,221	\$63,749,363	\$1,520,794	\$1,336,631	\$62,861,015	\$65,085,994
Capital assets	201,620,850	186,876,114	–	–	201,620,850	186,876,114
<b>Total assets</b>	<b>262,961,071</b>	<b>250,625,477</b>	<b>1,520,794</b>	<b>1,336,631</b>	<b>264,481,865</b>	<b>251,962,108</b>
Current liabilities	5,231,523	10,760,047	889,656	862,404	13,129,504	11,622,451
Non-current liabilities outstanding	59,071,205	58,976,382	683	7,042	52,063,563	58,983,424
<b>Total liabilities</b>	<b>64,302,728</b>	<b>69,736,429</b>	<b>890,339</b>	<b>869,446</b>	<b>65,193,067</b>	<b>70,605,875</b>
Net assets:						
Invested in capital assets, net of related debt	159,669,387	144,052,036	–	–	159,669,387	144,052,036
Restricted	14,174,532	14,392,861	–	–	14,174,532	14,392,861
Unrestricted	24,814,424	22,444,151	630,455	467,185	25,444,879	22,911,336
<b>Total net assets</b>	<b>\$198,658,343</b>	<b>\$180,889,048</b>	<b>\$630,455</b>	<b>\$467,185</b>	<b>\$199,288,798</b>	<b>\$181,356,233</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 \$199,288,798 at the close of the most recent fiscal year. The largest portion of the City's net assets (80.1%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machin-

ery, and equipment); less any related debt used to acquire those assets that is still outstanding. 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 (7.1%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2007 the City's restricted net assets were \$14,174,532, representing \$3,465,442 obligated for capital projects and \$10,709,090 restricted for the repayment of general obligation bond debt.

The remaining balance in unrestricted net assets of \$25,444,879 (12.8%) 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	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
<i>Program revenues:</i>						
Charges for services	\$12,312,033	\$10,389,215	\$2,621,405	\$1,985,355	\$14,933,438	\$12,374,570
Operating grants and contributions	1,129,000	116,537	–	–	1,129,000	116,537
Capital grants and contributions	10,554,478	53,542,116	–	–	10,554,478	53,542,116
<i>General revenues:</i>						
Property taxes	22,438,746	21,015,938	–	–	22,438,746	21,015,938
Local option sales tax	9,992,908	8,838,133	–	–	9,992,908	8,838,133
Other taxes	13,536,410	12,023,499	–	–	13,536,410	12,023,499
Unrestricted investment earnings	3,179,417	1,105,481	41,859	27,483	3,221,276	1,132,964
<b>Total revenues</b>	<b>73,142,992</b>	<b>107,030,919</b>	<b>2,663,264</b>	<b>2,012,838</b>	<b>75,806,256</b>	<b>109,043,757</b>
<b>Expenses</b>						
General government	11,261,061	8,990,207	–	–	11,261,061	8,990,207
Public safety	20,667,092	19,095,508	–	–	20,667,092	19,095,508
Public works	9,634,496	5,662,936	–	–	9,634,496	5,662,936
Community development	3,821,709	3,836,608	–	–	3,821,709	3,836,608
Culture and recreation	6,884,913	6,495,895	–	–	6,884,913	6,495,895
Interest on long-term debt	3,104,426	2,043,045	–	–	3,104,426	2,043,045
Solid waste	–	–	2,499,994	2,231,660	2,499,994	2,231,660
<b>Total expenses</b>	<b>55,373,697</b>	<b>46,124,199</b>	<b>2,499,994</b>	<b>2,231,660</b>	<b>57,873,691</b>	<b>48,355,859</b>
Increase in net assets before transfers	17,769,295	60,906,720	163,270	(218,822)	17,932,565	60,687,898
Transfers	–	(250,868)	–	250,868	–	–
Increase in net assets	17,769,295	60,655,852	163,270	32,046	17,932,565	60,687,898
Net assets – Beginning (as restated)	180,889,048	120,233,196	467,185	435,139	181,356,233	120,668,335
<b>Net assets - Ending</b>	<b>\$198,658,343</b>	<b>\$180,889,048</b>	<b>\$630,455</b>	<b>\$467,185</b>	<b>\$199,288,798</b>	<b>\$181,356,233</b>



**Governmental activities.** Governmental activities increased the City's net assets by \$17,769,295 thereby accounting for nearly all of the total growth in the net assets of the City (business-type activities also had an increase in net assets of \$163,270 as noted earlier). Key elements of this increase are as follows:

- As noted earlier, approximately 50% of the increase is attributable to the annexation of properties into the city limits and the recording of such transactions as a capital contribution.
- All categories of general revenues and all program revenues, excluding Capital Grants and contributions, reflected an increase in revenues from fiscal year 2006.
- Charges for services increased by \$1,922,818 primarily due to revenues associated with public safety functions such as E-911 landline and cell phone charges (\$300,000); drug enforcement confiscations (\$127,000); and court fines (\$450,000).

- Property taxes increased by \$1,422,808 primarily due to approximately \$400 million of new development and annexed properties.
- Unrestricted investment earnings increased by \$2,073,936 due to the issuance of bonds in late fiscal year 2006 and prudent investment management of such unspent proceeds.

**Business-type activities.** Business-type activities increased the City of Alpharetta's net assets by \$163,270, as stated earlier. The primary element of this increase is the annexation of new customers to the city.

## Financial Analysis of the Government's Funds

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

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

As of the end of fiscal year 2007, the City reported governmental funds combined ending fund balance of \$54,714,853, a decrease of \$3,959,005 from the prior year. The largest component of this amount (\$39,494,250) constitutes *unreserved fund balance* with \$18,023,349 attributable to capital project funds. The remaining portion represents *reserved fund balance* and comprises \$15,220,603, indicating that it is not available for new spending. This amount has already been committed to: 1) capital contracts which have been approved, but not yet expended, (\$2,254,388), 2) future debt expenditures (\$10,709,090), or 3) a variety of other restricted purposes (\$2,257,125).

**General fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, *unreserved fund balance* of the general fund was \$19,435,188, 1) \$4,582,558 was designated for the subsequent year's expenditures (included in the 2008 budget), 2) \$8,428,718 was designated for emergencies (18% of operating expenditures of the 2008 budget) in accordance with policy, and 3) \$6,423,912 was available for new one-time type future projects. As a measure of the liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. *Unreserved fund balance* represents 49.9% of total general fund expenditures, while total fund balance represents 51.0% of that same amount.

The fund balance of the City's general fund decreased during fiscal year 2007 by \$2,559,362. Revenues exceeded expenditures by approximately \$6.0 million,

however, net transfers out were \$8.5 million. Council approved the utilization of prior year *unreserved fund balance* for debt service bond smoothing (\$3.0 million) and capital projects (\$7.0 million). Other significant variances are explained below:

- An increase in total revenues of \$4,085,232 from the prior year. This increase was primarily due to an increase in Sales and Use Tax revenue of \$1,154,775 attributable to strong economic growth around North Georgia.
- An increase in other taxes of \$1,164,488 primarily due to the increase in franchise fees of \$894,768.
- Investment earnings resulted in an additional \$639,881 over prior year revenues.
- Expenditures came in well under budget, at \$38,905,737 with \$2,707,930 of the original budgetary appropriation unspent.

**Capital Project Fund.** Annually, City Council approves a capital program as part of the budget process. Funding for these projects comes primarily from available fund balance of the general fund. The Capital Project Fund accounts for these activities. During the year \$7,000,000 was transferred to this fund from the general fund, while expenditures amounted to \$7,473,914. The above, together with additional revenues of \$1,420,299, resulted in an increase in fund balance of \$946,385 yielding a fund balance at year end of \$4,369,048.

**Bond IV Fund.** In June 2006, the City issued \$26.3 million General Obligation Bonds for the purpose of acquiring and constructing major capital facilities. The Bond IV Fund was established to record these acquisitions. Revenues during the year amounted to interest earnings of \$854,364 and other revenues of \$1,039,061 (\$1,000,000 attributable to a refund from the state of Georgia originally provided by the City to jointly fund a roadway project). Expenditures primarily were for capital outlay of \$7,709,848. A decrease in fund balance of \$6,205,992 brings the fund balance at the end of the year to \$14,288,557.

**Debt Service Fund.** Used to accumulate resources for the repayment of debt (general obligation bonds),

the debt service fund closed the fiscal year with a total fund balance of \$10,709,090 all of which is reserved for the payment of debt. The net increase in fund balance during the current year of 2007 (\$3,841,092) is primarily attributable to inter-fund transfers. The general fund transferred \$3,000,000 while the impact fee special revenue fund provided \$980,000.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary fund at the end of the year amounted to \$630,455. The total change in net assets for the solid waste funds was \$163,270. Refuse collection charges increased \$636,561 over the prior year due to rate changes in June of 2006 and annexations. Expenses increase about \$250,000.

## 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. Differences between the original budget and final amended budget are summarized as follows:

During the year, there was a \$463,570 increase in appropriations between the original and final amended budget. The following are the main components of the increase:

- \$265,635 supplemental appropriation due to revised actuarial requirements to fund the pension plan subsequent to the transfer of the plan from the Georgia Municipal Association.
- \$45,000 supplemental appropriation to cover unanticipated utility rate increases in culture and recreation.
- \$112,625 supplemental appropriation to cover salaries, benefits, and other expenditures for five additional police officers.
- \$40,310 supplemental appropriations for a new position in professional fees, and other charges of municipal court.

The increases were possible because of additional anticipated revenues. Those revenues included an increase in Local Option Sales Tax (\$113,570); primarily attributable to strong local economic activity within the City; Motor Vehicle Tax collections (\$100,000) due to a conservative budget estimate; and an increase in interest revenue fee collections (\$250,000) due to better than expected investment earnings.

## Capital Asset and Debt Administration

**Capital assets.** The City of Alpharetta's investment in capital assets for its governmental and business type activities as of June 30, 2007, amounts to \$201,620,850 (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). The City adjusted the beginning investment in capital assets for the current fiscal year due to the retroactive reporting of infrastructure for assets acquired prior to October 1, 2000 in accor-

dance with GASB 34. Additionally, other changes are as follows:

- Recent annexation of 1.52 square miles of new property resulted in donated infrastructure of \$9,260,202.
- The completion of the following capital projects: North Park Miracle Field Concession Building (\$575,903); Webb Bridge Road Pedestrian Bridge (\$247,000); and Wills Park Concession Building (\$359,689).

### City of Alpharetta's Capital Assets (Net of Depreciation)

	Governmental Activities	
	2007	2006
Land and permanent improvements	\$45,719,859	\$43,852,092
Buildings	23,532,044	21,806,908
Improvement other than buildings	10,646,459	11,975,369
Machinery and equipment	4,958,632	4,530,549
Infrastructure	105,707,472	101,138,408
Construction in progress	11,056,384	3,572,788
<b>Total</b>	<b>\$201,620,850</b>	<b>\$186,876,114</b>

*Additional information on the City of Alpharetta's capital assets can be found in note IV.C on pages 56 and 57 of this report.*

**Long-term debt.** At the end of the fiscal year 2007, the City's total outstanding debt was \$57,416,325. Of this amount, \$56,145,000 represented general obli-

gation bonds, and outstanding notes of \$1,271,325. 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	
	2007	2006
General obligation bonds	\$56,145,000	\$62,410,000
Notes payable	1,271,325	1,351,350
<b>Total</b>	<b>\$57,416,325</b>	<b>\$63,761,350</b>

The City's total debt decreased by \$6,345,025 (10.0%) during the 2007 fiscal year (includes bond debt and notes). The decrease is as a result of scheduled principal payments.

The City currently has an uninsured "AAA" rating from Standard & Poor's and a "Aaa" rating from Moody's for its general obligation debt. Keys to such elite ratings are a result of strong and proactive administration; effective debt management policies with moderate to low debt ratios; a vibrant and diverse economy; and a strong track record of managing the financial positions supported by

sufficient reserves and established policies that guide management practices.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation, less current debt issued. The City's outstanding obligation debt is significantly less than the legal debt limitation of \$375,083,691.

Additional information on the City's long-term debt can be found in note IV.F on pages 58 through 60 of this report.

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

All of the factors below were considered in preparing the City's budget for the 2008 fiscal year.

- Sustainability of existing services – the City has deployed a philosophy of budgetary evaluation, focusing on long term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- The government chose to lower the property tax millage rate to 6.248, representing a reduction of .352 mills from the previous year. Furthermore, City Council increased the homestead exemption from \$20,000 to \$30,000. The reduction in the millage rate equates to tax relief in the amount of approximately \$1,400,000. Additional revenue in the amount of \$1,210,286 is attributed to new development and newly annexed properties.
- Increasing debt service payments – the government's existing debt structure is such that payments increase each fiscal year. As a result, the City initiated a program to establish reserves within the debt service fund which will assist in eliminating the spikes associated with the future debt payments.
- The City began a commitment to fund recurring capital projects from the operating budget as opposed to funding available fund balance. As such, the 2008 budget appropriated \$700,000 to milling and resurfacing of roads.

The City restricts the use of one-time revenues to operations, and limits the growth in expenditures from operations to those performance indicators which are deemed appropriate by City Council.

## 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:

The Department of Finance  
City of Alpharetta  
Two South Main Street  
Alpharetta, Georgia 30004  
or by calling 678-297-6060.

# **Financial Section**

## **Basic Financial Statements**

**City of Alpharetta**  
**Statement of Net Assets**  
June 30, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Authority
<b>Assets</b>				
Cash and cash equivalents	\$3,016,884	\$362,027	\$3,378,911	\$ —
Investments	37,266,225	1,021,915	38,288,140	—
Receivables, net of allowance for uncollectibles	3,804,637	136,823	3,941,460	58,345
Direct financing lease receivable	—	—	—	7,705,000
Prepaid expenses	65,689	29	65,718	—
Restricted assets:				
Cash and cash equivalents	945,758	—	945,758	—
Investments	15,006,329	—	15,006,329	—
Receivables	122,921	—	122,921	—
Deferred charges	159,525	—	159,525	—
Other non-current asset	952,253	—	952,253	—
Capital assets, non-depreciable	56,776,243	—	56,776,243	—
Capital assets, depreciable, net of accumulated depreciation	144,844,607	—	144,844,607	—
<b>Total assets</b>	<b>262,961,071</b>	<b>1,520,794</b>	<b>264,481,865</b>	<b>7,763,345</b>
<b>Liabilities</b>				
Accounts payable and other current liabilities	4,783,483	208,778	4,992,261	—
Unearned revenue	—	680,878	680,878	—
Bonds and notes payable:				
Interest payable	448,040	—	448,040	58,345
Due within one year	7,008,325	—	7,008,325	505,000
Due in more than one year	50,108,992	—	50,108,992	7,200,000
Noncurrent liabilities:				
Due within one year	1,541,089	683	1,541,772	—
Due in more than one year	412,799	—	412,799	—
<b>Total assets</b>	<b>64,302,728</b>	<b>890,339</b>	<b>65,193,067</b>	<b>7,763,345</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	159,669,387	—	159,669,387	—
Restricted for:				
Debt service	10,709,090	—	10,709,090	—
Capital projects	3,465,442	—	3,465,442	—
Unrestricted	24,814,424	630,455	25,444,879	—
<b>Total net assets</b>	<b>\$198,658,343</b>	<b>\$630,455</b>	<b>\$199,288,798</b>	<b>\$ —</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, 2007

					Net (Expense) Revenue and Changes in Net Assets			
Functions/Programs	Expenses	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
<i>Primary government</i>								
Governmental activities:								
General government	\$11,261,061	\$4,053,626	\$19,063	—	\$(7,188,372)	—	\$(7,188,372)	—
Public safety	20,667,092	3,202,515	21,733	53,371	(17,389,473)	—	(17,389,473)	—
Public works	9,634,496	228,036	1,039,061	10,430,102	2,062,703	—	2,062,703	—
Community development	3,821,709	2,842,438	36,991	71,005	(871,275)	—	(871,275)	—
Culture and recreation	6,884,913	1,985,418	12,152	—	(4,887,343)	—	(4,887,343)	—
Interest on long-term debt	3,104,426	—	—	—	(3,104,426)	—	(3,104,426)	—
Total governmental activities	55,373,697	12,312,033	1,129,000	10,554,478	(31,378,186)	—	(31,378,186)	—
Business-type activities:								
Solid waste	2,499,994	2,621,405	—	—	—	121,411	121,411	—
Total business-type activities:	2,499,994	2,621,405	—	—	—	121,411	121,411	—
Total primary gov't	\$57,873,691	\$14,933,438	\$1,129,000	\$10,554,478	(31,378,186)	121,411	(31,256,775)	—
<i>Component units</i>								
Development Authority	356,456	—	—	—	—	—	—	(356,456)
Total component units	\$356,456	—	—	—	—	—	—	(356,456)

General revenues:				
Property taxes		22,438,746	—	22,438,746
Sales taxes		9,992,908	—	9,992,908
Franchise taxes		5,065,549	—	5,065,549
Hotel/Motel occupancy tax		3,479,163	—	3,479,163
Business taxes		3,054,027	—	3,054,027
Other taxes		1,937,671	—	1,937,671
Unrestricted investment earnings		3,179,417	41,859	3,221,276
Total general revenues		49,147,481	41,859	49,189,340
Change in net assets		17,769,295	163,270	17,932,565
Net assets, beginning of year, restated		180,889,048	467,185	181,356,233
Net assets, end of year		\$198,658,343	\$630,455	\$199,288,798

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



**City of Alpharetta**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2007

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Project	Bond IV		
<b>Assets</b>						
Cash and cash equivalents	\$295,390	\$323,330	\$252,515	\$235,883	\$1,909,766	\$3,016,884
Investments	18,823,351	10,411,616	5,097,189	—	2,934,069	37,266,225
Taxes receivable	2,696,250	77,831	—	—	295,180	3,069,261
Accounts receivable	153,473	—	186,995	57,935	336,973	735,376
Due from other funds	147,322	—	257	—	—	147,579
Prepaid expenditures	65,065	—	—	—	624	65,689
Restricted assets:						
Cash	—	—	—	—	945,758	945,758
Investments	—	—	—	15,006,329	—	15,006,329
Intergovernmental receivable	—	—	—	—	122,921	122,921
<b>Total assets</b>	<b>\$22,180,851</b>	<b>\$10,812,777</b>	<b>\$5,536,956</b>	<b>\$15,300,147</b>	<b>\$6,545,291</b>	<b>\$60,376,022</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$1,154,485	\$2,054	\$803,080	\$409,378	\$682,942	\$3,051,939
Retainage payable	—	—	178,105	572,705	106,181	856,991
Accrued salaries	840,087	—	—	—	34,466	874,553
Due to other funds	—	—	—	29,507	118,072	147,579
Deferred revenue	339,900	101,633	186,723	—	101,851	730,107
<b>Total liabilities</b>	<b>2,334,472</b>	<b>103,687</b>	<b>1,167,908</b>	<b>1,011,590</b>	<b>1,043,512</b>	<b>5,661,169</b>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Prepaid expenditures	65,065	—	—	—	624	65,689
Encumbrances	—	—	630,439	848,829	775,120	2,254,388
Tree bank	346,126	—	—	—	—	346,126
Debt service	—	10,709,090	—	—	—	10,709,090
Capital projects	—	—	—	—	1,845,310	1,845,310
<b>Unreserved:</b>						
<b>Reported in, designated for:</b>						
General fund, operations	13,011,276	—	—	—	—	13,011,276
Special revenue funds, operations	—	—	—	—	2,035,713	2,035,713
<b>Undesignated, reported in:</b>						
General fund	6,423,912	—	—	—	—	6,423,912
Capital project funds	—	—	3,738,609	13,439,728	845,012	18,023,349
<b>Total fund balances</b>	<b>19,846,379</b>	<b>10,709,090</b>	<b>4,369,048</b>	<b>14,288,557</b>	<b>5,501,779</b>	<b>54,714,853</b>
<b>Total liabilities and Fund balances</b>	<b>\$22,180,851</b>	<b>\$10,812,777</b>	<b>\$5,536,956</b>	<b>\$15,300,147</b>	<b>\$6,545,291</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.	201,620,850
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	730,107
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(59,359,720)
Net pension asset that is not a financial resource used in governmental activities and therefore not reported in governmental funds.	952,253

<b>Net assets of governmental activities</b>	<b>\$198,658,343</b>
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*The accompanying notes are an integral part of these financial statements.*

**City of Alpharetta**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2007**

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Project	Bond IV		
<b>Revenues</b>						
Taxes:						
Property taxes	\$14,124,495	\$8,373,882	—	—	—	\$22,498,377
Sales and use taxes	9,992,908	—	—	—	—	9,992,908
Other taxes	10,057,247	—	—	—	3,479,163	13,536,410
Licenses and permits	2,650,990	—	—	—	—	2,650,990
Charges for services	3,395,473	—	—	—	1,503,831	4,899,304
Impact fees	—	—	—	—	1,115,177	1,115,177
Fines and forfeitures	3,250,607	—	—	—	227,146	3,477,753
Intergovernmental	12,152	—	—	—	177,985	190,137
Contributions and donations	19,063	—	1,169,900	—	5,115	1,194,078
Investment earnings	1,231,512	633,311	250,399	854,364	209,831	3,179,417
Other revenues	145,928	10,465	—	1,039,061	12,416	1,207,870
<b>Total revenues</b>	<b>44,880,375</b>	<b>9,017,658</b>	<b>1,420,299</b>	<b>1,893,425</b>	<b>6,730,664</b>	<b>63,942,421</b>
<b>Expenditures</b>						
Current:						
General government	7,133,856	4,204	—	50,442	35,269	7,223,771
Public safety	18,203,890	—	—	—	1,654,985	19,858,875
Public works	5,762,199	—	—	—	—	5,762,199
Community development	1,803,052	—	—	—	2,087,498	3,890,550
Culture and recreation	6,002,740	—	—	—	40,806	6,043,546
Capital outlay	—	—	7,473,914	7,709,848	1,005,890	16,189,652
Debt Service:						
Principal	—	6,345,025	—	—	—	6,345,025
Interest	—	2,807,337	—	—	—	2,807,337
<b>Total expenditures</b>	<b>38,905,737</b>	<b>9,156,566</b>	<b>7,473,914</b>	<b>7,760,290</b>	<b>4,824,448</b>	<b>68,120,955</b>
Excess (deficiency) of revenues over (under) expenditures	5,974,638	(138,908)	(6,053,615)	(5,866,865)	1,906,216	(4,178,534)
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of capital assets	219,529	—	—	—	—	219,529
Transfers in	1,730,792	3,980,000	7,000,000	—	484,321	13,195,113
Transfers out	(10,484,321)	—	—	(339,127)	(2,371,665)	(13,195,113)
<b>Total other financing sources (uses)</b>	<b>(8,534,000)</b>	<b>3,980,000</b>	<b>7,000,000</b>	<b>(339,127)</b>	<b>(1,887,344)</b>	<b>219,529</b>
Net change in fund balances	(2,559,362)	3,841,092	946,385	(6,205,992)	18,872	(3,959,005)
Fund balances, beginning of year	22,405,741	6,867,998	3,422,663	20,494,549	5,482,907	58,673,858
<b>Fund balances, end of year</b>	<b>\$19,846,379</b>	<b>\$10,709,090</b>	<b>\$4,369,048</b>	<b>\$14,288,557</b>	<b>\$5,501,779</b>	<b>\$54,714,853</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, 2007**

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

Net change in fund balances - total governmental funds . . . . . \$ (3,959,005)

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 . . . . . 5,984,936

The net effect of various miscellaneous transactions involving capital assets (i.e. donations and sales) is to increase net assets . . . . . 8,759,800

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds . . . . . (59,631)

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 . . . . . 6,295,419

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 . . . . . 747,776

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\$17,769,295

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

**City of Alpharetta**  
**Statement of Net Assets**  
**Proprietary Fund**  
June 30, 2007

<i>Assets</i>	<u>Solid Waste Fund</u>
<b>Current assets:</b>	
Cash and cash equivalents	\$362,027
Investments	1,021,915
Accounts receivable, net of allowance for uncollectibles	136,823
Prepaid expenses	29
<b>Total assets</b>	<b>1,520,794</b>
 <i>Liabilities</i>	
<b>Current liabilities:</b>	
Accounts payable	207,402
Accrued salaries	1,376
Unearned revenue	680,878
Compensated absences payable	683
<b>Total liabilities</b>	<b>890,339</b>
 <i>Net Assets</i>	
Unrestricted	630,455
<b>Total net assets</b>	<b>\$630,455</b>

*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 Fund**

For the Fiscal Year Ended June 30, 2007

<b>Operating revenues:</b>	<u>Solid Waste Fund</u>
Charges for services:	
Refuse collection charges	\$2,619,130
Miscellaneous revenue	2,275
<b>Total operating revenues</b>	<b>2,621,405</b>
<b>Operating expenses:</b>	
Administration	2,499,994
<b>Total operating expenses</b>	<b>2,499,994</b>
<b>Operating income</b>	<b>121,411</b>
<b>Non-operating revenues:</b>	
Investment earnings	41,859
<b>Total non-operating revenues</b>	<b>41,859</b>
<b>Change in net assets</b>	<b>163,270</b>
<b>Net assets, beginning of year</b>	<b>467,185</b>
<b>Net assets, end of year</b>	<b>\$630,455</b>

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

**City of Alpharetta**  
**Statement of Cash Flows**  
**Proprietary Fund**  
For the Fiscal Year Ended June 30, 2007

	<u>Solid Waste Fund</u>
<i>Cash Flows from Operating Activities</i>	
Receipts from customers and users	\$2,715,425
Payments to vendors	(2,537,505)
Payments to employees	(55,942)
<b>Net cash used in operating activities</b>	<b>121,978</b>
<i>Cash Flows from Investing Activities</i>	
Proceeds from sales and maturities of investments	(714,281)
Interest and dividends received	41,859
<b>Net cash provided by investing activities</b>	<b>(672,422)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(550,444)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>912,471</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$362,027</b>
Reconciliation of operating income to net cash provided by operating activities:	
<b>Operating income</b>	<b>\$121,411</b>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(20,465)
Decrease in prepaid expenses	139
Decrease in accounts payable	(81,464)
Decrease in compensated absences payable	(6,359)
Increase in other accrued liabilities	108,716
<b>Net cash provided by operating activities</b>	<b>\$121,978</b>

*The accompanying notes to the financial statements are an integral part of this statement.*



City of Alpharetta  
Statement of Fiduciary Net Assets  
Pension Trust Fund  
June 30, 2007

*Assets*

Cash	\$76,323
Mutual funds	18,331,386
<b>Total assets</b>	<b>18,407,709</b>

*Liabilities*

Accounts payable	36,459
<b>Total liabilities</b>	<b>36,459</b>

*Net Assets*

Assets held in trust for pension benefits (See RSI for a schedule of funding progress)	<b>\$18,371,250</b>
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*The accompanying notes are an integral part of these financial statements.*

**City of Alpharetta**  
**Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Fund**  
For the Fiscal Year Ended June 30, 2007

***Additions***

Contributions	
Contributions from other sources	\$14,883,885
Employer contributions	1,948,525
<b>Total contributions</b>	<b>16,832,410</b>
Investment income:	
Net appreciation in fair value of investments	1,087,563
Interest and dividends	1,040,585
<b>Total investment income</b>	<b>2,128,148</b>
<b>Total additions</b>	<b>18,960,558</b>

***Deductions***

Benefit payments	413,367
Administrative fees	175,941
<b>Total deductions</b>	<b>589,308</b>
<b>Net increase</b>	<b>18,371,250</b>

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

Beginning of year	—
<b>Total net assets</b>	<b>\$18,371,250</b>

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

## I. Summary of significant accounting policies

### A. Reporting entity

The City of Alpharetta (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. The only balance sheet items of the Authority consist of revenue bonds payable and the corresponding financing lease receivable, with the only activity being the interest income and expense related to these balances. Because none of these balance sheet items would be reported under the modified accrual basis of accounting, a fund level balance sheet has not been prepared for the Authority. Separate financial statements for the Development Authority are not prepared.

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

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes

and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

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

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

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

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

Property taxes received up to sixty days after year end, local option sales tax, franchise taxes, and other various taxes coupled with licenses, grants, 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 debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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

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

The government reports the following major proprietary fund:

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

The government also reports a pension trust fund which accounts for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by the government at rates determined by actuarial computations.

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's enterprise fund are charges to customers for sales and services.

Operating expenses for the enterprise fund consists of administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

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

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

### **2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

### **3. Prepaid items**

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

### **4. Restricted assets**

Proceeds of the 1998 General Obligation Bond Issue and 2006 General Obligation Bond Issue are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by applicable bond covenants. The "bond construction" account is used to report those proceeds that are restricted for use in the construction of voter approved projects. There are also restricted accounts relating to grant activities, which have been restricted by the grantor agencies.

### **5. Capital assets**

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

The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure

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

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

Assets . . . . .	Years
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 is-

suance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**8. Fund equity**

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

**9. Management estimates**

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



## II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$59,359,720 difference are as follows:

Bonds payable	\$56,145,000
Less: Deferred charges on refunding	(782,262)
Less: Deferred charges for issuance costs	(159,525)
Plus: Issuance premium	483,254
Arbitrage payable	100,398
Notes payable	1,271,325
Accrued interest payable	448,040
Claims and judgments payable	303,463
Compensated absences	1,550,027
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$59,359,720</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,984,936 difference are as follows:

Capital outlay	\$12,645,897
Depreciation expense	(6,660,961)
Net adjustment to increase <i>net changes in fund balances–total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$5,984,936</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., donations and sales) is to increase net assets.” The details of this \$8,759,800 difference are as follows:

In the statement of activities, only the gain 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.	\$(500,402)
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.	9,260,202
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$8,759,800</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 \$6,295,419 difference are as follows:

Principal repayments:	
General obligation debt	\$6,265,000
Notes payable	80,025
Amortization of issuance costs	(12,175)
Amortization on deferred charges on refunding	(74,313)
Amortization of bond premium	36,882
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$6,295,419</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 \$747,776 difference are as follows:

Compensated absences	\$(131,071)
Claims and judgments payable	174,077
Arbitrage rebate	(100,398)
Accrued interest	(147,085)
Net pension asset	952,253
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$747,776</u>

### III. Stewardship, Compliance, and Accountability

#### A. Budgetary Information

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

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

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

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

#### B. Excess of expenditures over appropriations

The following funds and General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2007:

Hotel Motel Fund	\$287,498
General Fund departments:	
Legal	12,633

These over expenditures were funded by greater than anticipated revenues, transfers from other funds, and by available fund balance.

## IV. Detailed Notes on All Funds

### A. Deposits and Investments

As of June 30, 2007, the City of Alpharetta had the following investments:

Investment	Maturity	Fair Value
Federal Home Loan Bank	September 2007	\$1,991,875
Federal National Mortgage Association	November 2007	1,988,750
Federal National Mortgage Association	February 2009	387,875
Georgia Fund 1	15 days (weighted average)	30,758,514
Certificate of Deposit	August 2007	3,161,126
Fidelity Institutional Money Market	July-August 2007	710,697
Citigroup	1 day	14,295,632
<b>Total</b>		<b>\$53,294,469</b>

In addition to the investments listed above, the City has investments of \$18,331,386 recorded in the Pension Trust Fund. These funds are invested in mutual funds with a weighted-average maturity of 5.79 years. The mutual funds are invested in stocks and corporate bonds, with ratings ranging from AAA to B.

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

As a means of limiting exposure to credit risk, the risk of loss due to the failure of the security issuer or backer, the government limits investments to obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and those deposit-type items which can be collateralized at 110% of the face value. Additionally, investments 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, 2007 were properly collateralized.

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

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

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool

is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes

earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1 per share. The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia.

## B. Receivables

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

	General	Debt Service	Capital Project	Bond IV	Solid Waste	Nonmajor Funds
<i>Receivables:</i>						
Taxes	\$2, 817,629	\$131,827	—	—	—	\$295,180
Accounts	153,473	—	\$186,995	\$57,935	197,127	336,973
Intergovernmental	—	—	—	—	—	122,921
<b>Gross receivables</b>	<b>2,971,102</b>	<b>131,827</b>	<b>186,995</b>	<b>57,935</b>	<b>197,127</b>	<b>755,074</b>
Less: Allowance for Uncollectibles	(121,379)	(53,996)	—	—	(60,304)	—
<b>Net total receivables</b>	<b>\$2,849,723</b>	<b>\$77,831</b>	<b>\$186,995</b>	<b>\$57,935</b>	<b>\$136,823</b>	<b>\$755,074</b>

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

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

## C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2007 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	\$43,852,092	\$1,867,767	—	—	\$45,719,859
Construction in progress	3,572,788	10,221,855	\$(386,507)	(2,351,752)	11,056,384
<b>Total assets, not being depreciated</b>	<b>47,424,880</b>	<b>12,089,622</b>	<b>(386,507)</b>	<b>(2,351,752)</b>	<b>56,776,243</b>
Capital assets, being depreciated:					
Buildings	28,781,022	172,923	—	2,351,752	31,305,697
Improvements other than buildings	19,876,108	25,480	(136,867)	—	19,764,721
Machinery and equipment	12,563,610	1,539,849	(383,376)	—	13,720,083
Infrastructure	134,824,997	8,078,225	—	—	142,903,222
<b>Total assets, being depreciated</b>	<b>196,045,737</b>	<b>9,816,477</b>	<b>(520,243)</b>	<b>2,351,752</b>	<b>207,693,723</b>
Less accumulated depreciation for:					
Buildings	(6,974,114)	(799,539)	—	—	(7,773,653)
Improvements other than buildings	(7,900,739)	(1,217,523)	—	—	(9,118,262)
Machinery and equipment	(8,033,061)	(1,134,738)	406,348	—	(8,761,451)
Infrastructure	(33,686,589)	(3,509,161)	—	—	(37,195,750)
<b>Total accumulated depreciation</b>	<b>(56,594,503)</b>	<b>(6,660,961)</b>	<b>406,348</b>	<b>—</b>	<b>(62,849,116)</b>
<b>Total assets, being depreciated, net</b>	<b>139,451,234</b>	<b>3,155,516</b>	<b>(113,895)</b>	<b>2,351,752</b>	<b>144,844,607</b>
<b>Governmental activities capital assets, net</b>	<b>\$186,876,114</b>	<b>\$15,245,138</b>	<b>\$(500,402)</b>	<b>—</b>	<b>\$201,620,850</b>

The beginning balances of the above governmental activities capital assets have been adjusted to reflect the City's retroactive reporting of infrastructure as well as a prior period adjustment which is explained in more detail in Note V.G. The retroactive reporting of infrastructure resulted in a net increase to beginning capital assets of

\$56,719,641, while the prior period adjustment was a net increase of \$4,636,623. Additionally, a reclassification in the amount of \$16,196,578 has been made between beginning balances of infrastructure and land and permanent improvements to better reflect certain capital assets.

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

<i>Governmental activities:</i>	
General government	\$4,066,385
Public safety	1,073,035
Public works	732,956
Community development	60,230
Culture and recreation	728,355
<b>Total depreciation expense – governmental activities</b>	<b>\$6,660,961</b>



**Construction Commitments.** The government has active construction projects as of June 30, 2007. The projects include street construction in areas with high congestion and commute times, sidewalks and pedestrian pathways in areas previously void of such amenities, park improvements, and the construction of public safety facilities. At year end the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Park improvements	\$541,022	\$201,878
Sidewalk and pedestrian projects	846,138	20,000
Street and transportation improvements	9,604,441	3,388,620
Public safety facilities	2,140,815	110,337
<b>Total</b>	<b>\$13,132,416</b>	<b>\$3,720,835</b>

The projects above are being financed primarily through the Capital Project Fund, using pay-as-you-go funding sources. Expenditures have also been incurred in the Bond IV capital project fund primarily for street and transportation improvements as well as the public safety improvements.

#### D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Non-Major	\$118,072
General	Bond IV	29,250
Capital Project	Bond IV	257
<b>Total</b>		<b>\$147,579</b>

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

Interfund transfers:

Transfers out:	Transfers In:				Total
	General Fund	Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds	
General fund	—	\$3,000,000	\$7,000,000	\$484,321	\$10,484,321
Bond IV	339,127	—	—	—	339,127
Nonmajor Governmental Funds	\$1,391,665	980,000	—	—	2,371,665
<b>Total</b>	<b>\$1,730,792</b>	<b>\$3,980,000</b>	<b>\$7,000,000</b>	<b>\$484,321</b>	<b>\$13,195,113</b>

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

## E. Leases

**Operating Leases.** The government leases building and office facilities and other equipment under non-cancelable operating leases. Total costs for such leases were \$249,128 for the fiscal year ended June 30, 2007. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30	Amount
2008	227,027
2009	37,713
<b>Total</b>	<b>\$264,740</b>

## F. 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, 2007 is \$90,690,000.

During 2006, the City issued 2006 series general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The bonds were issued on June 28, 2006 for \$26,290,000 with a premium of \$520,136. The bonds were issued with interest rates ranging from 4.0% to 5.0%.

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	Interest Rates	Amount
Governmental activities	4.0 - 6.5%	\$46,250,000
Governmental activities - refunding	2.0 - 4.375%	9,895,000
<b>Total</b>		<b>\$56,145,000</b>

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

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2008	6,925,000	2,630,481
2009	7,265,000	2,290,206
2010	7,635,000	1,924,994
2011	8,030,000	1,537,531
2012	6,010,000	1,181,131
2013-2017	5,965,000	4,172,400
2018-2022	7,260,000	2,777,265
2023-2026	7,055,000	864,050
<b>Total</b>	<b>\$56,145,000</b>	<b>\$17,378,058</b>

**Revenue Bonds.** The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. There were no amounts outstanding at the end of the current fiscal year related to revenue bonds.

**Advance and current refundings.** During the 2005 fiscal year the government purchased \$1,614,042 of United States Treasury Obligations – State and Local Government Series securities that were placed in an irrevocable escrow fund for the purposes of generating resources for all future debt payments of \$1,550,000 of revenue bonds. As a result, the refunded bonds are considered to be legally defeased and the liability has been removed from the business-type activities column of the statement of net assets. This advance refunding was undertaken to facilitate the sale of the government's water system. The current outstanding amount of debt considered legally defeased equals \$1,055,000.

The government issued \$13,000,000 of general obligation bonds to refund existing bonds during fiscal year 2003. As a result, the refunded bonds which were originally issued in 1995 are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$1,027,732. 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 \$782,262. The advance refunding was undertaken to reduce total debt service payments and resulted in an economic gain and a present value cash flow of \$615,644. The current outstanding amount of debt considered legally defeased equals \$9,665,000.

**Development Authority of Alpharetta Revenue Bonds.** During fiscal year 1999, the Development Authority of Alpharetta entered into an agreement with Georgia State University 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. The government has a contract with the Development Authority in which it 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 in which the Foundation's lease payments cover the remaining 83.5% of the annual principal and interest payments on the bonds. The bonds are payable on May 1 and November 1, serially to fiscal year 2019.

The annual requirements to amortize the Development Authority's revenue bonds outstanding as of June 30, 2007 are as follows:

Fiscal Year Ending June 30	Principal	Interest
2008	\$505,000	\$339,970
2009	525,000	319,107
2010	545,000	296,900
2011	565,000	273,166
2012	590,000	247,750
2013-2017	3,385,000	796,414
2018-2019	1,590,000	77,280
<b>Total</b>	<b>\$7,705,000</b>	<b>\$2,350,587</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, 2007 are as follows:

Fiscal Year Ending June 30	Principal	Interest
2008	83,325	56,095
2009	86,625	52,653
2010	89,925	48,989
2011	93,225	45,072
2011	97,350	40,879
2013-2017	558,525	131,408
2018-2019	262,350	12,751
<b>Total</b>	<b>\$1,271,325</b>	<b>\$387,847</b>

**Changes in Long-term Liabilities.** Long-term liability activity for the fiscal year ended June 30, 2007, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental activities:</i>					
Bonds payable:					
General obligation bonds	\$62,410,000	—	\$(6,265,000)	\$56,145,000	\$6,925,000
Less deferred charges on refunding	(856,575)	—	74,313	(782,262)	
Plus issuance premium	520,136	—	(36,882)	483,254	
<b>Net bonds payable</b>	<b>62,073,561</b>	<b>—</b>	<b>(6,227,569)</b>	<b>55,845,992</b>	
Notes payable	1,351,350	—	(80,025)	1,271,325	83,325
Arbitrage payable	—	100,398	—	100,398	
Claims and judgments	477,540	502,907	(676,984)	303,463	42,229
Compensated absences	1,418,956	1,515,728	(1,384,657)	1,550,027	1,498,860
<b>Governmental activity         Long-term liabilities</b>	<b>\$65,321,407</b>	<b>\$2,119,033</b>	<b>\$(8,369,235)</b>	<b>\$59,071,205</b>	<b>\$8,549,414</b>
<i>Business-type activities:</i>					
Compensated absences	\$7,042	\$1,558	\$(7,917)	\$683	\$683
<b>Business-type activity         Long-term liabilities</b>	<b>\$7,042</b>	<b>\$1,558</b>	<b>\$(7,917)</b>	<b>\$683</b>	<b>\$683</b>

For governmental activities, compensated absences are predominately liquidated by the general fund and emergency 911 fund; claims and judgments are liquidated by the general fund; and arbitrage is liquidated by the Bond IV fund.

Long-term liability activity for the Development Authority for the fiscal year ended June 30, 2007, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$8,190,000	—	\$(485,000)	\$7,705,000	\$505,000

## 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. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the general fund. As of June 30, 2007, such interfund premiums did not exceed reimbursable expenditures.

Liabilities of the fund 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. Health insurance claims are paid by an independent carrier under a fully-insured program. 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 of \$500,000 to cover catastrophic claims of workers' compensation. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal Year Ended June 30, 2007	Fiscal Year Ended June 30, 2006
Unpaid claims, beginning of fiscal year	\$98,289	\$3,487
Claims incurred	48,303	140,407
Claims paid	(142,024)	(45,605)
<b>Unpaid claims, end of fiscal year</b>	<b>\$4,568</b>	<b>\$98,289</b>

### 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 June 30, 2008.

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 operations 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 plan.

*Plan description.* The City of Alpharetta maintains a single-employer defined benefit pension plan, the City of Alpharetta Retirement Plan (the “Plan”), for the employees of the City of Alpharetta. The Plan is administered by a Board of Trustees, who have executed a trust agreement with a financial institution to hold, manage, invest, and distribute contributions in accordance with the provision of the Plan. Benefit provisions are established and may be amended by the City Council. Annual contributions are determined through an actuarial valuation of the Plan and are approved by City Council as part of the annual budgeting process.

The Plan covers all full-time government employees, government officials and the judge of the Municipal Court. Employees become eligible to participate in the 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 Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan does not issue a separate stand-alone financial report. At January 1, 2006, the date of the most recent actuarial valuation, there were 432 participants consisting of the following:

Retirees and beneficiaries	
currently receiving benefits	41
Vested terminated employees	
not yet receiving benefits	71
Active employees	320
<hr/>	
Total	432
<hr/>	

*Summary of Significant Accounting Policies.* The financial statements of the 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 Plan.

Plan investments 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 val-



ued 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.** Only the City makes contributions to the Plan. The City is required to contribute at an actuarially determined rate; the current rate is 14.1% of annual covered payroll.

The annual required contribution for the current year was determined as part of the January 1, 2006, actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) a rate of return on the investments of present and future assets of 8.0% per year, compounded annually and net of investment expenses and (b) projected salary increases of 5.5% per year, which includes 0.5% due to merit and 5% for inflation. The period for amortizing the unfunded actuarial accrued liability 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 liability is level dollar. This amortization period is closed for this plan year.

#### Annual Pension Cost and Net Pension Obligation (NPO)

	For the Plan Year Ending June 30, 2007	For the Plan Year Ending June 30, 2006
Annual required contribution (ARC)	\$1,027,306	\$1,048,519
Interest on net pension obligation (asset)	(31,034)	—
Annual pension cost	996,272	1,048,519
Contribution made	1,948,525	1,048,519
Increase (decrease) in NPO	(952,253)	—
NPO at beginning of year	—	—
NPO (asset) at the end of year	\$(952,253)	—

#### Schedule of Employer Contributions

Fiscal Year Ending Cost	Annual Pension Contributed	Percentage Asset	Net Pension
2007	\$996,272	196%	\$(952,253)
2006	1,048,519	100%	—
2005	1,149,906	100%	—
2004	1,141,610	100%	—
2003	931,642	100%	—
2002	801,437	100%	—

#### Defined contribution plan.

**Plan description and funding requirements.** The government 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, 2007, there were 375 plan members.

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 government will match the employee's contribution, up to 4% of the employee's annual salary, into the 401(a) plan. The government has the ability to amend the plan provisions. For the fiscal year ended June 30, 2007, the government's contribution to the 401(a) plan was \$502,192. The amount contributed by employees into the 457 plan was \$902,388.

#### F. 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 \$3,479,163 for the year ended June 30, 2007. Of this amount 100%, or \$3,479,163, was expended. Expenditures of the tax were used to promote tourism as required by O.C.G.A. 48-13-51.

#### G. Accounting change and restatement of beginning balances

The government has determined that a restatement of beginning net assets of governmental activities is necessary to properly report capital asset balances. The majority of the adjustment is the retroactive reporting of infrastructure as required by GASB 34; however, the remaining portion is to adjust the capital asset records for activity which occurred in prior years but was not properly reflected on the government's books. The details of the total adjustment are below:

Net assets, as previously reported	\$119,532,784
Retroactive reporting of infrastructure	56,719,641
Effect of reporting omitted capital assets	4,636,623
<b>Net assets, as restated</b>	<b>\$180,889,048</b>

## **Financial Section**

# **Required Supplementary Information**

**City of Alpharetta**  
**Required Supplementary Information**  
**Retirement Plan**  
**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]
2006	\$14,649,982	\$14,447,850	\$(202,132)	101.4%	\$15,699,449	-1.3%
2005	12,064,621	13,203,862	1,139,241	91.4%	14,425,871	7.9%
2004	9,947,926	12,096,568	2,148,642	82.2%	13,961,803	15.4%
2003	7,122,434	10,369,057	3,246,623	68.7%	12,311,080	26.4%
2002	6,502,639	8,385,510	1,882,871	77.5%	10,423,331	18.1%
2001	5,462,900	7,050,281	1,587,381	77.5%	9,113,462	17.4%

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

**City of Alpharetta**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule GAAP Basis**  
**General Fund**

For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$14,708,585	\$14,808,585	\$14,124,495	\$(684,090)
Sales and use taxes	8,200,000	8,313,570	9,992,908	1,679,338
Franchise taxes	3,985,000	3,985,000	5,065,549	1,080,549
Business taxes	2,823,342	2,823,342	3,054,027	230,685
Other taxes	1,842,000	1,842,000	1,937,671	95,671
Licenses and permits	1,976,000	1,976,000	2,650,990	674,990
Intergovernmental	25,000	25,000	12,152	(12,848)
Fines and forfeitures	3,447,300	3,447,300	3,250,607	(196,693)
Charges for services	2,614,591	2,614,591	3,395,473	780,882
Investment earnings	250,000	500,000	1,231,512	731,512
Contributions and donations	—	—	19,063	19,063
Other revenues	62,600	62,600	145,928	83,328
<b>Total revenues</b>	<b>39,934,418</b>	<b>40,397,988</b>	<b>44,880,375</b>	<b>4,482,387</b>
<b>Expenditures</b>				
Current:				
<b>General government</b>				
City clerk	293,362	295,065	168,996	126,069
Contingency	353,177	365,194	—	365,194
Mayor and council	224,576	226,106	226,085	21
Municipal court	728,191	773,245	697,326	75,919
Legal	400,000	400,000	412,633	(12,633)
City administrator	1,184,030	1,189,809	1,059,649	130,160
Finance	2,189,424	2,202,412	1,944,524	257,888
Human resources	914,935	919,259	662,029	257,230
Risk management	1,308,000	1,308,000	792,479	515,521
Technology services	1,173,386	1,180,195	1,003,629	176,566
Internal audit	131,293	132,415	121,506	10,909
Non-departmental	45,000	45,000	45,000	—
<b>Total general government</b>	<b>8,945,374</b>	<b>9,036,700</b>	<b>7,133,856</b>	<b>1,902,844</b>
<b>Public safety</b>	<b>18,082,831</b>	<b>18,337,748</b>	<b>18,203,890</b>	<b>133,858</b>
<b>Engineering and public works</b>	<b>5,922,912</b>	<b>5,956,900</b>	<b>5,762,199</b>	<b>194,701</b>
<b>Community development</b>	<b>2,021,385</b>	<b>2,034,367</b>	<b>1,803,052</b>	<b>231,315</b>
<b>Culture and recreation</b>	<b>6,177,595</b>	<b>6,247,952</b>	<b>6,002,740</b>	<b>245,212</b>
<b>Total expenditures</b>	<b>41,150,097</b>	<b>41,613,667</b>	<b>38,905,737</b>	<b>2,707,930</b>
Excess (deficiency) of revenues over (under) expenditures	(1,215,679)	(1,215,679)	5,974,638	7,190,317
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	—	—	\$219,529	\$ 219,529
Transfers in	1,200,000	1,200,000	1,730,792	530,792
Transfers out	(10,484,321)	(10,484,321)	(10,484,321)	—
<b>Total other financing sources and uses</b>	<b>(9,284,321)</b>	<b>(9,284,321)</b>	<b>(8,534,000)</b>	<b>750,321</b>
Net change in fund balances	(10,500,000)	(10,500,000)	(2,559,362)	7,940,638
Fund balances, beginning of year	22,405,741	22,405,741	22,405,741	—
<b>Fund balances, end of year</b>	<b>\$11,905,741</b>	<b>\$11,905,741</b>	<b>\$19,846,379</b>	<b>\$7,940,638</b>

## Nonmajor Governmental Funds

### Special Revenue Funds

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

#### Hotel/Motel Fund

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

#### 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.

#### Impact Fee Fund

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

#### Drug Enforcement Fund

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

#### Grant Operating Fund

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

### Capital Project Funds

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

#### Grant Capital Fund

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

#### Bond III Fund

This fund is used to account for proceeds and associated expenditures resulting from the 1998 general obligation bond referendum.

**City of Alpharetta**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
June 30, 2007

	Special Revenue Funds					Capital Projects Funds		Total Nonmajor Governmental Funds
	Hotel Motel	Emergency 911	Impact Fee	Drug Enforcement	Grant Operating	Grant Capital	Bond III	
<b>Assets</b>								
Cash and cash equivalents	\$10,946	\$292,410	\$386,417	\$328,058	\$95,816	\$796,119	—	\$1,909,766
Investments	—	1,475,418	1,458,651	—	—	—	—	2,934,069
Taxes receivable	295,180	—	—	—	—	—	—	295,180
Accounts receivable	—	336,731	242	—	—	—	—	336,973
Prepaid expenditures	—	624	—	—	—	—	—	624
Restricted:								
Cash	—	—	—	—	—	—	945,758	945,758
Intergovernmental receivable	—	—	—	—	48,490	74,431	—	122,921
<b>Total assets</b>	<b>\$306,126</b>	<b>\$2,105,183</b>	<b>\$1,845,310</b>	<b>\$328,058</b>	<b>\$144,306</b>	<b>\$870,550</b>	<b>\$945,758</b>	<b>\$6,545,291</b>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Accounts payable	\$177,107	\$452,287	—	\$22,192	\$5,455	\$22,101	\$3,800	\$682,942
Retainage payable	—	—	—	—	—	20,873	85,308	106,181
Accrued salaries	—	34,466	—	—	—	—	—	34,466
Due to other funds	118,072	—	—	—	—	—	—	118,072
Deferred revenue	—	—	—	—	37,757	64,094	—	101,851
<b>Total liabilities</b>	<b>295,179</b>	<b>486,753</b>	<b>—</b>	<b>22,192</b>	<b>43,212</b>	<b>107,068</b>	<b>89,108</b>	<b>1,043,512</b>
Fund Balances:								
Reserved for:								
Prepaid items	—	624	—	—	—	—	—	624
Encumbrances	—	—	—	—	—	763,482	11,638	775,120
Capital projects	—	—	1,845,310	—	—	—	—	1,845,310
Unreserved, designated for operations	10,947	1,617,806	—	305,866	101,094	—	—	2,035,713
Unreserved, undesignated	—	—	—	—	—	—	845,012	845,012
<b>Total fund balances</b>	<b>10,947</b>	<b>1,618,430</b>	<b>1,845,310</b>	<b>305,866</b>	<b>101,094</b>	<b>763,482</b>	<b>856,650</b>	<b>5,501,779</b>
<b>Total liabilities &amp; fund balances</b>	<b>\$306,126</b>	<b>\$2,105,183</b>	<b>\$1,845,310</b>	<b>\$328,058</b>	<b>\$144,306</b>	<b>\$870,550</b>	<b>\$945,758</b>	<b>\$6,545,291</b>



**City of Alpharetta**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
For the Fiscal Year Ended June 30, 2007

	Special Revenue Funds					Capital Projects Funds		Total Nonmajor Governmental Funds
	Hotel Motel	Emergency 911	Impact Fee	Drug Enforcement	Grant Operating	Grant Capital	Bond III	
<b>Revenues</b>								
Hotel/Motel taxes	\$3,479,163	—	—	—	—	—	—	\$3,479,163
Charges for services	—	1,503,831	—	—	—	—	—	1,503,831
Impact fees	—	—	1,115,177	—	—	—	—	1,115,177
Forfeiture income	—	—	—	227,146	—	—	—	227,146
Intergovernmental	—	—	—	—	53,609	124,376	—	177,985
Contributions & donations	—	—	—	—	5,115	—	—	5,115
Investment earnings	—	61,395	104,884	5,211	—	—	38,341	209,831
Other revenue	225	12,191	—	—	—	—	—	12,416
<b>Total revenues</b>	<b>3,479,388</b>	<b>1,577,417</b>	<b>1,220,061</b>	<b>232,357</b>	<b>58,724</b>	<b>124,376</b>	<b>38,341</b>	<b>6,730,664</b>
<b>Expenditures</b>								
Current:								
General government	—	—	33,455	—	1,623	—	191	35,269
Culture and recreation	—	—	—	—	40,806	—	—	40,806
Public safety	—	1,582,625	—	38,800	33,560	—	—	1,654,985
Community development	2,087,498	—	—	—	—	—	—	2,087,498
Capital outlay	—	—	—	—	—	208,889	797,001	1,005,890
<b>Total expenditures</b>	<b>2,087,498</b>	<b>1,582,625</b>	<b>33,455</b>	<b>38,800</b>	<b>75,989</b>	<b>208,889</b>	<b>797,192</b>	<b>4,824,448</b>
Excess (deficiency) of revenues over expenditures	1,391,890	(5,208)	1,186,606	193,557	(17,265)	(84,513)	(758,851)	1,906,216
<b>Other Financing Sources (Uses)</b>								
Transfers in	—	484,321	—	—	—	—	—	484,321
Transfers out	(1,391,665)	—	(980,000)	—	—	—	—	(2,371,665)
<b>Total other financing sources (uses)</b>	<b>(1,391,665)</b>	<b>484,321</b>	<b>(980,000)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,887,344)</b>
Net change in fund balances	225	479,113	206,606	193,557	(17,265)	(84,513)	(758,851)	18,872
<b>Fund balances, beginning of year</b>	<b>10,722</b>	<b>1,139,317</b>	<b>1,638,704</b>	<b>112,309</b>	<b>118,359</b>	<b>847,995</b>	<b>1,615,501</b>	<b>5,482,907</b>
<b>Fund balances, end of year</b>	<b>\$10,947</b>	<b>\$1,618,430</b>	<b>\$1,845,310</b>	<b>\$305,866</b>	<b>\$101,094</b>	<b>\$763,482</b>	<b>\$856,650</b>	<b>\$5,501,779</b>

**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, 2007**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<i>Revenues</i>				
Hotel/Motel taxes	\$3,000,000	\$3,000,000	\$3,479,163	\$479,163
Other revenue	—	—	225	225
Total revenues	3,000,000	3,000,000	3,479,388	479,388
<i>Expenditures</i>				
Current:				
Community development	1,800,000	1,800,000	2,087,498	(287,498)
Total expenditures	1,800,000	1,800,000	2,087,498	(287,498)
Excess of revenues over expenditures	1,200,000	1,200,000	1,391,890	191,890
<i>Other Financing Uses</i>				
Transfers out	(1,200,000)	(1,200,000)	(1,391,665)	(191,665)
Total other financing uses	(1,200,000)	(1,200,000)	(1,391,665)	(191,665)
Net changes in fund balances	—	—	225	225
Fund balances - beginning of year	10,722	10,722	10,722	—
Fund balances - end of year	10,722	\$10,722	\$10,947	\$225

**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, 2007**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Charges for services	\$1,170,777	\$1,170,777	\$1,503,831	\$333,054
Investment earnings	15,000	15,000	61,395	46,395
Other revenue	—	—	12,191	12,191
<b>Total revenues</b>	<b>1,185,777</b>	<b>1,185,777</b>	<b>1,577,417</b>	<b>391,640</b>
<b>Expenditures</b>				
Current:				
Public safety	1,670,098	1,670,098	1,582,625	87,473
<b>Total expenditures</b>	<b>1,670,098</b>	<b>1,670,098</b>	<b>1,582,625</b>	<b>87,473</b>
Deficiency of revenues over expenditures	(484,321)	(484,321)	(5,208)	479,113
<b>Other Financing Uses</b>				
Transfers in	484,321	484,321	484,321	—
<b>Total other financing uses</b>	<b>484,321</b>	<b>484,321</b>	<b>484,321</b>	<b>—</b>
Net changes in fund balances	—	—	479,113	479,113
Fund balances - beginning of year	1,139,317	1,139,317	1,139,317	—
<b>Fund balances - end of year</b>	<b>\$1,139,317</b>	<b>\$1,139,317</b>	<b>\$1,618,430</b>	<b>\$479,113</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Impact fees	\$771,861	\$1,271,861	\$1,115,177	\$(156,684)
Investment earnings	25,000	25,000	104,884	79,884
<b>Total revenues</b>	<b>796,861</b>	<b>1,296,861</b>	<b>1,220,061</b>	<b>(76,800)</b>
<b><i>Expenditures</i></b>				
Current:				
General government	23,156	316,861	33,455	283,406
<b>Total expenditures</b>	<b>23,156</b>	<b>316,861</b>	<b>33,455</b>	<b>283,406</b>
Excess of revenues over expenditures	773,705	980,000	1,186,606	206,606
<b><i>Other Financing Uses</i></b>				
Transfers out	(500,000)	(980,000)	(980,000)	—
<b>Total other financing uses</b>	<b>(500,000)</b>	<b>(980,000)</b>	<b>(980,000)</b>	<b>—</b>
Net changes in fund balances	273,705	—	206,606	206,606
Fund balances - beginning of year	1,638,704	1,638,704	1,638,704	—
<b>Fund balances - end of year</b>	<b>\$1,912,409</b>	<b>\$1,638,704</b>	<b>\$1,845,310</b>	<b>\$206,606</b>

**City of Alpharetta**  
**Drug Enforcement Fund**

**Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2007**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<i>Revenues</i>				
Forfeiture income	\$65,000	\$65,000	\$227,146	\$162,146
Investment earnings	2,500	2,500	5,211	2,711
Total revenues	67,500	67,500	232,357	164,857
<i>Expenditures</i>				
Current:				
Public safety	117,500	117,500	38,800	78,700
Total expenditures	117,500	117,500	38,800	78,700
Net changes in fund balances	(50,000)	(50,000)	193,557	243,557
Fund balances - beginning of year	112,309	112,309	112,309	—
Fund balances - end of year	\$62,309	\$62,309	\$305,866	\$243,557

**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, 2007**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<i>Revenues</i>				
Intergovernmental	—	\$394,067	\$53,609	\$(340,458)
Contributions and donations	—	12,093	5,115	(6,978)
Contingencies	75,965	(69,005)	—	69,005
<b>Total revenues</b>	<b>75,965</b>	<b>337,155</b>	<b>58,724</b>	<b>(278,431)</b>
<i>Expenditures</i>				
Current:				
General government	—	11,730	1,623	10,107
Public works	—	260,939	—	260,939
Public safety	—	48,170	33,560	14,610
Culture and recreation	—	150,556	40,806	109,750
Contingencies	103,050	(107,155)	—	(107,155)
<b>Total expenditures</b>	<b>103,050</b>	<b>364,240</b>	<b>75,989</b>	<b>288,251</b>
Net changes in fund balances	(27,085)	(27,085)	(17,265)	9,820
Fund balances - beginning of year	118,359	118,359	118,359	—
<b>Fund balances - end of year</b>	<b>\$91,274</b>	<b>\$91,274</b>	<b>\$101,094</b>	<b>\$9,820</b>



# City of Alpharetta

## Debt Service Fund

### Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Property taxes	\$8,354,633	\$8,354,633	\$8,373,882	\$19,249
Investment earnings	50,000	50,000	633,311	583,311
Other revenue	—	—	10,465	10,465
<b>Total revenues</b>	<b>8,404,633</b>	<b>8,404,633</b>	<b>9,017,658</b>	<b>613,025</b>
<b><i>Expenditures</i></b>				
Current:				
General government	15,000	3,657,423	4,204	3,653,219
Debt service:				
Principal	5,716,436	6,196,436	6,345,025	(148,589)
Interest	2,530,774	2,530,774	2,807,337	(276,563)
<b>Total expenditures</b>	<b>8,262,210</b>	<b>12,384,633</b>	<b>9,156,566</b>	<b>3,228,067</b>
Excess (deficiency) of revenues over expenditures	142,423	(3,980,000)	(138,908)	3,841,092
<b><i>Other Financing Uses</i></b>				
Transfers in	3,500,000	3,980,000	3,980,000	—
<b>Total other financing sources</b>	<b>3,500,000</b>	<b>3,980,000</b>	<b>3,980,000</b>	<b>—</b>
Net changes in fund balances	3,642,423	—	3,841,092	3,841,092
Fund balances - beginning of year	6,867,998	6,867,998	6,867,998	—
<b>Fund balances - end of year</b>	<b>\$10,510,421</b>	<b>\$6,867,998</b>	<b>\$10,709,090</b>	<b>\$3,841,092</b>

**City of Alpharetta**  
**Discretely Presented Component Unit - Development Authority**  
**Statement of Revenues, Expenditures and Changes In Fund Balance**

For the Fiscal Year Ended June 30, 2007

***Revenues***

Investment earnings	\$844,649
<b>Total revenues</b>	<b>844,649</b>

***Expenditures***

Debt service:	
Principal	485,000
Interest	359,649
<b>Total expenditures</b>	<b>844,649</b>

Net change in fund balance	—
Fund balance - beginning of year	—
<b>Fund balance - end of year</b>	<b>\$ —</b>

# Statistical Section



## Statistical Section

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

### Contents

### Pages

#### **Financial Trends . . . . . 79 - 84**

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 . . . . . 85 - 87**

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

#### **Debt Capacity . . . . . 88 - 89**

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 . . . . . 90**

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 . . . . . 91 - 93**

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

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

**City of Alpharetta**  
**Net Assets by Component**  
**Last Five Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2007	2006	2005	2004	2003
Governmental activities:					
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
Total governmental activities net assets	\$198,658,343	\$119,532,784	\$58,876,932	\$43,746,788	\$37,832,723
Business-type activities <sup>1</sup>					
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
Total business-type activities net assets	\$630,455	\$467,185	\$435,139	\$4,708,355	\$4,512,729
Primary government:					
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
Total primary government net assets	\$199,288,798	\$119,999,969	\$59,312,071	\$48,455,143	\$42,345,452

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

**City of Alpharetta**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
<i>Expenses</i>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Governmental activities <sup>1</sup> :					
General government	\$11,261,061	\$8,990,207	\$8,380,030	\$5,736,222	\$7,089,104
Public safety	20,667,092	19,095,508	15,904,517	14,391,972	14,149,504
Public works	9,634,496	5,662,936	3,469,265	7,375,964	1,676,631
Community development	3,821,709	3,836,608	2,937,850	4,111,451	4,064,468
Culture and recreation	6,884,913	6,495,895	4,571,699	5,958,248	7,164,113
Interest on long-term debt	3,104,426	2,043,045	2,233,542	2,391,175	2,944,647
Total governmental activities expenses	55,373,697	46,124,199	37,496,903	39,965,032	37,088,467
Business-type activities:					
Water <sup>2</sup>	—	—	7,641,035	3,495,165	3,713,758
Solid Waste	2,499,994	2,231,660	1,934,505	1,823,049	1,742,504
Total business-type activities expenses	2,499,994	2,231,660	9,575,540	5,318,214	5,456,262
Total primary government expenses	\$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	\$4,053,626	\$4,299,561	\$641,391	\$560,148	\$465,150
Public safety	3,202,515	1,584,186	3,332,420	3,831,618	4,084,155
Public works	228,036	110,457	172,052	134,418	5,808
Community development	2,842,438	2,432,818	3,721,024	1,491,721	1,646,156
Culture and recreation	1,985,418	1,962,193	2,089,562	1,654,132	1,699,412
Operating grants and contributions	1,129,000	116,537	74,860	68,360	65,818
Capital grants and contributions <sup>4</sup>	10,554,478	53,542,116	5,819,430	514,766	77,594
Total governmental activities program revenues	23,995,511	64,047,868	15,850,739	8,255,163	8,044,093
Business-type activities:					
Charges for service:					
Water <sup>2</sup>	—	—	3,470,393	3,806,501	3,543,892
Solid waste	2,621,405	1,985,355	1,838,047	1,686,477	1,621,302
Total business-type activities program revenues	2,621,405	1,985,355	5,308,440	5,492,978	5,165,194
Total primary government program revenues	\$26,616,916	\$66,033,223	\$21,159,179	\$13,748,141	\$13,209,287
<i>Net (Expense)/Revenue:</i>					
Governmental activities	\$(31,378,186)	\$17,923,669	\$(21,646,164)	\$(31,709,869)	\$(29,044,374)
Business-type activities	121,411	(246,305)	(4,267,100)	174,764	(291,068)
Total primary government net expense	\$(31,256,775)	\$17,677,364	\$(25,913,264)	\$(31,535,105)	\$(29,335,442)

*continued*



**City of Alpharetta**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(Accrual Basis of Accounting)**

*continued*

	Fiscal Year				
	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes	\$22,438,746	\$21,015,938	\$18,591,907	\$17,327,608	\$17,441,980
Sales taxes	9,992,908	8,838,133	8,892,107	7,353,813	5,638,618
Franchise taxes <sup>5</sup>	5,065,549	4,170,781	2,938,193	—	—
Hotel/Motel occupancy tax <sup>5</sup>	3,479,163	3,130,740	2,705,566	—	—
Business taxes <sup>5</sup>	3,054,027	2,835,449	2,632,855	—	—
Other taxes <sup>5</sup>	1,937,671	1,886,529	1,614,539	12,223,068	11,359,475
Unrestricted investment earnings	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	—	(250,868)	28,317	—	(60,000)
<b>Total governmental activities</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	41,859	27,483	22,201	10,643	26,211
Miscellaneous	—	—	—	10,189	4,581
Transfers	—	250,868	(28,317)	—	60,000
<b>Total business-type activities</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>\$49,189,340</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	\$17,769,295	\$60,655,852	\$16,837,245	\$5,914,065	\$6,909,732
Business-type activities	163,270	32,046	(4,273,216)	195,596	(200,276)
<b>Total primary government</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.

**City of Alpharetta**  
**Governmental Activities Tax Revenues By Source**  
**Last Five 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

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)**

	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
Total general fund	\$19,846,379	\$22,405,741	\$20,946,358	\$18,586,124	\$13,928,632
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	129,081	46,402	10,722	813,753
Capital projects funds <sup>1</sup>	18,023,349	20,494,549	(2,687,361)	—	—
Total all other governmental funds	\$34,868,474	\$36,268,117	\$11,286,359	\$13,313,849	\$17,878,265
	2002	2001	2000	1999	1998
General fund					
Reserved	\$360,366	\$435,748	\$606,811	\$283,240	\$313,306
Unreserved	11,755,347	9,913,396	7,947,610	6,721,484	5,837,900
Total general fund	\$12,115,713	\$10,349,144	\$8,554,421	\$7,004,724	\$6,151,206
All other governmental funds					
Reserved	\$17,207,639	\$25,540,210	\$30,416,250	\$32,112,772	\$34,255,600
Unreserved, reported in:					
Special revenue funds	867,236	1,112,966	868,323	107,262	392,941
Capital project funds	—	—	—	82,099	357,535
Total all other governmental funds	\$18,074,875	\$26,653,176	\$31,284,573	\$32,302,133	\$35,006,076

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 revenues, and as a result is reporting more amounts as unreserved than in prior years.

**City of Alpharetta**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

(Modified Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
<i>Revenues</i>					
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>
<i>Expenditures</i>					
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
Environmental services	—	—	—	—	—
Culture and recreation	6,043,546	5,466,088	5,643,779	5,452,189	4,976,514
Other	—	—	—	—	—
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
<i>Other financing sources (uses)</i>					
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	—	—	—
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>
Debt service as a percentage of noncapital expenditures					
	19.8%	18.6%	18.7%	18.9%	20.1%
Total debt service 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

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.

continued

**City of Alpharetta**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years** *continued*  
(Modified Accrual Basis of Accounting)

	2002	2001	2000	1999	1998
<i>Revenues</i>					
Property taxes	\$17,594,368	\$16,657,914	\$16,538,295	\$10,380,518	\$9,083,701
Sales tax	—	—	—	—	—
Other taxes	12,724,882	13,229,960	10,176,359	9,060,404	7,207,892
Licenses and permits	1,433,757	2,198,676	2,587,950	2,647,561	3,754,742
Intergovernmental	1,177,823	958,311	418,308	653,197	2,785,768
Contributions and donations	—	—	—	—	—
Charges for services	3,362,948	3,422,067	4,078,572	3,460,738	2,790,772
Impact fees	722,324	1,258,504	2,861,705	2,616,989	2,155,755
Fines and forfeitures	936,527	468,886	462,580	522,299	453,961
Investment earnings	900,452	2,306,975	2,248,737	1,937,724	1,567,710
Miscellaneous	169,299	427,064	500,863	1,767,038	3,763,128
<b>Total revenues</b>	<b>39,022,380</b>	<b>40,928,357</b>	<b>39,873,369</b>	<b>33,046,468</b>	<b>33,563,429</b>
<i>Expenditures</i>					
General government	6,623,667	7,967,575	7,075,001	5,742,474	4,439,367
Public safety	11,753,268	10,088,217	7,468,974	6,475,452	5,637,308
Public works	3,858,352	3,730,234	4,407,066	4,341,789	3,418,931
Community development	—	—	—	—	—
Environmental services	352,538	329,794	240,963	—	—
Culture and recreation	4,591,862	4,375,821	3,606,710	2,957,415	2,417,753
Other	2,218,559	—	5,158	551,899	66
Capital outlay	10,880,338	11,043,110	11,301,944	10,529,285	21,402,865
Debt service:					
Principal	3,314,503	2,555,498	2,532,019	2,533,809	2,335,661
Interest	2,453,714	3,507,597	3,098,360	3,395,980	2,183,100
Other charges	—	—	—	—	330,369
<b>Total expenditures</b>	<b>46,046,801</b>	<b>43,597,846</b>	<b>39,736,195</b>	<b>36,528,103</b>	<b>42,165,420</b>
Excess (deficiency) of revenues over (under) expenditures	(7,024,421)	(2,669,489)	137,174	(3,481,635)	(8,601,991)
<i>Other financing sources (uses)</i>					
Transfers in	4,596,140	2,960,349	7,231,960	7,976,922	7,320,805
Transfers out	(4,763,444)	(3,390,149)	(7,231,960)	(7,976,922)	(7,320,805)
General obligation bond proceeds	—	—	—	—	25,449,972
Premium on bond issuance	—	—	—	—	—
Capital leases	—	260,089	312,724	—	279,486
Sale of capital assets	379,993	2,526	82,238	1,699,156	147,349
<b>Total other financing sources (uses)</b>	<b>212,689</b>	<b>(167,185)</b>	<b>394,962</b>	<b>1,699,156</b>	<b>25,876,807</b>
<b>Net change in fund balances</b>	<b>\$(6,811,732)</b>	<b>\$(2,836,674)</b>	<b>\$532,136</b>	<b>\$(1,782,479)</b>	<b>\$17,274,816</b>
Debt service as a percentage of noncapital expenditures					
	19.6%	22.9%	24.7%	29.5%	30.5%
Total debt service expenditures	5,768,217	6,063,095	5,630,379	5,929,789	4,849,130
Total non-capital expenditures	29,398,246	26,491,641	22,803,872	20,069,029	15,913,425

**City of Alpharetta**  
**General Governmental Tax Revenues by Source**  
**Last Five 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

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

**City of Alpharetta**  
**Assessed 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					
1998	529,382,689	687,695,310	76,137,471	180	23,703,869	1,269,511,781	7.88	3,233,039,125	40.00%
1999	624,615,142	1,006,166,435	82,902,406	180	85,349,972	1,628,334,191	7.88	4,284,210,408	40.00%
2000	679,825,149	1,199,760,731	82,902,406	180	149,173,042	1,813,315,424	7.88	4,906,221,165	40.00%
2001	734,164,270	1,384,443,620	105,730,867	180	130,818,443	2,093,520,494	7.88	5,560,847,343	40.00%
2002	824,109,741	1,555,238,056	125,069,600	—	134,442,791	2,369,974,606	7.48	6,261,043,493	40.00%
2003	950,097,600	1,655,525,492	149,126,970	180	193,552,450	2,561,197,792	7.23	6,886,875,605	40.00%
2004	1,039,727,230	1,719,450,312	162,044,513	45,870	287,138,088	2,634,129,837	7.00	7,303,169,813	40.00%
2005	1,101,782,470	1,852,175,974	166,615,420	18,563	291,445,159	2,829,147,268	7.00	7,801,481,068	40.00%
2006	1,240,207,540	1,825,547,513	180,951,120	72,799	317,149,382	2,929,629,590	7.00	8,116,947,430	40.00%
2007	1,518,944,750	2,040,496,402	191,384,580	11,180	357,722,090	3,393,114,822	6.60	9,377,092,280	40.00%

*Source: Georgia Department of Revenue, Property Tax Division*

*Note: 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.*

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

*Real property values include tax-exempt property.*

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

**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			Grady Hospital	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			
1998	1997	4.510	3.370	7.880	9.140	0.660	9.800	19.260	1.500	20.760	3.890	0.250	42.580
1999	1998	5.560	2.320	7.880	9.580	0.660	10.240	19.260	1.500	20.760	3.450	0.250	42.580
2000	1999	5.170	2.710	7.880	13.030	0.660	13.690	19.860	0.900	20.760	—	0.250	42.580
2001	2000	4.930	2.950	7.880	13.310	0.380	13.690	19.350	0.800	20.150	—	0.250	41.970
2002	2001	5.060	2.420	7.480	13.040	0.300	13.340	18.260	0.760	19.020	—	0.250	40.090
2003	2002	4.900	2.330	7.230	12.527	0.280	12.807	18.460	0.310	18.770	—	0.250	39.057
2004	2003	4.750	2.250	7.000	12.052	0.270	12.322	17.758	0.298	18.056	—	0.250	37.628
2005	2004	4.700	2.300	7.000	11.581	0.066	11.647	17.315	0.291	17.606	—	0.250	36.503
2006	2005	4.550	2.450	7.000	11.581	0.064	11.645	17.825	0.282	18.107	—	0.250	37.002
2007	2006	4.150	2.450	6.600	11.407	0.063	11.470	17.825	0.282	18.107	—	0.250	36.427

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
1998	4 %	1 %	1 %	1 %	7%
1999	4	1	1	1	7
2000	4	1	1	1	7
2001	4	1	1	1	7
2002	4	1	1	1	7
2003	4	1	1	1	7
2004	4	1	1	1	7
2005	4	1	1	1	7
2006	4	1	1	1	7
2007	4	1	1	1	7

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 4.45% of the Local Option Sales Tax collected on a county-wide basis.

**City of Alpharetta**  
**Principal Property Taxpayers**  
**Current and Nine Years Ago**

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GNP Northpont	\$29,000,000	1	0.85%	—		— %
AT&T Resource Mgmt Corp	19,800,000	2	0.58	\$68,146,827	1	5.37
Imperatum Georgia LLC	18,911,400	3	0.56	—		—
HBO & Company	18,379,680	4	0.54	—		—
Gardner Drive LLC	17,996,340	5	0.53	—		—
Diamondrock Alpharetta	14,764,960	6	0.44	—		—
CH Realty IV Royal Centre LLC	14,551,000	7	0.43	—		—
CP Venture Two LLC	13,516,242	8	0.40	—		—
Digital Equipment	12,594,720	9	0.37	16,740,863	6	1.32
Equifax	12,420,720	10	0.37	9,754,949	9	0.77
North Point Market	—		—	32,022,208	2	2.52
Cousins Properties	—		—	19,493,655	3	1.54
GE Capital	—		—	19,467,132	4	1.53
IBM Corporation	—		—	17,581,726	5	1.38
Windward Properties	—		—	15,199,492	7	1.20
Secured Properties, Inc.	—		—	11,328,934	8	0.89
American Honda	—		—	9,404,188	10	0.74
<b>Totals</b>	<b>\$171,935,062</b>		<b>5.07%</b>	<b>\$219,139,974</b>		<b>17.26 %</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
1998	1997	10,006,902	8,852,299	88.46	231,402	9,083,701	90.77
1999	1998	12,177,953	9,695,428	79.61	2,477,088	12,172,516	99.96
2000	1999	13,992,591	13,194,833	94.30	790,086	13,984,919	99.95
2001	2000	15,596,114	15,143,169	97.10	444,402	15,587,571	99.95
2002	2001	16,654,812	16,279,679	97.75	340,659	16,620,338	99.79
2003	2002	17,449,713	17,136,171	98.20	285,455	17,421,626	99.84
2004	2003	17,242,314	16,935,962	98.22	256,418	17,192,380	99.71
2005	2004	18,264,892	18,188,800	99.58	(21,997) <sup>1</sup>	18,166,803	99.46
2006	2005	19,464,408	19,277,210	99.04	233,290	19,510,600	100.24
2007	2006	21,101,305	20,926,995	99.17	—	20,926,995	99.17

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	Notes Payable	Capital Leases			
1998	\$58,785,000	\$2,567,797	—	—	\$2,306,729	\$9,549	\$63,669,075	7.92%	\$2,595
1999	57,190,000	1,579,740	—	\$2,470,000	—	4,701	61,244,441	5.88%	2,041
2000	55,500,000	1,288,188	\$1,749,000	2,320,000	—	18,328	60,875,516	5.15%	2,029
2001	53,640,000	899,897	1,707,750	2,160,000	—	12,627	58,420,274	4.07%	1,650
2002	51,185,000	455,810	1,641,750	1,995,000	—	—	55,277,560	3.82%	1,532
2003	48,865,000	—	1,573,275	1,825,000	—	—	52,263,275	3.57%	1,409
2004	45,135,000	—	1,502,325	1,645,000	—	—	48,282,325	3.30%	1,301
2005	40,900,000	—	1,428,075	—	—	—	42,328,075	2.80%	1,106
2006	62,410,000	—	1,351,350	—	—	—	63,761,350	3.35%	1,322
2007	56,145,000	—	1,271,325	—	—	—	57,416,325	2.40%	1,120

*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>
1998	\$58,785,000	1.82%	\$2,396
1999	57,190,000	1.33	1,906
2000	55,500,000	1.13	1,850
2001	53,640,000	0.96	1,515
2002	51,185,000	0.82	1,419
2003	48,865,000	0.71	1,317
2004	45,135,000	0.62	1,216
2005	40,900,000	0.52	1,069
2006	62,410,000	0.77	1,294
2007	56,145,000	0.60	1,096

*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, 2007

	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	\$9,428,000	8.1%	\$763,668
Fulton County School District	203,740,000	13.7%	27,912,380
Subtotal, overlapping debt	213,168,000		28,676,048
City of Alpharetta direct debt	56,145,000	100.0%	56,145,000
<b>Total direct and overlapping debt</b>	<b>\$269,313,000</b>		<b>\$84,821,048</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 within the government's boundaries and dividing it by the County's total taxable assessed value.

## City of Alpharetta

### Legal Debt Margin Information

#### Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Debt limit	\$375,083,691	\$324,677,897	\$312,059,243	\$292,126,793	\$285,307,902	\$250,441,740	\$233,798,932	\$159,193,770	\$148,975,975	\$115,123,240
Total net debt applicable to limit	45,435,910	55,542,002	37,264,279	43,713,374	47,740,553	51,805,520	54,607,811	56,490,402	57,495,900	58,404,247
Legal debt margin	\$329,647,781	\$269,135,895	\$274,794,964	\$248,413,419	\$237,567,349	\$198,636,220	\$179,191,121	\$102,703,368	\$91,480,075	\$56,718,993
Total net debt applicable to the limit as a percentage of debt limit	12%	17%	12%	15%	17%	21%	23%	35%	39%	51%

#### Legal Debt Margin Calculation For Fiscal Year 2007

Assessed value	\$3,393,114,822
Add back: exempt real property	357,722,090
Total assessed value	3,750,836,912
Debt limit (10% of total assessed value)	375,083,691
Debt applicable to limit:	
General obligation bonds	56,145,000
Less: Amount set aside for repayment of general obligation debt	(10,709,090)
Total net debt applicable to limit	45,435,910
Legal debt margin	\$329,647,781

**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>
1998	24,536	803,504,928	32,748	33.0	16.0	15,043	2.8
1999	30,000	1,041,570,000	34,719	34.5	16.0	16,796	2.6
2000	30,000	1,182,960,000	39,432	34.0	16.0	17,067	2.5
2001	35,406	1,435,465,458	40,543	33.3	16.0	18,723	2.9
2002	36,079	1,445,649,451	40,069	35.0	16.0	19,592	4.4
2003	37,090	1,462,532,880	39,432	33.0	16.0	19,154	2.4
2004	37,124	1,463,873,568	39,432	33.3	16.0	19,536	2.1
2005	38,274	1,509,220,368	39,432	33.0	16.0	19,567	4.5
2006	48,240	1,902,199,680	39,432	33.0	16.0	19,598	3.5
2007	51,243	2,393,048,100	46,700	35.6	16.0	18,966	3.0

*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

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 Six Years Ago**  
**As of December 31**

Employer	2007			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ADP	1,931	1	1.83%	—	—	—
McKesson HBOC	1,393	2	1.32	1,722	4	1.48 %
AT&T Mobility	1,200	3	1.14	2,700	1	2.32
Choice Point	1,066	4	1.01	650	10	0.56
Hewlett Packard	926	5	0.88	—	—	—
Lucent Technologies	891	6	0.85	1,119	6	0.96
UPS Supply Chain Solutions	800	7	0.76	—	—	—
General Electric	799	8	0.76	—	—	—
GE Consumer Finance	658	9	0.63	—	—	—
Radiant Systems	471	10	0.45	1,000	7	0.86
Nortel Networks	—	—	—	2,700	2	2.32
Compaq	—	—	—	1,810	3	1.55
Verizon	—	—	—	1,500	5	1.29
WorldCom	—	—	—	1,000	8	0.86
MetLife	—	—	—	800	9	0.69
<b>Total</b>	<b>10,135</b>		<b>9.63%</b>	<b>15,001</b>		<b>12.89 %</b>

Source: City of Alpharetta Community Development Department

Note: Data for periods prior to 2001 is not available

**City of Alpharetta**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<i>Function</i>	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General government										
Mayor and City Council										
Elected officials	7	6	7	7	7	7	7	7	7	7
City Administrator										
Full-time personnel	7	7	5	8	9	7	7	7	7	7
Part-time personnel	2	2	1	-	-	-	-	-	-	-
City Clerk										
Full-time personnel	2	2	3	-	-	-	-	-	-	-
Engineering										
Full-time personnel	28	23	23	21	20	20	17	17	12	12
Environmental Services										
Full-time personnel	-	-	-	-	-	-	5	-	-	-
Finance										
Full-time personnel	22	21	21	22	22	20	14	13	12	12
Part-time personnel	-	-	2	2	1	2	-	-	-	-
Human Resources										
Full-time personnel	6	6	6	6	6	6	5	4	4	3
Municipal Court										
Elected officials	1	1	1	1	1	1	1	1	1	1
Full-time personnel	8	6	6	6	5	3	3	3	3	3
Part-time personnel	-	-	1	-	-	1	1	1	-	-
Public Information										
Full-time personnel	1	1	2	2	2	-	-	-	-	-
Technology Services										
Full-time personnel	9	8	8	6	5	5	5	5	4	3
Part-time personnel	-	-	-	-	1	1	1	-	-	-
Community Development										
Full-time personnel	21	18	20	20	20	20	20	20	20	20
Public Safety										
Police	-	-	-	-	-	-	-	-	-	85
Full-time certified officers	102	84	76	74	72	70	62	66	66	-
Full-time uncertified officers	-	3	1	-	-	1	2	-	-	-
Full-time civilian	30	27	30	30	27	34	36	29	29	-
Part-time civilian	8	2	3	3	3	-	-	-	-	-
Fire			-	-	-	-	-	-	-	-
Full-time certified firefighters	86	77	83	81	74	69	64	62	45	62
Part-time certified firefighters	3	3	3	3	3	3	4	4	21	-
Full-time uncertified firefighters	3	6	1	-	4	5	2	5	8	-
Full-time support personnel	1	1	1	1	1	1	1	1	1	-
Public works										
Full-time personnel	28	31	35	35	35	31	24	22	35	30
Culture and recreation										
Full-time personnel	51	50	50	50	50	49	44	44	36	31
<b>Total</b>	<b>426</b>	<b>385</b>	<b>389</b>	<b>378</b>	<b>368</b>	<b>356</b>	<b>325</b>	<b>311</b>	<b>311</b>	<b>276</b>

Source: City of Alpharetta Budget Office

**City of Alpharetta**  
**Operating Indicators by Function**  
**Last Five Fiscal Years**

<i><b>Function</b></i>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General government					
Ordinances approved	30	30	25	30	22
Special events held	35	38	39	38	38
Court cases heard	12,527	12,342	12,499	12,342	11,733
Bond rating	Aa1-AAA	Aa1-AA+	Aa1-AA+	Aa1-AA+	Aa1-AA+
Software applications supported	70	68	66	60	55
Grants managed	34	26	17	16	-
Police					
Calls for service	80,229	52,056	45,731	52,056	50,266
Part 1 crimes reported	2,077	1,922	1,445	1,727	1,661
Traffic citations issued	19,197	16,100	15,290	22,860	24,757
Fire					
Incident responses	5,590	5,113	5,119	4,909	4,472
Average response time	5:24	5:29	12:04	12:04	12:04
Fire safety programs conducted	395	203	299	203	321
Inspections conducted	6,456	4,646	5,753	4,646	3,619
Highways and streets					
Traffic signals timed	82	N/A	41	N/A	N/A
Average days to repair pothole	2	25	2	25	N/A
Stormwater plans reviewed	224	68	60	68	82
Community development					
New building permits issued	4,821	3,855	3,800	3,855	3,794
Parcels annexed	36	352	352	352	91
Culture and recreation					
Park acres maintained	306	300	306	300	300
Greenway acres maintained	200	200	200	200	200
Annual program registrants	23,777	23,500	23,791	23,500	23,612

*Source: Various City departments*

*Note: Indicators are not available prior to 2003*

**City of Alpharetta**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<i>Function</i>	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units and support vehicles	115	110	97	89	86	72	75	58	63	67
Police motorcycles	5	6	6	4	6	6	2	3	7	4
Fire										
Fire stations	6	6	4	5	5	5	5	5	5	5
Ladder units - in service	2	2	3	2	2	2	2	2	2	2
Ladder units - reserve	-	-	1	1	1	1	1	-	-	-
Pumper units - in service	6	6	5	5	5	5	5	5	5	5
Pumper units - reserve	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets - paved (miles)	270	257	217	211	206	200	194	189	183	177
Streets - unpaved (miles)	2	2	1	2	2	2	2	2	2	2
Sidewalk (miles)	170	143	116	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Drainage - piped (miles)	99	90	40	40	40	35	34	35	35	26
Drainage - open (miles)	165	157	140	140	140	143	143	143	143	127
Culture and recreation										
Parks - active and passive	9	9	9	7	7	7	7	7	7	7
Park acreage	760	769	769	769	764	537	537	537	440	440
Greenway and walking trails (miles)	11	11	11	10	6	6	6	4	4	4
Adaptive athletic fields	1	1	1	-	-	-	-	-	-	-
Athletic fields	29	29	29	29	28	28	28	28	28	21
Equestrian facilities	1	1	1	1	1	1	1	1	1	1
Hockey rinks	2	2	2	2	2	2	2	2	2	1
Swimming pools	2	2	2	2	2	1	1	1	1	1
Tennis courts	17	17	17	17	17	11	11	3	7	7
Recreation buildings	11	11	11	11	11	7	7	7	7	7
Playgrounds	7	6	6	5	4	4	4	4	4	4
Picnic shelters/restrooms	24	23	23	23	21	15	15	15	14	12

*Sources: Various government departments*

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

## Notes



## Notes

## Notes





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