



CITY OF ALPHARETTA, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

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

Submitted By:
Robert J. Regus
City Administrator



INTRODUCTORY SECTION

CITY OF ALPHARETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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December 5, 2019

TO THE HONORABLE MAYOR, MEMBERS OF THE CITY COUNCIL, CITIZENS,
BUSINESSES, AND STAKEHOLDERS OF THE CITY OF ALPHARETTA:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, LLC, have issued an unmodified ("clean") opinion on the City of Alpharetta's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

OUR HISTORY

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

Located approximately 25 miles north of the City of Atlanta, Alpharetta occupies a land area of approximately 27 square miles and serves an estimated population of 65,799. Population growth

has been fueled in part by the City's strong economic base as well as the annexation of surrounding communities.

With the incorporation of the City of Milton and the City of John's Creek, all unincorporated areas within north Fulton County have been absorbed. As such, future growth will be through internal development and redevelopment as opposed to annexation.

GOVERNMENT PROFILE

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

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

BUDGET BASIS AND STRUCTURE

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

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

STRATEGIC FINANCIAL PLANNING

The City Council, City Administration, and City departments have displayed impressive financial stewardship over the years through an established philosophy of budgetary evaluation. This philosophy entails reviewing the needs of the City relative to the standard that services and associated costs should not be appropriated unless they are justified as strategic goals of the organization that serve to accomplish our guiding principles.

This philosophy is a foundation of our budget process as evidenced by the Finance Department's direction to departments that base operating budgets should be submitted in line with the City's revenue trends. City departments responded to the direction provided by the Finance Department and submitted base operating budgets for each activity and program in-line with current revenue estimates that cover the city's primary cost drivers (e.g. salaries, healthcare, etc.).

The issue of sustainability also is addressed through a diversification of revenue sources. While property taxes do represent the largest single source of revenue, significant discussion is centered on how to further diversify the City's revenue base and lessen reliance on property taxes. Existing revenue sources are evaluated

on a periodic basis to ensure the underlying rate is reasonable and justifiable. Examples of revenue sources that are reevaluated periodically include all user fee-based revenue sources (i.e. permits, licenses, recreation fees, etc.).

The City has historically acknowledged the need to provide a taxation rate commensurate with the government's level of service while ensuring tax relief through efficient and effective management practices. The City levied a millage rate of 5.75 (general fund – 4.77 mills; debt service – 0.98 mills) in fiscal year 2019 which, while flat with fiscal year 2018, included funding \$4.5 million from General Fund operations for a recurring capital program (e.g. milling and resurfacing of City streets, traffic equipment maintenance and replacement, drainage system maintenance, etc.). The city's competitive tax rate, coupled with a substantial Homestead Exemption goes great lengths in keeping Alpharetta not only an affordable place to live, but also strategically positions us relative to neighboring areas. The Homestead Exemption for fiscal year 2019 totaled \$40,000 and is more than double the amounts offered by our companion cities and saved our homeowners over \$2.6 million annually (equated to a 1.1 mill reduction for the average homeowner).

At the end of the current fiscal year, total fund balance for the general fund was \$27,826,270 which is an increase of \$3,189,187 from the prior year. This balance represents approximately 39% of 2020 budgeted operating expenditures. Approximately 19.9% of total fund balance, or \$5,537,018, constitutes assigned fund balance for 2020 fiscal year expenditures.

Approximately 80.1% of total fund balance, or \$22,289,252, constitutes unassigned fund balance. This balance represents approximately 31.8% of 2020 budgeted operating expenditures. By ordinance, the City has mandated that such balance not be less than 16% of budgeted operating expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. Historically, the City has set the minimum for the emergency reserve at a level in excess of the ordinance requirement. For fiscal year end 2019, the emergency reserve requirement remained at 21% which equates to \$15,000,000. The surplus after such emergency reserve and other allowances will enable the City to fund one-time future capital expenditures in the amount of \$7,289,252 as part of the annual budget to be developed for fiscal year 2021.

These fund balances have resulted from the use of prudent fiscal policies and conservative budget practices and help to ensure the City's long-term financial stability.

RELEVANT FINANCIAL POLICIES

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

MAJOR INITIATIVES COMPLETED DURING FISCAL YEAR 2019

The City maintained its focus on expanding sidewalk connectivity during fiscal year 2019 including the construction of sidewalk segments along Hembree Road, North Point Court, Mansell Court, Old Roswell Road, and Warsaw Road.

The City continued its aggressive infrastructure/facility maintenance plan including funding the milling and resurfacing of multiple city streets, traffic signal system replacement, traffic control system replacement, facility roof repair and replacement, tree planting and landscape improvements, etc. as well as multiple drainage and stormwater repair/improvement projects including replacement of the culvert on Mayfield Road and stormwater pipe-lining and repair/replacement projects citywide.

To further fuel economic prosperity downtown, the City completed its 2nd parking garage during fiscal year 2019 (the 92 Milton Avenue Garage) adding 189 needed spaces to our downtown parking inventory. Included within the 92 Milton Avenue Garage is a new Police Precinct to assist in community related policing activities downtown.

Numerous recreation improvements were completed during the year including replacement of the artificial turf field at North Park.

MAJOR INITIATIVES PLANNED FOR FISCAL YEAR 2020

The City's capital plan for FY 2020 totals \$34 million and includes recommended capital initiatives totaling \$15 million with an additional \$19 million set aside for future capital investment. Specific initiatives include:

- Transportation (\$6.4 million) – Initiatives funded include: infrastructure maintenance initiatives (milling and resurfacing of streets, signal system, striping, traffic calming, bridge maintenance, land- scaping, etc.); design funding for pedestrian improvements downtown; etc.
- Drainage/Stormwater (\$2.6 million) – Initiatives funded include: storm-water system inspections and maintenance; pipe repair and replacement; design of drainage control measures; etc.
- Facility (\$1.1 million) - Initiatives funded include: fire station renovations; public safety facility renovations (roof replacements at fire station 82 and the evidence building and HVAC replacement for the jail); public works headquarters renovations; municipal court facility improvements; City Hall upgrades; new trash enclosure for Old Roswell Street; generator replacements at multiple facilities; etc.
- Recreation (\$1.5 million) - Initiatives funded include: Wills Park improvements (replacement maintenance barn); funding for design and construction of new park spaces throughout the City; greenway repairs and improvements; purchase and installation of wayfinding signage within the park system; etc.
- Fleet/Equipment Replacement (\$2.6 million) – Initiatives funded include: replacement of fleet that balances the maximization of public investment in terms of years and mileage while ensuring fleet assets are reliable and functional to ensure continued service capabilities to our customers (public safety, public works, etc.); equipment aimed at maintaining a safe (traffic preemption system, public safety equipment, replacement hazardous materials truck and trailer, patrol rifle program, mobile dispatch program) and fun (playground equipment) environment.

These investments illustrate our commitment to ensuring quality of life enhancements to the business and residential community.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Alpharetta for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2018. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare CAFR's that represent the spirit of transparency and full disclosure. This award is valid for a period of one year only. We believe that our current CAFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

The City also received the GFOA *Popular Annual Financial Reporting Award* ("PAFR") for our annual citizens' report for the fiscal year ended June 30, 2018. This program recognizes those governments that produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. This award is valid for a period of one year only. We believe that our current PAFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

Last but certainly not least, the City also received the GFOA's *Distinguished Budget Presentation Award* for its annual budget narrative for the fiscal year ended June 30, 2019. This program recognizes those governments that prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and have submitted it to GFOA to determine its eligibility for another award.

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

Respectfully submitted,

A handwritten signature in black ink, reading "Thomas G. Harris". The signature is written in a cursive, flowing style.

Thomas G. Harris
Director of Finance



Government Finance Officers Association

**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, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF ALPHARETTA, GEORGIA
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2019

Elected Officials

Mayor Jim Gilvin

Council Member – Post 1 Donald Mitchell

Council Member – Post 2 Ben Burnett

Council Member – Post 3 Karen Richard

Council Member – Post 4 John Hipes

Council Member – Post 5 Jason Binder

Council Member – Post 6 Dan Merkel

Appointed Officials

City Administrator Robert J. Regus

City Attorney Sam Thomas

City Clerk Erin Cobb

Finance Director Thomas G. Harris

Assistant City Administrator James Drinkard

Public Works Director Pete Sewczwicz

Information Technology Director Randy Bundy

Recreation, Parks & Cultural Services Director Morgan Rodgers

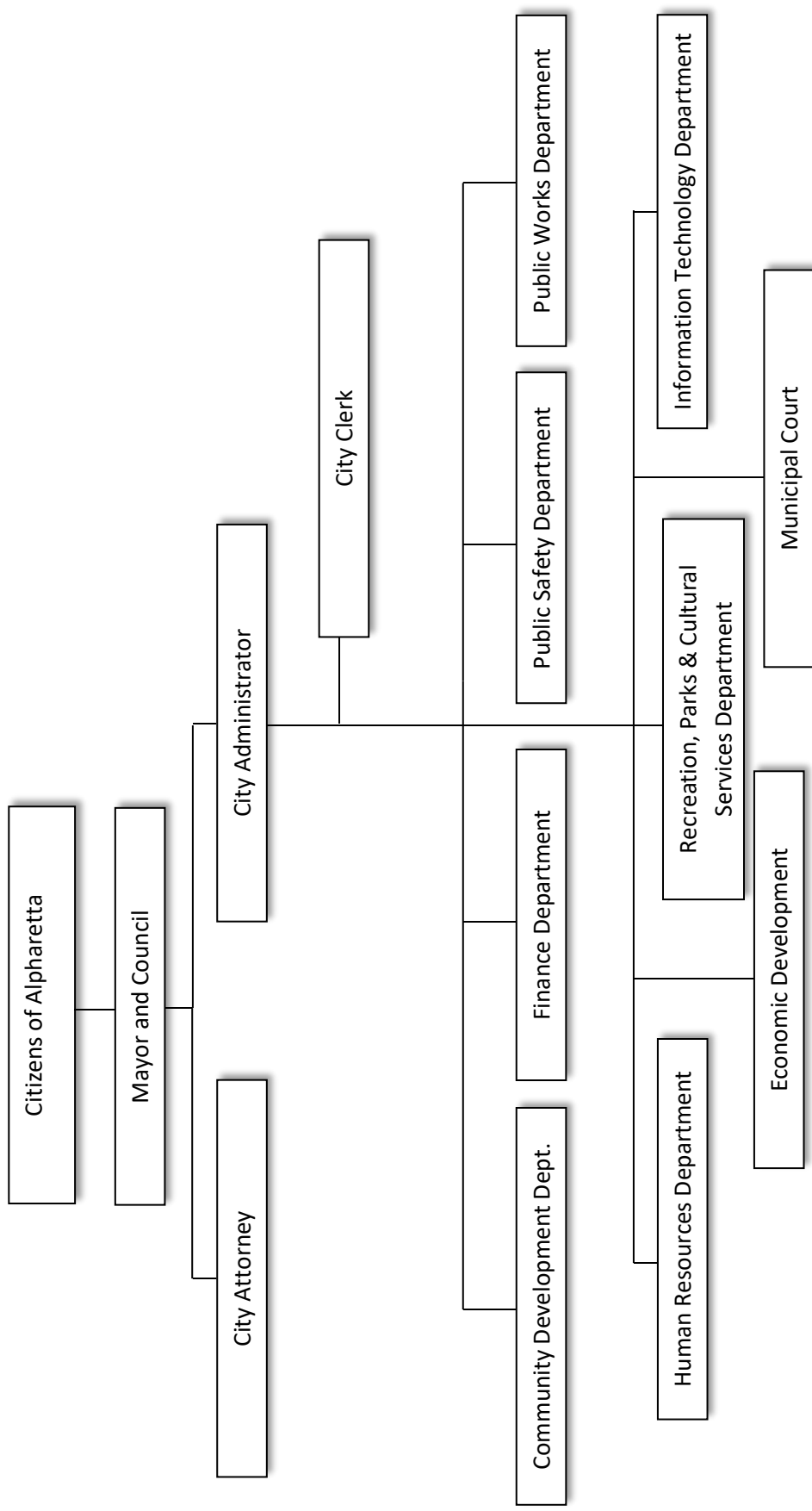
Chief Clerk of the Municipal Court Rita Tracey

Public Safety Director John Robison

Community Development Director Kathi Cook

Municipal Judge Barry Zimmerman

CITY OF ALPHARETTA, GEORGIA
ORGANIZATIONAL CHART
JUNE 30, 2019



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the City of Alpharetta, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alpharetta, Georgia, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the City's net OPEB liability (asset) and related ratios, schedule of contributions – OPEB Plan, schedule of OPEB investment returns – OPEB Plan, schedule of changes in the City's net pension liability (asset) and related ratios, schedule of City contributions – retirement plan, schedule of pension investment returns – retirement plan, and the General Fund - Budgetary Comparison Schedule – GAAP Basis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alpharetta, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with the *Government Auditing Standards*, we have also issued our report dated December 5, 2019 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 solely 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 effectiveness of the City of Alpharetta, Georgia's internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the City of Alpharetta, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 5, 2019

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, 2019. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$272,163,760 (total net position). Of this amount \$26,141,956 (unrestricted net position) may be used to meet the ongoing obligations of the government.
- The City's total net position increased by \$14,790,667.
- As of the close of the current fiscal year, the City of Alpharetta's governmental funds reported combined ending fund balances of \$103,053,876, an increase of \$5,788,016 from the prior year. The increase was primarily due to increases in property tax, sales tax, and T-SPLIST revenues.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$22,289,252 which represents approximately 31.8% of 2020 budgeted expenditures. By ordinance, the City has mandated that such balance not be less than 16% of budgeted expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. Historically, when budgeting, the City has set the minimum for the emergency reserve at a level in excess of the ordinance requirement. For Fiscal year end 2019, the emergency reserve requirement remained at 21% which equates to \$15,000,000. The Surplus after such emergency reserve and other allowances will enable the City to fund one-time future capital in the amount of \$7,289,252 as part of the annual budget to be developed for fiscal year 2021.

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 position presents information on the total of the City's assets and deferred outflows of resources and the total of liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 12 and 13 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 thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Capital Project, T-SPLOST Capital, and 2016 Bond Construction funds, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements later in this document.

The basic governmental fund financial statements can be found on pages 14 and 16 of this report.

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

the various functions of a government. The City uses internal service funds to account for risk management and medical insurance. 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 and for risk management and medical insurance internal service funds.

The basic proprietary fund financial statements can be found on pages 17 through 19 of this report.

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

The basic fiduciary fund financial statements can be found on pages 20 and 21 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 22 through 73 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 pertaining to the City's pension and other postemployment benefits to its employees. In addition, a budgetary comparison schedule for the General Fund is presented on a generally accepted accounting principal basis in this section. This schedule is intended to demonstrate the government's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 74 through 81 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 82 through 102 of this report.

CITY OF ALPHARETTA'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 116,939,090	\$ 111,994,801	\$ 2,740,447	\$ 2,977,526	\$ 119,679,537	\$ 114,972,327
Capital assets	299,961,571	293,592,536	-	-	299,961,571	293,592,536
Total assets	<u>416,900,661</u>	<u>405,587,337</u>	<u>2,740,447</u>	<u>2,977,526</u>	<u>419,641,108</u>	<u>408,564,863</u>
Deferred outflow of resources	5,649,009	3,904,281	-	-	5,649,009	3,904,281
Total deferred outflow of resources	<u>5,649,009</u>	<u>3,904,281</u>	<u>-</u>	<u>-</u>	<u>5,649,009</u>	<u>3,904,281</u>
Current liabilities	10,118,727	9,973,460	1,532,429	1,790,658	11,651,156	11,764,118
Non-current liabilities outstanding	139,583,516	140,746,440	1,426	676	139,584,942	140,747,116
Total liabilities	<u>149,702,243</u>	<u>150,719,900</u>	<u>1,533,855</u>	<u>1,791,334</u>	<u>151,236,098</u>	<u>152,511,234</u>
Deferred inflow of resources	1,890,259	2,584,817	-	-	1,890,259	2,584,817
Total deferred inflow of resources	<u>1,890,259</u>	<u>2,584,817</u>	<u>-</u>	<u>-</u>	<u>1,890,259</u>	<u>2,584,817</u>
Net investment in capital assets	214,287,654	207,591,818	-	-	214,287,654	207,591,818
Restricted	31,734,150	21,779,965	-	-	31,734,150	21,779,965
Unrestricted	24,935,364	26,815,118	1,206,592	1,186,192	26,141,956	28,001,310
Total net position	<u>\$ 270,957,168</u>	<u>\$ 256,186,901</u>	<u>\$ 1,206,592</u>	<u>\$ 1,186,192</u>	<u>\$ 272,163,760</u>	<u>\$ 257,373,093</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Alpharetta, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$272,163,760 at the close of the most recent fiscal year. The largest portion of the City's net position (79%) reflects its net investment in capital assets (i.e., land, buildings, infrastructure, machinery, and equipment less any outstanding related debt used to acquire those assets). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (12%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2019, the City's restricted net positions were \$31,734,150 representing \$25,463,054 obligated for capital projects, \$2,697,154 restricted for tourism, \$1,267,709 restricted for the repayment of general obligation bond debt, \$497,666 restricted for law enforcement activities, and \$1,808,567 for emergency telephone activities.

The remaining balance in unrestricted net position of \$26,141,956 (9%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, 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 POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
<i>Program revenues:</i>						
Charges for services	\$ 16,065,164	\$ 14,284,145	\$ 4,188,117	\$ 3,851,806	\$ 20,253,281	\$ 18,135,951
Operating grants and contributions	658,226	918,641	-	-	658,226	918,641
Capital grants and contributions	3,422,011	4,300,025	-	-	3,422,011	4,300,025
<i>General revenues:</i>						
Property tax	31,569,551	27,953,119	-	-	31,569,551	27,953,119
Local option sales tax	28,112,776	26,669,576	-	-	28,112,776	26,669,576
Other taxes	24,715,653	22,359,684	-	-	24,715,653	22,359,684
Unrestricted investment earnings	2,541,290	1,152,024	59,238	19,817	2,600,528	1,171,841
Total revenues	<u>107,084,671</u>	<u>97,637,214</u>	<u>4,247,355</u>	<u>3,871,623</u>	<u>111,332,026</u>	<u>101,508,837</u>
Expenses						
General government	15,780,792	21,454,576	-	-	15,780,792	21,454,576
Public safety	33,611,899	32,400,805	-	-	33,611,899	32,400,805
Public works	21,553,723	10,681,676	-	-	21,553,723	10,681,676
Community development	7,319,083	6,553,596	-	-	7,319,083	6,553,596
Culture and recreation	10,465,655	14,990,020	-	-	10,465,655	14,990,020
Interest on long-term debt	3,583,252	3,995,843	-	-	3,583,252	3,995,843
Solid waste	-	-	4,226,955	3,818,643	4,226,955	3,818,643
Total expenses	<u>92,314,404</u>	<u>90,076,516</u>	<u>4,226,955</u>	<u>3,818,643</u>	<u>96,541,359</u>	<u>93,895,159</u>
Increase in net position	<u>14,770,267</u>	<u>7,560,698</u>	<u>20,400</u>	<u>52,980</u>	<u>14,790,667</u>	<u>7,613,678</u>
Net position - beginning, restated	<u>256,186,901</u>	<u>248,626,203</u>	<u>1,186,192</u>	<u>1,133,212</u>	<u>257,373,093</u>	<u>249,759,415</u>
Net position - ending	<u>\$ 270,957,168</u>	<u>\$ 256,186,901</u>	<u>\$ 1,206,592</u>	<u>\$ 1,186,192</u>	<u>\$ 272,163,760</u>	<u>\$ 257,373,093</u>

Governmental activities. Governmental activities increased the City's net position by \$14,770,267 (compared to an increase of \$7,560,698 in the prior year) accounting for nearly all of the increase in the net position of the City (business-type activities had an increase in net position of \$20,400). Key elements of this change from year to year are as follows:

- Total governmental program revenues increased by \$642,590.
- Total general revenues increased by \$8,804,867 from the prior year primarily due to increases in property valuations and sales tax proceeds resulting from continued economic growth.

- Total expenses of the governmental activities increased by \$2,237,888, primarily as a result of increases in public safety (\$1.2 million), public works (\$10.8 million), and community development (\$.8 million), offset in part by decreases in general government (\$5.7million), culture and recreation (\$4.5 million), and interest on long-term debt (\$.4 million).

Business-type activities. Business-type activities increased the City of Alpharetta's net position by \$20,400 as stated earlier.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of fiscal year 2019, the City reported governmental funds combined ending fund balance of \$103,053,876, an increase of \$5,788,016 from the prior year. Approximately 21.6% of this balance or \$22,289,252 constitutes unassigned fund balance.

The remainder of the fund balance is categorized as restricted or assigned. Restricted fund balance consists of amounts restricted for capital projects of \$57,996,237, law enforcement of \$494,638, emergency telephone activities of \$1,808,567, tourism of \$2,697,154, and debt service of \$1,223,954. Assigned fund balance consists of amounts assigned for grant projects of \$393,439, capital projects of \$10,613,617, and 2020 fiscal year expenditures of \$5,537,018.

General fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the general fund was \$27,826,270 which is an increase of \$3,189,187 from the prior year. In terms of liquidity, total fund balance represents approximately 39% of 2020 budgeted expenditures.

Approximately 80.1% of total fund balance, or \$22,289,252 constitutes unassigned fund balance. This balance represents approximately 31.8% of 2020 budgeted expenditures. By ordinance, the City has mandated that such balance not be less than 16% of budgeted expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. Historically, when budgeting, the City has set the minimum for the emergency reserve at a level in excess of the ordinance requirement. For fiscal year end 2019, the emergency reserve requirement remained at 21% which equates to \$15,000,000. The surplus after such emergency reserve and other allowances will enable the City to fund one-time future capital in the amount of \$7,289,252 as part of the annual budget to be developed for fiscal year 2021.

The fund balance of the City's General Fund increased during fiscal year 2019 by \$3,189,187. Revenues exceeded expenditures by \$11,242,045; however, net transfers out were \$8,185,797 and offset in part by proceeds from sale of capital assets for

\$132,939. Council approved the utilization of prior year fund balance for capital projects (\$6,100,065). Other significant variances are explained below:

- From a year to year operational perspective, total revenues increased by \$7,266,400 primarily due to an increase in property tax revenue resulting from general growth in property valuations and new construction and sales tax revenue due to continued improvement in economic activity.
- Revenues of \$70,241,980 exceeded amount budgeted by \$5,365,177. Specific revenue variances include the following: property taxes (\$598,361 greater than budget); sales and use taxes (\$1,199,321 greater than budget); franchise taxes (\$587,133 greater than budget); licenses and permits (\$1,494,564 greater than budget due primarily to continued growth in city-wide development); charges for services (\$638,253 greater than budget); and fines and forfeitures (\$145,857 less than budget).
- Total expenditures increased by \$3,209,063 from the prior year primarily due to the following growth drivers: (1) general salary growth; (2) increases in healthcare costs; and (3) increases in overtime, seasonal/temporary salaries, and general benefits.
- Expenditures came in well under budget, at \$58,999,935 with \$3,741,699 of the budgetary appropriation unspent. Management continues to work with department heads to ensure only necessary purchases are made, and to ensure all departments do not exceed budget appropriations, which creates a budget conscious atmosphere throughout the City.

Capital Project Fund. Annually, City Council approves a capital program as part of the budget process. Funding for these projects comes primarily from available fund balance of the general fund. The Capital Project Fund accounts for these activities. During the year, \$9,675,047 was transferred to this fund from the General Fund, while expenditures amounted to \$16,142,156. The above along with \$2,394,838 in additional revenue, decreased fund balance by \$4,072,271 to \$10,069,175 at year-end as compared to \$14,141,446 at end of prior year.

T-SPLOST Capital Fund. During fiscal year 2019, the T-SPLOST capital fund received \$11,263,455 in sales tax proceeds and generated \$355,413 in investment income for a total revenue amount of \$11,618,868. Current expenditures amounted to \$2,386,832. The net amount resulted in an increase in fund balance of \$9,232,036 from \$11,793,815 to an ending fund balance amount of \$21,025,851.

2016 Bond Construction Fund. This fund is a capital project fund used to account for proceeds from issuance of 2016 General Obligation Bonds for the acquisition and construction of parks, greenways, and sidewalks; and the acquisition and construction of roads, streets, and bridges. Investment earnings of \$846,501 plus other revenue of \$7,400 resulted in total revenues of \$853,901 for fiscal year 2019. Capital outlay expenditures in the amount of \$5,416,930 decreased fund balance restricted for capital projects in the amount of \$4,562,489, from \$37,792,647 to \$33,230,158 at year end.

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

Solid Waste Fund. Unrestricted net position of the solid waste enterprise fund at the end of the year amounted to \$1,206,592. The total increase in net position for the solid waste funds was \$20,400 compared to \$52,980 in the prior year. Total operating revenue increased by \$336,311 to \$4,188,117 due to an increase in number of customers being billed. Investment earnings increased by \$39,421 over the prior year amount of \$19,817. Total expenses increased by \$408,312 to \$4,226,955.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- During the year, there was an increase in total budgeted revenues in the amount of \$1,467,232 which consisted of increases of \$1,400,000 for property taxes, \$6,887 for charges for services, \$50,000 for intergovernmental revenues and \$10,345 for budgeted contributions and donations. Total budgeted expenditures increased by \$843,500 from the beginning of the year consisting of an increase to total General Government for \$766,268, Public Safety for \$51,510, and Culture and Recreation for \$25,722.
- Fines and forfeitures were \$145,857 less than amount budgeted, and contributions and donations were \$8,742 less than amount budgeted. However, revenues from property taxes were

Risk Management Fund. Unrestricted net position of the risk management fund increased in the amount of \$548,866 from \$222,136 to \$771,002 as compared to a prior year decrease in the amount of \$57,199. Total operating revenues increased by \$69,899 to \$1,461,074 while total operating expenses decreased by \$516,677 to \$940,944. Investment earnings increased by \$19,489 as well.

Medical Insurance Fund. The Medical Insurance Fund is an internal service fund created to account for the amounts charged to the City and its employees to pay for the medical insurance plan. The City's medical insurance plan is a fully insured medical plan that is funded through the carrier as a shared return minimum premium arrangement. Funding to the medical insurance fund is based on the City's maximum exposure on the policy. Expenses reflect actual claims and administrative costs. Charges for services and investment earnings amounted to \$7,126,288 and operating expenses amounted to \$7,089,860. Net transfers out of the fund for \$1,500,000, to create a new retiree health reimbursement benefit fund, resulted in a decrease in net position of \$1,463,572 (as compared to an increase of \$235,881 in the prior year) yielding a deficit in net position of (\$263,512) at year-end.

\$598,361 greater than amount budgeted, sales and use taxes were \$1,199,321 greater than amount budgeted, franchise taxes were \$587,133 greater than amount budgeted, and business taxes and other taxes were \$347,687 greater than amount budgeted. Licenses and permits were \$1,494,564 greater than the amount budgeted, intergovernmental revenues were \$46,343 greater than amount budgeted, and investment earnings and other revenues were \$608,114 greater than amount budgeted. The net result of all the revenue variances was that actual total revenues exceeded final budget total revenues by \$5,365,177.

- Total actual expenditures were \$3,741,699 less than final budgeted total expenditures. Management continues to work with department heads to ensure only necessary purchases are made and to ensure departments do not exceed budget appropriations, which generates a budget conscious atmosphere throughout the City. Among departments with larger favorable variances in expenditures were General Government which expended \$2,091,170 less than final budget, Public Safety which expended \$853,498 less than final budget, Public Works which expended \$405,950 less than final budget, and Culture and Recreation which expended \$316,679 less than final budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Alpharetta's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$299,961,571 (net of accumulated depreciation). This investment in capital assets includes land and permanent improvements, buildings, improvements other than buildings, machinery and equipment, and infrastructure (park facilities, roads, highways, and bridges).

Larger additions to Capital Assets include:

- Additions to construction in progress for Rucker Road Corridor Project (\$1,266,398)
- Additions to construction in progress for Milton Avenue Parking Garage (\$3,817,570)
- Additions to construction in progress for Old Milton Parkway Improvements (\$500,172)

CITY OF ALPHARETTA'S CAPITAL ASSETS

(net of depreciation)

City of Alpharetta's Capital Assets

(net of depreciation)

	Governmental Activities	
	2019	2018
Land and permanent improvements	\$ 88,842,128	\$ 87,384,255
Buildings	54,375,247	47,535,176
Improvements other than buildings	14,662,407	16,045,872
Machinery and equipment	9,815,511	10,445,088
Infrastructure	111,267,476	115,579,089
Construction in progress	20,998,802	16,603,056
Total	<u>\$ 299,961,571</u>	<u>\$ 293,592,536</u>

Additional information on the City's capital assets can be found in note IV.C on page 49 of this report.

Long-term debt. At the end of the fiscal year 2019, the City's total outstanding debt was \$117,888,607.

Total outstanding debt consists of \$86,385,000 of general obligation bonds, \$27,730,000 of notes payable and \$3,773,607 of capital leases payable.

CITY OF ALPHARETTA'S OUTSTANDING DEBT

General Obligation Bonds and Notes

City of Alpharetta's Outstanding Debt

General Obligation Bonds and Notes

	Governmental Activities	
	2019	2018
General obligation bonds	\$ 88,239,519	\$ 91,088,614
Notes payable	27,730,000	28,232,100
Capital leases payable	3,773,607	4,465,216
Total	<u>\$ 119,743,126</u>	<u>\$ 123,785,930</u>

The City’s total debt decreased by \$4,042,804 during the 2019 fiscal year (includes bond debt, notes, and capital leases) primarily due to principal payments in the amount of \$3,903,709 during the year. The City currently has an uninsured “AAA” rating from Standard & Poor’s and an “Aaa” rating from Moody’s for its general obligation debt. Keys to such elite ratings are a result of strong and proactive administration; effective debt management policies with moderate to low debt ratios; a vibrant and diverse economy; and a strong track record of managing the financial positions supported by sufficient reserves and established 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 \$594,316,639.

Additional information on the City’s long-term debt can be found in note IV.E on pages 51 through 57 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Fiscal Year 2020 Budget is the culmination of years of financial stewardship by the City Council, City Administrator, city departments, and includes the following:

- Tax-burden reductions for our homeowners and business owners including:
 - Maintenance of the City’s \$40,000 homestead exemption and implementation of a new floating homestead exemption which will combine to save our homeowners over \$4.5 million annually.
 - Maintenance of the City’s millage rate at 5.750 mills (flat with FY 2019) including funding \$4.8 million from General Fund operations for recurring capital initiatives (e.g. milling and resurfacing of city streets; traffic equipment replacement; drainage maintenance; etc.).
- Forecasted funding totaling \$34 million for capital investment within our City (includes the \$4.8 million in recurring capital discussed above) and described in detail within the Transmittal Letter of this document;
- Continuation of the same high service levels our citizenry, business owners, and stakeholders have come to expect from our city; and
- Expanded service levels within multiple departments including: Public Safety (additional fire marshal and evidence technician staffing, implementation of a license plate recognition camera program); Information Technology (dedicated CityWorks administration staffing, funding for cloud server capabilities, multiple IT security measures); Finance (budget software); Human Resources (HRIS software); etc.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Alpharetta’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Department, City of Alpharetta, 2 Park Plaza, Alpharetta, Georgia, 30009, or by calling 678-297-6060.

BASIC FINANCIAL STATEMENTS

CITY OF ALPHARETTA, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2019

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Authority
Cash and cash equivalents	\$ 53,940,658	\$ 1,558,359	\$ 55,499,017	\$ 146,078
Investments	20,131,118	980,695	21,111,813	320
Receivables, net of allowance for uncollectibles	6,368,429	201,393	6,569,822	148,892
Direct financing lease receivable	-	-	-	28,100,000
Prepaid items	285,550	-	285,550	-
Restricted cash equivalents	36,057,756	-	36,057,756	-
Net OPEB asset	155,579	-	155,579	-
Capital assets, non-depreciable	109,840,930	-	109,840,930	-
Capital assets, depreciable, net of accumulated depreciation	190,120,641	-	190,120,641	-
Total assets	416,900,661	2,740,447	419,641,108	28,395,290
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	918,786	-	918,786	-
Pension related items	4,582,512	-	4,582,512	-
OPEB related items	147,711	-	147,711	-
Total deferred outflows of resources	5,649,009	-	5,649,009	-
LIABILITIES				
Accounts payable and other current liabilities	10,118,727	372,439	10,491,166	1,772
Unearned revenue	-	1,159,990	1,159,990	-
Interest payable	625,369	-	625,369	146,192
Bonds payable, due within one year	2,785,000	-	2,785,000	390,000
Bonds payable, due in more than one year	85,454,519	-	85,454,519	28,325,866
Capital lease payable, due within one year	629,105	-	629,105	-
Capital lease payable, due in more than one year	3,144,502	-	3,144,502	-
Notes payable, due within one year	390,000	-	390,000	-
Notes payable, due in more than one year	27,340,000	-	27,340,000	-
Net pension liability, due in more than one year	15,281,532	-	15,281,532	-
Other noncurrent liabilities, due within one year	3,228,433	1,426	3,229,859	-
Other noncurrent liabilities, due in more than one year	705,056	-	705,056	-
Total liabilities	149,702,243	1,533,855	151,236,098	28,863,830
DEFERRED INFLOWS OF RESOURCES				
Pension related items	1,795,519	-	1,795,519	-
OPEB related items	94,740	-	94,740	-
Total deferred inflows of resources	1,890,259	-	1,890,259	-
NET POSITION (DEFICIT)				
Net investment in capital assets	214,287,654	-	214,287,654	-
Restricted for:				
Capital projects	25,463,054	-	25,463,054	-
Economic Development	-	-	-	90,948
Tourism	2,697,154	-	2,697,154	-
Debt service	1,267,709	-	1,267,709	-
Law enforcement	497,666	-	497,666	-
Emergency telephone activities	1,808,567	-	1,808,567	-
Unrestricted (deficit)	24,935,364	1,206,592	26,141,956	(559,488)
Total net position (deficit)	\$ 270,957,168	\$ 1,206,592	\$ 272,163,760	\$ (468,540)

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

CITY OF ALPHARETTA, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>
			<u>Contributions</u>	<u>Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 15,780,792	\$ 98,287	\$ 34,729	\$ 7,400
Public safety	33,611,899	7,779,202	39,061	-
Public works	21,553,723	-	73,262	3,047,804
Community development	7,319,083	5,628,275	-	366,807
Culture and recreation	10,465,655	2,559,400	511,174	-
Interest on long-term debt	3,583,252	-	-	-
Total governmental activities	<u>92,314,404</u>	<u>16,065,164</u>	<u>658,226</u>	<u>3,422,011</u>
Business-type activities:				
Solid waste	<u>4,226,955</u>	<u>4,188,117</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>4,226,955</u>	<u>4,188,117</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 96,541,359</u>	<u>\$ 20,253,281</u>	<u>\$ 658,226</u>	<u>\$ 3,422,011</u>
Component unit:				
Development Authority	\$ 1,119,683	\$ 1,217,369	\$ -	\$ -
Total component unit	<u>\$ 1,119,683</u>	<u>\$ 1,217,369</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel/Motel occupancy taxes				
Business taxes				
Other taxes				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Development Authority
\$ (15,640,376)	\$ -	\$ (15,640,376)	\$ -
(25,793,636)	-	(25,793,636)	-
(18,432,657)	-	(18,432,657)	-
(1,324,001)	-	(1,324,001)	-
(7,395,081)	-	(7,395,081)	-
(3,583,252)	-	(3,583,252)	-
(72,169,003)	-	(72,169,003)	-
-	(38,838)	(38,838)	-
-	(38,838)	(38,838)	-
\$ (72,169,003)	\$ (38,838)	\$ (72,207,841)	\$ -
-	-	-	97,686
\$ -	\$ -	\$ -	\$ 97,686
31,569,551	-	31,569,551	-
28,112,776	-	28,112,776	-
6,787,133	-	6,787,133	-
9,051,333	-	9,051,333	-
5,555,835	-	5,555,835	-
3,321,352	-	3,321,352	-
2,541,290	59,238	2,600,528	205
86,939,270	59,238	86,998,508	205
14,770,267	20,400	14,790,667	97,891
256,186,901	1,186,192	257,373,093	(566,431)
\$ 270,957,168	\$ 1,206,592	\$ 272,163,760	\$ (468,540)

CITY OF ALPHARETTA, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2019

ASSETS	General	Capital Project	T-SPLOST Capital Fund	2016 Bond Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 17,845,738	\$ 7,637,270	\$ 20,615,379	\$ -	\$ 6,551,527	\$ 52,649,914
Investments	11,013,772	4,589,554	-	-	3,813,263	19,416,589
Taxes receivable, net	2,475,861	-	941,627	-	823,895	4,241,383
Accounts receivable, net	119,614	-	-	-	760,784	880,398
Intergovernmental	-	680,418	-	-	282,546	962,964
Due from other funds	1,062,038	-	-	-	-	1,062,038
Restricted cash equivalents	-	-	-	36,057,756	-	36,057,756
Total assets	<u>\$ 32,517,023</u>	<u>\$ 12,907,242</u>	<u>\$ 21,557,006</u>	<u>\$ 36,057,756</u>	<u>\$ 12,232,015</u>	<u>\$ 115,271,042</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 3,199,780	\$ 1,367,245	\$ 472,472	\$ -	\$ 358,048	\$ 5,397,545
Contracts payable	-	-	-	1,494,852	-	1,494,852
Retainage payable	-	793,384	58,683	558,899	60,198	1,471,164
Accrued liabilities	1,258,059	-	-	-	419,313	1,677,372
Due to other funds	-	-	-	773,847	288,191	1,062,038
Total liabilities	<u>4,457,839</u>	<u>2,160,629</u>	<u>531,155</u>	<u>2,827,598</u>	<u>1,125,750</u>	<u>11,102,971</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	185,309	-	-	-	43,755	229,064
Unavailable revenue - other	47,605	677,438	-	-	160,088	885,131
Total deferred inflows of resources	<u>232,914</u>	<u>677,438</u>	<u>-</u>	<u>-</u>	<u>203,843</u>	<u>1,114,195</u>
FUND BALANCES						
Restricted for:						
Capital projects	-	344,311	21,025,851	33,230,158	3,395,917	57,996,237
Law enforcement	-	-	-	-	494,638	494,638
Emergency telephone activities	-	-	-	-	1,808,567	1,808,567
Tourism	-	-	-	-	2,697,154	2,697,154
Debt service	-	-	-	-	1,223,954	1,223,954
Assigned for:						
Grant projects	-	-	-	-	393,439	393,439
Capital projects	-	9,724,864	-	-	888,753	10,613,617
Fiscal year 2020 budget	5,537,018	-	-	-	-	5,537,018
Unassigned	22,289,252	-	-	-	-	22,289,252
Total fund balances	<u>27,826,270</u>	<u>10,069,175</u>	<u>21,025,851</u>	<u>33,230,158</u>	<u>10,902,422</u>	<u>103,053,876</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,517,023</u>	<u>\$ 12,907,242</u>	<u>\$ 21,557,006</u>	<u>\$ 36,057,756</u>	<u>\$ 12,232,015</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.						299,961,571
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the governmental funds.						1,114,195
Internal service funds are used by the City to charge costs to other funds. The assets and liabilities are included in the government activities.						507,490
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.						(121,679,525)
Prepaid items are costs applicable to future periods and, therefore, are not reported in governmental funds.						285,550
Net pension liability is not due and payable in the current period and is, therefore, not reported in governmental funds, along with deferred inflows/outflows to the Plan.						(12,494,539)
Net OPEB liability (asset) is not due and payable in the current period and is, therefore, not reported in governmental funds, along with deferred inflows/outflows to the Plan.						208,550
Net position of governmental activities						<u>\$ 270,957,168</u>

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

CITY OF ALPHARETTA, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Capital Project	T-SPLOST Capital Fund	2016 Bond Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property taxes	\$ 25,930,361	\$ -	\$ -	\$ -	\$ 5,583,905	\$ 31,514,266
Sales and use taxes	16,849,321	-	11,263,455	-	-	28,112,776
Other taxes	15,664,320	-	-	-	9,051,333	24,715,653
Licenses and permits	4,198,814	-	-	-	-	4,198,814
Charges for services	4,264,290	-	-	-	3,016,363	7,280,653
Impact fees	-	-	-	-	960,432	960,432
Fines and forfeitures	1,841,143	-	-	-	388,848	2,229,991
Intergovernmental	556,343	1,639,767	-	-	2,515,594	4,711,704
Contributions and donations	84,103	366,807	-	-	1,000	451,910
Investment earnings	745,578	354,035	355,413	846,501	239,763	2,541,290
Other revenues	107,707	34,229	-	7,400	452	149,788
Total revenues	70,241,980	2,394,838	11,618,868	853,901	21,757,690	106,867,277
Expenditures						
Current:						
General government	10,038,742	-	-	-	3,475	10,042,217
Public safety	26,989,233	-	-	-	4,695,533	31,684,766
Public works	8,338,371	-	2,386,832	-	1,550,643	12,275,846
Community development	3,079,223	-	-	-	4,130,789	7,210,012
Culture and recreation	9,553,348	-	-	-	368,465	9,921,813
Capital outlay	-	16,142,156	-	5,416,390	992,731	22,551,277
Debt service:						
Principal	803,714	-	-	-	3,099,995	3,903,709
Interest	197,304	-	-	-	3,425,256	3,622,560
Total expenditures	58,999,935	16,142,156	2,386,832	5,416,390	18,266,887	101,212,200
Excess (deficiency) of revenues over expenditures	11,242,045	(13,747,318)	9,232,036	(4,562,489)	3,490,803	5,655,077
Other financing sources (uses):						
Proceeds from sale of capital assets	132,939	-	-	-	-	132,939
Transfers in	3,394,250	9,675,047	-	-	2,346,220	15,415,517
Transfers out	(11,580,047)	-	-	-	(3,835,470)	(15,415,517)
Total other financing sources (uses)	(8,052,858)	9,675,047	-	-	(1,489,250)	132,939
Net change in fund balances	3,189,187	(4,072,271)	9,232,036	(4,562,489)	2,001,553	5,788,016
Fund balances, beginning of year	24,637,083	14,141,446	11,793,815	37,792,647	8,900,869	97,265,860
Fund balances, end of year	\$ 27,826,270	\$ 10,069,175	\$ 21,025,851	\$ 33,230,158	\$ 10,902,422	\$ 103,053,876

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

CITY OF ALPHARETTA, GEORGIA

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, 2019

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

Net change in fund balances - total governmental funds	\$	5,788,016
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.		6,476,405
The net effect of various miscellaneous transactions involving capital assets (i.e. donations and sales) is to decrease net position.		(107,370)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		100,996
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 position. Also, governmental funds report the effect of 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.		3,911,549
Internal service funds are used by management to charge the costs of insurance plans and workers' compensation insurance to individual funds. The net expense of the internal service funds is reported with governmental activities.		(914,706)
Prepaid items are costs applicable to future periods and, therefore, are not reported in the governmental funds.		16,590
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.		(501,213)
Change in net position - governmental activities	\$	<u>14,770,267</u>

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

CITY OF ALPHARETTA, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2019

	Business-type Activities - Enterprise Fund	Governmental Activities
	Solid Waste Fund	Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,558,359	\$ 1,290,744
Investments	980,695	714,529
Accounts receivable, net of allowance for uncollectibles	201,393	283,684
Total assets	<u>2,740,447</u>	<u>2,288,957</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	370,644	77,794
Accrued salaries	1,795	-
Unearned revenue	1,159,990	-
Compensated absences payable	1,426	-
Claims payable, due within one year	<u>-</u>	<u>1,310,792</u>
Total current liabilities	<u>1,533,855</u>	<u>1,388,586</u>
NONCURRENT LIABILITIES		
Claims payable, due in more than one year	<u>-</u>	<u>392,881</u>
Total noncurrent liabilities	<u>-</u>	<u>392,881</u>
Total liabilities	<u>1,533,855</u>	<u>1,781,467</u>
NET POSITION		
Unrestricted	1,206,592	507,490
Total net position	<u>\$ 1,206,592</u>	<u>\$ 507,490</u>

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

CITY OF ALPHARETTA, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Fund	Governmental Activities
	Solid Waste Fund	Internal Service Funds
OPERATING REVENUES		
Charges for services:		
Refuse collection charges	\$ 4,136,905	\$ -
Charges for service	-	8,572,637
Miscellaneous revenue	51,212	14,574
Total operating revenues	<u>4,188,117</u>	<u>8,587,211</u>
OPERATING EXPENSES		
Administration	4,226,955	110,716
Claims and judgements	-	5,658,528
Premiums	-	2,261,560
Total operating expenses	<u>4,226,955</u>	<u>8,030,804</u>
Operating income (loss)	(38,838)	556,407
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	59,238	28,887
Contribution to fiduciary trust	-	(1,500,000)
Total non-operating revenues (expenses)	<u>59,238</u>	<u>(1,471,113)</u>
Change in net position	20,400	(914,706)
NET POSITION, beginning of year	<u>1,186,192</u>	<u>1,422,196</u>
NET POSITION, end of year	<u>\$ 1,206,592</u>	<u>\$ 507,490</u>

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

CITY OF ALPHARETTA, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Fund	Governmental Activities
	Solid Waste Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 4,209,899	\$ 8,303,527
Payments to vendors/suppliers	(4,457,493)	(2,211,761)
Payments on claims	-	(5,964,002)
Payments to employees	(63,020)	-
Net cash provided by (used in) operating activities	<u>(310,614)</u>	<u>127,764</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(87,521)	-
Sale of investments	-	(228,792)
Interest and dividends received	59,238	28,887
Net cash provided by (used in) investing activities	<u>(28,283)</u>	<u>(199,905)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Contribution to fiduciary trust fund	-	(1,500,000)
Net cash used in investing activities	<u>-</u>	<u>(1,500,000)</u>
Decrease in cash and cash equivalents	(338,897)	(1,572,141)
Cash and cash equivalents, beginning of year	<u>1,897,256</u>	<u>2,368,439</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,558,359</u></u>	<u><u>\$ 796,298</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (38,838)	\$ 556,407
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Increase in accounts receivable	(14,297)	-
Increase in due from other funds	-	(283,684)
Increase (decrease) in accounts payable	(294,517)	49,799
Increase in other accrued liabilities	36,288	-
Increase in compensated absence	750	-
Decrease in claims payable	-	(194,758)
Net cash provided by (used in) operating activities	<u><u>\$ (310,614)</u></u>	<u><u>\$ 127,764</u></u>

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

CITY OF ALPHARETTA, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS June 30, 2019

ASSETS		Fiduciary Funds
Cash	\$	10,277
Accounts receivable		489,915
Investments:		
Money Market Funds		2,197,451
U.S. Treasuries		4,593,031
U.S. Government Agencies		331,434
Corporate and Foreign Agencies		11,311,920
Common Equity Securities		55,193,236
Preferred Equity Securities		81,375
Equity Mutual Funds		234,413
Fixed Income Mutual Funds		171,363
Exchange Traded Funds		3,492,995
Total assets		78,107,410
LIABILITIES		
Accounts payable		374,396
Total liabilities		374,396
NET POSITION		
Net position restricted for retiree benefits	\$	77,733,014

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

CITY OF ALPHARETTA, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Fiduciary Funds
ADDITIONS	
Contributions:	
Employee contributions	\$ 310,689
Employer contributions	3,334,997
Other contributions	1,500,000
	<hr/>
Total contributions	5,145,686
	<hr/>
Investment income:	
Net appreciation of fair value of investments	2,060,390
Interest and dividends	1,463,476
Less investment expense	(4,723)
	<hr/>
Net investment income	3,519,143
	<hr/>
Total additions	8,664,829
	<hr/>
DEDUCTIONS	
Benefit payments	2,356,663
Administrative expenses	90,788
	<hr/>
Total deductions	2,447,451
	<hr/>
Change in net position	6,217,378
	<hr/>
NET POSITION RESTRICTED FOR RETIREE BENEFITS	
Beginning of year	71,515,636
	<hr/>
End of year	\$ 77,733,014
	<hr/> <hr/>

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

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

I. Summary of significant accounting policies

A. Reporting entity

The City of Alpharetta (the “City”), 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 City and its component unit, an entity for which the City 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 (the “Authority”) is included in the City’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 City, and is legally separate from the City; however, the City appoints all of the Authority’s Board members and the City is obligated to fund a portion of the debt of the Authority through intergovernmental agreements. The City does not control the operations of the Authority. Separate financial statements for the Development Authority are not prepared.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position 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.

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

B. Government-wide and fund financial statements (Continued)

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

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

The City reports the following major governmental funds:

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

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

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

The **Transportation Special Purpose Local Option Sales Tax (T-SPLOST) Fund** is used to account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum.

The **2016 Bond Construction Fund** is used to account for the 2016 General Obligation Bond proceeds for the acquisition and construction of parks, greenways, and the acquisition and construction of roads, streets, and bridges.

The City reports the following major proprietary fund:

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

The City also reports the following fund types:

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

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The **capital project funds** account for the capital projects expenditures as they relate to proceeds from Conference Center construction bonds, capital grants, and transfers from other funds of the City.

The **internal service funds** accounts for operations that provide services to other departments or agencies of the City on a cost reimbursement basis. The City uses the internal service funds to account for risk management and medical insurance.

The **pension and other employee benefit trust funds** are used to account for the accumulation of resources to be used for retirement annuity payments and employer portion of retiree health insurance premiums, at appropriate amounts and times in the future. Resources are contributed by the City at rates determined by actuarial computations as well as by employees for one of the plans.

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's 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 City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity

1. Cash, cash equivalents, and investments

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

State statutes authorize the City to invest in obligations 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.

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (Continued)

1. Cash, cash equivalents, and investments (Continued)

Investments for the City are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The City limits investments through policy to obligations issued by the United States Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States, and obligations of any corporation of the U.S. Government.

2. Receivables and payables

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

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

Property taxes are levied on assessed property values as of January 1. The levy date is the date that the millage rate is set by the City Council and occurs on or about June 15. Tax notices are then 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 City bills and collects its own property taxes.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods. These payments are accounted for using the purchases method and are recognized as expenditures in the fund financial statements when payment is made, and are recognized as prepaid items in the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (Continued)

4. *Restricted assets*

Proceeds of the 2016 Conference Center Revenue Bond Issues and the 2016 Series Bond Construction Issue are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by applicable bond covenants. The "bond construction" account is used to report those proceeds that are restricted for use in the construction of voter approved projects.

5. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City 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 City reports all infrastructure assets that it currently owns and has a responsibility for maintaining on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. As the City 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 City values these capital assets at the estimated acquisition value of the item at the date of its donation.

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

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

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

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (Continued)

6. *Deferred outflows/inflows of resources*

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. The item occurs only in the governmental funds and is reported as unavailable revenues from property taxes and other sources. These deferred inflows are unavailable and will be recognized as an inflow of resources in the period in which the amounts become available.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Governmental Activities and Development Authority report a deferred charge on refunding reported in the government-wide statement of net position as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the remaining life of the refunded debt or the refunding debt.

The City has deferred inflows and outflows related to the recording of changes in its net pension and net OPEB liability (asset). Certain changes in the net pension and net OPEB liability (asset) are recognized as plan expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability and net OPEB liability (asset) for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into plan expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability and the net OPEB liability (asset) are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into plan expense over the expected remaining service lives of Plan members. The difference between projected investment return on plan investments and actual return on those investments is also deferred and amortized against plan expense over a five year period.

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (Continued)

7. *Compensated absences*

It is the City'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.

8. *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 position. Bond premiums and discounts 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 expensed in the year of issuance.

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

9. *Pensions*

The City of Alpharetta's Pension Plan (the "Plan") uses a single fiduciary fund to maintain its financial records. The fiduciary fund is accounted for on a flow of economic resources measurement focus. Revenues are recognized when earned and expenses are recognized at the time they are incurred. Employer contributions are recognized when due and employee contributions are recognized when due as deductions from the employees' payroll. Benefit payments are recognized when due and payable in accordance with the terms of the Plan. Contribution refunds are recognized when due and payable in accordance with the terms of the Plan and City procedures for termination.

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (Continued)

10. OPEB

The City of Alpharetta's Postemployment Healthcare Benefits Plan (the "PHCB Plan") uses a single fiduciary fund to maintain its financial records. The fiduciary fund is accounted for on a flow of economic resources measurement focus. Revenues are recognized when earned and expenses are recognized at the time they are incurred. Employer contributions are recognized when due and employee contributions are recognized when due as deductions from the employees' payroll. Benefit payments are recognized when due and payable in accordance with the terms of the PHCB Plan. Contribution refunds are recognized when due and payable in accordance with the terms of the PHCB Plan and City procedures for termination.

11. Fund equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

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

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote of the City Council. Only the City Council may modify or rescind the commitment. The City's Council would effectively commit fund balance through the approval of an ordinance; however, there are no commitments as of the fiscal year ended June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

I. Summary of significant accounting policies (Continued)

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (Continued)

11. Fund equity (Continued)

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Pursuant to the Ordinance passed by the Council adopting the fund balance policy, the Council retains the authority to assign fund balances for specific purposes.

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

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

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

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

12. 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, deferred outflows of resources, deferred inflows of resources, 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.

NOTES TO FINANCIAL STATEMENTS

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 position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$121,679,525 difference are as follows:

Bonds payable	\$ (86,385,000)
Plus: Issuance premium	(1,854,519)
Deferred charge on refunding	918,786
Capital lease payable	(3,773,607)
Notes payable	(27,730,000)
Accrued interest payable	(625,369)
Compensated absences	<u>(2,229,816)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (121,679,525)</u></u>

Another element of that reconciliation explains that “Net pension liability is not due and payable in the current period and is therefore not reported in governmental funds, along with related amounts.” The details of this \$12,494,539 difference are as follows:

Net pension liability	\$ (15,281,532)
Deferred outflows of resources:	
Difference between expected and actual experience	975,162
Assumption changes in plan	1,984,614
Net difference between projected and actual investment earnings - pensions	1,622,736
Deferred inflows of resources:	
Difference between expected and actual experience	(693,050)
Assumption changes in plan	<u>(1,102,469)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (12,494,539)</u></u>

NOTES TO FINANCIAL STATEMENTS

II. Reconciliation of government-wide and fund financial statements (Continued)

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (Continued)

Another element of that reconciliation explains that “Net OPEB liability (asset) is not due and payable in the current period and is therefore not reported in governmental funds, along with related amounts.” The details of this \$208,550 difference are as follows:

Net OPEB asset	\$	155,579
Deferred outflows of resources:		
Assumption changes in plan		127,747
Net difference between projected and actual investment earnings - OPEB		19,964
Deferred inflow of resources:		
Difference between expected and actual experience		<u>(94,740)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u><u>208,550</u></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 position 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 \$6,476,405 difference is as follows:

Capital outlay	\$	16,788,670
Depreciation expense		<u>(10,312,265)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$	<u><u>6,476,405</u></u>

NOTES TO FINANCIAL STATEMENTS

II. Reconciliation of government-wide and fund financial statements (Continued)

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 (Continued)

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., donations and sales) is to decrease net position." The details of this \$107,370 difference are as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	\$ (223,768)
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Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not current financial resources.	<u>116,398</u>
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Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u><u>\$ (107,370)</u></u>
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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 \$501,213 difference are as follows:

Compensated absences	\$ (118,761)
Accrued interest	(31,468)
OPEB expense	7,511
Pension expense	<u>643,931</u>

Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u><u>\$ 501,213</u></u>
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NOTES TO FINANCIAL STATEMENTS

II. Reconciliation of government-wide and fund financial statements (Continued)

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 (Continued)

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 position. Also, governmental funds report the effect of 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 \$3,911,549 difference are as follows:

Principal repayments:

General obligation bonds	\$ 2,710,000
Capital lease	691,609
Note payable	502,100
Amortization of deferred charges on refunding	(131,255)
Amortization of bond premium	<u>139,095</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u><u>\$ 3,911,549</u></u>

NOTES TO FINANCIAL STATEMENTS

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 fund, which adopts a project-length budget. All annual appropriations lapse at fiscal year-end.

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

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

The following fund's departments had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2019:

General Fund department:

City Clerk	\$	2,123
Legal		152,459
Internal Audit		1,217
Debt Service Interest		9,599

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at fiscal 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 fiscal year from newly appropriated funds during the budget process.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds

A. Cash, cash equivalents, and investments

Primary government

In accordance with the City'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 City shall attempt to match investments with anticipated cash flow requirements. Any investment exceeding a five (5) year maturity must be disclosed to the City Council in writing.

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

As of June 30, 2019, the City of Alpharetta had the following cash equivalents and investments:

Investment	Standards & Poor Rating	Weighted Average Maturity	Fair Value
Georgia Fund 1	AAAf	39 days	\$ 81,806,598
U.S. Treasury	AA+	1.046 years	19,981,516
U.S. Government Agency	AA+	1.375 years	29,145
Mortgage Backed Securities	AAA+	0.932 years	1,024,370
Fidelity Money Market Account	AAA	0 days	76,782
Deposits with financial institutions	-	-	9,750,175
		Total	<u>\$ 112,668,586</u>

As reported in the Statement of Net Position:

Cash and cash equivalents	\$ 55,499,017
Restricted cash and cash equivalents	36,057,756
Investments	21,111,813
Total	<u>\$ 112,668,586</u>

Georgia Fund 1 is reported as cash equivalents as of June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
Fidelity Treasury money market				
Mutual fund	\$ 76,782	\$ -	\$ -	\$ 76,782
U.S. Treasuries	19,981,516	-	-	19,981,516
Mortgage backed securities	-	1,024,370	-	1,024,370
U.S. government agencies	-	29,145	-	29,145
Total investments by fair value level	<u>\$ 20,058,298</u>	<u>\$ 1,053,515</u>	<u>\$ -</u>	<u>\$ 21,111,813</u>

The Fidelity Treasury Money Market Mutual Fund and the United States Treasuries classified in Level 1 and Level 2, respectively, of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investment in the Mortgage Backed Securities and U.S. Government Agencies classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

Through the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, the City 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 City'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 City'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 City's concentration of investments into any single issuer is managed by expanding the exposure of the investment portfolio to multiple issuers.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2019, all of the City's bank balances were insured or collateralized as defined by GASB and State statutes.

Pension Plan Trust Fund

The Pension Trust Fund's policy on authorized investments, including the proper asset allocation and benchmarking criteria, is established via an Investment Policy Statement (IPS) which is amended from time to time by the Board of Trustees. As permitted by state statutes, subject to certain limitations therein and within the IPS, the IPS generally authorizes the Pension Trust Fund to invest in the following investments: cash and cash equivalents (including money market funds and stable value funds); investment grade domestic and international fixed income securities (government and corporate entity obligations, asset-backed securities, commercial paper or similar fixed income contracts); domestic and international equities (up to 75%); real estate investment trusts (REITs); and certain alternative investments (up to 5%). The Pension Trust Fund may also invest in mutual funds, commingled funds, collective investment funds, common trusts, and group trusts as allowed by Georgia law.

The City's Pension Plan Trust Fund's policy specifies a target asset allocation mix to guide the pursuit of an optimal level of risk in relation to obtaining the long-term average annual return target of 7.50%. This asset allocation mix is as follows: Total Fixed Income targeted at 30%, with an acceptable range of 25% to 40%; Domestic Equities targeted at 50%, with an acceptable range of 36% to 63%, International Equities targeted at 15%, with an acceptable range of 7.50% to 22.50%, Alternatives (Private Real Estate) targeted at 5%, with an acceptable range of 0% to 5%.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

Pension Plan Trust Fund (Continued)

As of June 30, 2019, the Pension Plan Trust Fund had \$74,134,970 invested in the following types of investments:

Investment	Fair Value	Rating
Money Market Funds	\$ 2,136,393	N/A
U.S. Treasuries	4,321,983	AAA
U.S. Government Agencies	256,857	AA+
U.S. Government Agencies	74,577	AAA
Corporate and Foreign Agencies	1,108,889	A-
Corporate and Foreign Agencies	4,841,585	A to AAA
Corporate and Foreign Agencies	241,799	A+
Corporate and Foreign Agencies	3,829,408	BBB to BBB+
Corporate and Foreign Agencies	703,927	BBB-
Common Equity Securities	53,210,468	N/A
Preferred Equity Securities	77,796	N/A
Equity Mutual Funds	9,796	N/A
Exchanged Traded Funds	3,321,492	N/A
Total	<u>\$ 74,134,970</u>	

N/A - these fund types are not rated.

Investment	Fair Value	Weighted Average Maturity in Years
Money Market Funds	\$ 2,136,393	-
U.S. Treasuries	4,321,983	0.445
U.S. Government Agencies	331,434	0.182
Corporate and Foreign Agencies	10,725,608	2.642
Common Equity Securities	53,210,468	-
Preferred Equity Securities	77,796	-
Equity Mutual Funds	9,796	-
Exchanged Traded Funds	3,321,492	-
Total	<u>\$ 74,134,970</u>	

Securities and exchanged traded funds do not have a weighted average maturity.

Credit risk: It is the Plan's policy to invest in the asset classes identified above by using open-ended mutual funds, exchange traded funds, or separately managed accounts. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. U.S. Government Treasuries and Agency bonds are not classified by credit quality. Mutual funds invested in equities are also not classified by credit quality.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

Pension Plan Trust Fund (Continued)

Concentration: On June 30, 2019, the Pension Plan Trust Fund did not have any debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of Plan fiduciary net position.

Interest rate risk: The Pension Plan Trust Fund holds assets to collateralize the pension promises. The projected benefits extend out over 50+ years. The investment policy considers the duration of the assets and liabilities when managing interest rate risk in the bond portfolio. However, no formal policy to address potential fair value losses from rising interest rates has been adopted by the Board of Trustees.

Fair Value Measurements. The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
Debt Securities:				
Bonds	\$ -	\$ 331,434	\$ -	\$ 331,434
Total debt securities	-	331,434	-	331,434
U.S. equities		4,321,983	-	4,321,983
Money market funds	2,136,393	-	-	2,136,393
Equity mutual funds	9,796	-	-	9,796
Common equity securities	50,060,468	-	3,150,000	53,210,468
Preferred equity securities	77,796	-	-	77,796
Exchanged traded funds	3,321,492	-	-	3,321,492
Corporate and foreign equities	-	10,725,608	-	10,725,608
Total investments by fair value level	\$ 55,605,945	\$ 15,379,025	\$ 3,150,000	\$ 74,134,970

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Equity investments classified in Level 3 are valued using discounted cash flow techniques.

Rate of Return: For the fiscal year ended June 30, 2019, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was 4.88%. Over the trailing 3 year period through June 30, 2019, the Pension Fund's annualized money-weighted rate of return has averaged 7.76% per year net of investment expenses. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

OPEB Trust Fund

The OPEB Trust Fund's policy on authorized investments, including the proper asset allocation and benchmarking criteria, is established via an Investment Policy Statement (IPS) which is amended from time to time by the Board of Trustees. As permitted by state statutes, subject to certain limitations therein and within the IPS, the IPS generally authorizes the OPEB Trust Fund to invest in the following investments: cash and cash equivalents (including money market funds and stable value funds); investment grade domestic and international fixed income securities (government and corporate entity obligations, asset-backed securities, commercial paper or similar fixed income contracts); domestic and international equities (up to 75%); real estate investment trusts (REITs); and certain alternative investments (up to 5%). The OPEB Trust Fund may also invest in mutual funds, commingled funds, collective investment funds, common trusts, and group trusts as allowed by Georgia law.

The City's Retiree Health Benefit Plan's policy specifies a target asset allocation mix to guide the pursuit of an optimal level of risk in relation to obtaining the long-term average annual return target of 7.50%. This asset allocation mix is as follows: Total Fixed Income targeted at 35%, with an acceptable range of 25% to 45%; Domestic Equities targeted at 50%, with an acceptable range of 35% to 65%, International Equities targeted at 15%, with an acceptable range of 10% to 25%. The City's Retiree Health Reimbursement Plan's policy specifies a target asset allocation mix to guide the pursuit of an optimal level of risk in relation to obtaining the long-term average annual return target of 7.50%. This asset allocation mix is as follows: Total Fixed Income targeted at 35%, with an acceptable range of 25% to 45%; Domestic Equities targeted at 50%, with an acceptable range of 35% to 65%, International Equities targeted at 15%, with an acceptable range of 10% to 25%.

As of June 30, 2019, the OPEB Plan Trust Fund had \$1,388,022 invested in the following types of investments:

Investment	Fair Value	Rating
Money Market Funds	\$ 24,616	N/A
U.S. Treasuries	106,735	AAA
Corporate and Foreign Agencies	53,759	AAA
Corporate and Foreign Agencies	53,650	A+ to A-
Corporate and Foreign Agencies	129,529	BBB+ to BBB-
Common Equity Securities	760,180	N/A
Preferred Equity Securities	1,435	N/A
Fixed Income Mutual Fund	68,740	N/A
Equity Mutual Funds	121,123	N/A
Exchanged Traded Funds	68,255	N/A
Total	<u>\$ 1,388,022</u>	

N/A - these fund types are not rated.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

OPEB Plan Trust Fund (Continued)

Investment	Fair Value	Weighted Average Maturity in Years
Money Market Funds	\$ 24,616	-
U.S. Treasuries	106,735	2.456
Corporate and Foreign Agencies	236,938	0.317
Common Equity Securities	760,180	-
Preferred Equity Securities	1,435	-
Fixed Income Mutual Funds	68,740	-
Equity Mutual Funds	121,123	-
Exchanged Traded Funds	68,255	-
Total	<u>\$ 1,388,022</u>	

Securities and exchanged traded funds do not have a weighted average maturity.

Credit risk: It is the Plan's policy to invest in the asset classes identified above by using open-ended mutual funds, exchange traded funds, or separately managed accounts. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. U.S. Government Treasuries and Agency bonds are not classified by credit quality. Mutual funds invested in equities are also not classified by credit quality.

Concentration: On June 30, 2019, the OPEB Plan Trust Fund did not have any debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of OPEB Plan fiduciary net position.

Interest rate risk: The OPEB Plan Trust Fund holds assets to collateralize the OPEB promises. The projected benefits extend out over 50+ years. The investment policy considers the duration of the assets and liabilities when managing interest rate risk in the bond portfolio. However, no formal policy to address potential fair value losses from rising interest rates has been adopted by the Board of Trustees.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

OPEB Plan Trust Fund (Continued)

Fair Value Measurements. The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
U.S. equities	\$ -	\$ 106,735	\$ -	\$ 106,735
Money market funds	24,616	-	-	24,616
Equity mutual funds	121,123	-	-	121,123
Fixed income mutual funds	68,740	-	-	68,740
Common equity securities	760,180	-	-	760,180
Preferred equity securities	1,435	-	-	1,435
Exchanged traded funds	68,255	-	-	68,255
Corporate and foreign equities	-	236,938	-	236,938
Total investments by fair value level	<u>\$ 1,044,349</u>	<u>\$ 343,673</u>	<u>-</u>	<u>\$ 1,388,022</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Alternative and equity investments classified in Level 3 are valued using discounted cash flow techniques.

Rate of Return: For the fiscal year ended June 30, 2019, the annual money-weighted rate of return on OPEB Trust Fund investments, net of investment expenses, was 1.68% for the Health Benefit Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

OPEB Retirement Reimbursement Plan Fund

The OPEB Retirement Reimbursement Trust Fund's policy on authorized investments, including the proper asset allocation and benchmarking criteria, is established via an Investment Policy Statement (IPS) which is amended from time to time by the Board of Trustees. As permitted by state statutes, subject to certain limitations therein and within the IPS, the IPS generally authorizes the OPEB Retirement Reimbursement Trust Fund to invest in the following investments: cash and cash equivalents (including money market funds and stable value funds); investment grade domestic and international fixed income securities (government and corporate entity obligations, asset-backed securities, commercial paper or similar fixed income contracts); domestic and international equities (up to 75%); real estate investment trusts (REITs); and certain alternative investments (up to 5%). The OPEB Retirement Reimbursement Trust Fund may also invest in mutual funds, commingled funds, collective investment funds, common trusts, and group trusts as allowed by Georgia law.

As of June 30, 2019, the OPEB Retirement Reimbursement Plan Trust Fund had \$2,084,226 invested in the following types of investments:

Investment	Fair Value	Rating
Money Market Funds	\$ 36,442	N/A
U.S. Treasuries	164,313	AAA
Corporate and Foreign Agencies	86,696	AAA
Corporate and Foreign Agencies	68,778	A+ to A-
Corporate and Foreign Agencies	193,900	BBB+ to BBB-
Common Equity Securities	1,222,588	N/A
Preferred Equity Securities	2,144	N/A
Fixed Income Mutual Fund	102,623	N/A
Equity Mutual Funds	103,494	N/A
Exchanged Traded Funds	103,248	N/A
Total	<u>\$ 2,084,226</u>	

N/A - these fund types are not rated.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

OPEB Retirement Reimbursement Plan Fund (Continued)

Investment	Fair Value	Weighted Average Maturity in Years
Money Market Funds	\$ 36,442	-
U.S. Treasuries	164,313	0.780
Corporate and Foreign Agencies	349,374	1.566
Common Equity Securities	1,222,588	-
Preferred Equity Securities	2,144	-
Fixed Income Mutual Funds	102,623	-
Equity Mutual Funds	103,494	-
Exchanged Traded Funds	103,248	-
Total	<u>\$ 2,084,226</u>	

Securities and exchanged traded funds do not have a weighted average maturity.

Credit risk: It is the Plan's policy to invest in the asset classes identified above by using open-ended mutual funds, exchange traded funds, or separately managed accounts. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. U.S. Government Treasuries and Agency bonds are not classified by credit quality. Mutual funds invested in equities are also not classified by credit quality.

Concentration: On June 30, 2019, the OPEB Plan Retirement Reimbursement Plan Trust Fund did not have any debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of OPEB Retirement Reimbursement Plan fiduciary net position.

Interest rate risk: The OPEB Retirement Reimbursement Plan Trust Fund holds assets. However, no formal policy to address potential fair value losses from rising interest rates has been adopted by the Board of Trustees.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

A. Cash, cash equivalents, and investments (Continued)

OPEB Retirement Reimbursement Plan Fund (Continued)

Fair Value Measurements. The OPEB Retirement Reimbursement Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
U.S. equities	\$ -	\$ 164,313	\$ -	\$ 164,313
Money market funds	36,442	-	-	36,442
Equity mutual funds	103,494	-	-	103,494
Fixed income mutual funds	102,623	-	-	102,623
Common equity securities	1,222,588	-	-	1,222,588
Preferred equity securities	2,144	-	-	2,144
Exchanged traded funds	103,248	-	-	103,248
Corporate and foreign equities	-	349,374	-	349,374
Total investments by fair value level	<u>\$ 1,570,539</u>	<u>\$ 513,687</u>	<u>\$ -</u>	<u>\$ 2,084,226</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

B. Receivables

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

	<u>General</u>	<u>Capital Project</u>	<u>T-SPLOST</u>	<u>Nonmajor Governmental</u>	<u>Solid Waste</u>
Receivables:					
Taxes	\$ 2,819,702	\$ -	\$ 941,627	\$ 927,105	\$ -
Accounts	297,328	-	-	760,784	271,105
Intergovernmental	-	680,418	-	282,546	-
Gross receivables	3,117,030	680,418	941,627	1,970,435	271,105
Less allowance for uncollectibles	(521,555)	-	-	(103,210)	(69,712)
Net total receivables	<u>\$ 2,595,475</u>	<u>\$ 680,418</u>	<u>\$ 941,627</u>	<u>\$ 1,867,225</u>	<u>\$ 201,393</u>

All of the receivables are expected to be collected within one year, with the exception of a portion of the property taxes in both the General and Debt Service funds, as well as the Solid Waste charges for services. The Solid Waste Fund bills for quarterly service in advance and therefore at June 30, 2019, \$1,159,990 of June billings are reported as unearned revenues.

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

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

C. Capital assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and permanent improvements	\$ 87,384,255	\$ 477,873	\$ -	\$ 980,000	\$ 88,842,128
Construction in progress	16,603,056	14,149,535	-	(9,753,789)	20,998,802
Total assets, not being depreciated	<u>103,987,311</u>	<u>14,627,408</u>	<u>-</u>	<u>(8,773,789)</u>	<u>109,840,930</u>
Capital assets, being depreciated:					
Buildings	66,213,796	44,902	-	8,510,580	74,769,278
Improvements other than buildings	38,726,788	55,557	(609,212)	36,620	38,209,753
Machinery and equipment	24,634,717	1,791,630	(1,267,075)	-	25,159,272
Infrastructure	199,031,630	385,571	-	226,589	199,643,790
Total assets, being depreciated	<u>328,606,931</u>	<u>2,277,660</u>	<u>(1,876,287)</u>	<u>8,773,789</u>	<u>337,782,093</u>
Less accumulated depreciation for:					
Buildings	(18,678,620)	(1,715,411)	-	-	(20,394,031)
Improvements other than buildings	(22,680,916)	(1,267,494)	401,064	-	(23,547,346)
Machinery and equipment	(14,189,629)	(2,405,587)	1,251,455	-	(15,343,761)
Infrastructure	(83,452,541)	(4,923,773)	-	-	(88,376,314)
Total accumulated depreciation	<u>(139,001,706)</u>	<u>(10,312,265)</u>	<u>1,652,519</u>	<u>-</u>	<u>(147,661,452)</u>
Total assets, being depreciated, net	<u>189,605,225</u>	<u>(8,034,605)</u>	<u>(223,768)</u>	<u>8,773,789</u>	<u>190,120,641</u>
Governmental activities capital assets, net	<u>\$ 293,592,536</u>	<u>\$ 6,592,803</u>	<u>\$ (223,768)</u>	<u>\$ -</u>	<u>\$ 299,961,571</u>

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

Governmental activities:	
General government	\$ 4,833,620
Public safety	1,995,225
Public works	2,061,832
Community development	71,481
Culture and recreation	<u>1,350,107</u>
Total depreciation expense - governmental activities	<u>\$ 10,312,265</u>

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

C. Capital assets (Continued)

Construction commitments

The City has active construction projects as of June 30, 2019. The projects include street construction in areas with high congestion and commute times, sidewalks and pedestrian pathways in areas previously void of such amenities, park improvements, and the construction of public safety and general administration facilities. At fiscal year end the City's commitments with contractors include:

Project	Spent-to-Date	Remaining Commitment
Park, recreation, and art improvements	\$ 1,264,465	\$ 126,912
Sidewalk and pedestrian projects	2,272,142	1,310,664
Street and transportation improvements	35,728,859	39,387,730
Public safety facilities	869,163	44,615
Machinery, equipment, and technology	9,059,344	139,049
Economic development	7,289,412	130,281
General administrative facilities	181,753	10,710
Total	<u>\$ 56,665,138</u>	<u>\$ 41,149,961</u>

The projects above are being financed primarily through the Capital Projects Fund, the 2016 Bond Construction Fund, the TSPLOST Fund, and using funding borrowed from the Development Authority. Expenditures have also been incurred in the E911 fund primarily for administrative facilities.

D. Interfund receivables, payables, and transfers

The composition of due to/from other fund balances as of June 30, 2019, is as follows:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	\$ 288,191
General Fund	2016 Bond Construction fund	773,847
		<u>\$ 1,062,038</u>

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

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

D. Interfund receivables, payables, and transfers (Continued)

Interfund transfers for the fiscal year ended June 30, 2019:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 3,394,250
Capital Projects Fund	General Fund	9,675,047
Nonmajor governmental funds	Nonmajor governmental funds	441,220
Nonmajor governmental funds	General Fund	1,905,000
		<u>\$ 15,415,517</u>

Transfers are used to 1) move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and 2) move revenues from the fund that statutes require to collect them to the fund that will expend them.

E. Long-term debt

General Obligation Bonds

The City 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, 2019 is \$97,550,000.

In 2014, the City issued \$17,695,000 of general obligation refunding bonds for the purpose of partially paying the outstanding balance of the 2006 general obligation bonds. The 2014 series were issued with an interest rate of 2.34% and a maturity date of May 1, 2026. The bonds are payable on May 1 and November 1, serially to fiscal year 2026.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,706,316. This amount is being 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 \$1,181,296. The advance refunding was undertaken to reduce total debt service payments by \$960,303 and resulted in an economic gain and a present value of cash flow savings of \$846,536. The bonds were called and paid in full in November 2016 and there are no outstanding balances at June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

E. Long-term debt (Continued)

General Obligation Bonds (Continued)

In 2016, the City issued \$50,855,000 of general obligation bonds for the purpose of (i) financing the acquisition and construction of improvements, expansions and extension to roads, streets, and bridges (the "Transportation Projects"), (ii) financing the acquisition, construction, and renovations for parks, recreation and cultural facilities, sidewalks and greenways, and (iii) paying all or a portion of the costs of issuance. The 2016 Series were issued with interest rates of 2.00% - 5.00% and a maturity of November 1, 2014. The bonds are payable on May 1 and November 1.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. 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:

<u>Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
City Center Project	May 2032	2.0 - 3.75%	\$ 24,530,000
Partial Refunding of Series 2006 Bonds	May 2026	2.34%	12,220,000
Road and Parks and Recreation Improvements	May 2041	2.0 - 5.0%	49,635,000
			<u>\$ 86,385,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,785,000	\$ 2,561,086
2021	2,855,000	2,476,993
2022	2,930,000	2,405,081
2023	3,015,000	2,331,267
2024	3,100,000	2,253,284
2025-2029	17,225,000	9,961,947
2030-2034	20,890,000	7,084,513
2035-2039	23,905,000	3,616,350
2040-2041	9,680,000	437,700
Total	<u>\$ 86,385,000</u>	<u>\$ 33,128,221</u>

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

E. Long-term debt (Continued)

Development Authority of Alpharetta Revenue Bonds

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

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

In 2009, the Authority issued \$5,890,000 of revenue refunding bonds for the purpose of paying in full the outstanding balance of the 1999 revenue bonds. The 2009 series were issued with interest rates from 3.0% to 5.0% and a maturity date of November 1, 2018. The bonds are payable on May 1 and November 1, serially to fiscal year 2019. The reacquisition price exceeded the net carrying amount of the old debt by \$9,421. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The current balance of the deferred charge resulting from the reacquisition price exceeding the net carrying amount of the old debt is zero. The advance refunding was undertaken to reduce total debt service payments and resulted in an economic gain and a present value cash flow of \$620,479.

During fiscal year 2013, the Development Authority of Alpharetta issued \$4,130,000 of revenue bonds to finance the construction of an educational facility in the City of Alpharetta for Gwinnett Technical College. The 2013 series were issued with interest rates from 2% to 3.5% and a maturity date of May 1, 2033. The bonds are payable on May 1 and November 1, serially to fiscal year 2033.

In conjunction with this issuance, the Development Authority of Alpharetta and the City of Alpharetta entered into an intergovernmental agreement whereby the City has an absolute and unconditional obligation to repay the entire debt obligation. The City has recorded a note payable on the Government-wide financial statements to reflect its obligation for the Development Authority's revenue bond debt service payments.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

E. Long-term debt (Continued)

Development Authority of Alpharetta Revenue Bonds (Continued)

During fiscal year 2016, the Development Authority of Alpharetta issued \$24,720,000 of revenue bonds to finance the construction of a conference center. The 2016 series were issued with interest rates from 2% to 5.0% and a maturity date of May 1, 2041. The bonds are payable on May 1 and November 1, serially to fiscal year 2041.

In conjunction with this issuance, the Development Authority of Alpharetta and the City of Alpharetta entered into an intergovernmental agreement whereby the City has an absolute and unconditional obligation to repay the entire debt obligation. The City has recorded a note payable on the Government-wide financial statements to reflect its obligation for the Development Authority's revenue bond debt service payments.

The annual requirements to amortize the Development Authority's revenue bonds outstanding as of June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2020	\$ 390,000	\$ 877,153
2021	735,000	867,453
2022	795,000	834,603
2023	855,000	798,853
2024	920,000	760,203
2025-2029	5,640,000	3,194,438
2030-2034	6,970,000	2,340,743
2035-2039	7,735,000	1,273,650
2040-2041	3,690,000	167,400
Total	<u>\$ 27,730,000</u>	<u>\$ 11,114,496</u>

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

E. Long-term debt (Continued)

Notes Payable

The annual requirements to amortize the note payable to the Development Authority for the City's share of the 2013 series (100%) and 2016 series (100%) revenue bonds as of June 30, 2019 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 390,000	\$ 877,153
2021	735,000	867,453
2022	795,000	834,603
2023	855,000	798,853
2024	920,000	760,203
2025-2029	5,640,000	3,194,438
2030-2034	6,970,000	2,340,743
2035-2039	7,735,000	1,273,650
2040-2041	3,690,000	167,400
Total	<u>\$ 27,730,000</u>	<u>\$ 11,114,496</u>

Capital Leases – direct borrowing

In 2013, the City entered into a lease agreement as lessee for financing the acquisition of new public works software, two fire trucks, and to refinance and consolidate the three individual leases held as of July 1, 2012, which were used to finance accounting software and three fire trucks for the Governmental activities. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception.

In 2016, the City entered into two new lease arrangements for financing the acquisition of a new fire truck and police Tasers. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. The lease arrangements bear interest of 1.32% and 2.43%. The lease term for the fire truck is to be paid over 10 years and the Tasers mature in 2023.

In 2017, the City entered into four new lease arrangements for financing the acquisition of three new fire trucks and heart-rate monitors. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. The lease arrangements bear interest of 2.08% - 2.93% for the firetrucks and 1.77% for the heart-rate monitors.

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

E. Long-term debt (Continued)

Capital Leases – direct borrowing (Continued)

The lease term for the three fire trucks matures in November 2025, November 2026, and November 2029. The lease term for the heart-rate monitors matures in November 2020.

In 2018, the City entered into a lease arrangement for financing the acquisition of mobile radios for public safety employees. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. The lease arrangement bears interest of 2.73%. The lease term for the radios matures in November 2023.

As of June 30, 2019, the City had \$6,982,641 of machinery and equipment under capital leases with accumulated depreciation of \$3,263,066. The amortization expense of \$864,307 for the capital leases is included in depreciation expense.

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

Fiscal Year Ending June 30,	Governmental Activities
2020	\$ 706,193
2021	658,225
2022	520,357
2023	472,517
2024	472,517
2024-2028	1,184,793
2029-2030	105,107
Total minimum lease payments	4,119,709
Less amount representing interest	346,102
Present value of future minimum lease payments	<u>\$ 3,773,607</u>

NOTES TO FINANCIAL STATEMENTS

IV. Detailed notes on all funds (Continued)

E. Long-term debt (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 89,095,000	\$ -	\$ (2,710,000)	\$ 86,385,000	\$ 2,785,000
Plus issuance premium	1,993,614	-	(139,095)	1,854,519	-
Net bonds payable	91,088,614	-	(2,849,095)	88,239,519	2,785,000
Notes payable	28,232,100	-	(502,100)	27,730,000	390,000
Capital lease payable	4,465,216	-	(691,609)	3,773,607	692,105
Net pension liability	12,056,664	9,944,300	(6,719,432)	15,281,532	-
Claims and judgments	1,898,431	5,887,737	(6,082,495)	1,703,673	1,310,792
Compensated absences	2,348,577	4,012,875	(4,131,636)	2,229,816	1,917,641
Governmental activity					
Long-term liabilities	<u>\$ 140,089,602</u>	<u>\$ 19,844,912</u>	<u>\$ (20,976,367)</u>	<u>\$ 138,958,147</u>	<u>\$ 7,095,538</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Compensated absences	\$ 676	\$ 3,061	\$ (2,311)	\$ 1,426	\$ 1,426
Business-type activity					
Long-term liabilities	<u>\$ 676</u>	<u>\$ 3,061</u>	<u>\$ (2,311)</u>	<u>\$ 1,426</u>	<u>\$ 1,426</u>

For governmental activities, compensated absences and the net pension liability are predominately liquidated by the General Fund and Emergency 911 fund and claims and judgments are liquidated by the Risk Management Fund and the Health Insurance Fund.

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

Long-term liability activity for the Development Authority for the fiscal year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable	\$ 28,850,000	\$ -	\$ (1,120,000)	\$ 27,730,000	\$ 390,000
Plus issuance premium	1,046,406	-	(60,540)	985,866	-
Revenue bonds payable, net	<u>\$ 29,896,406</u>	<u>\$ -</u>	<u>\$ (1,180,540)</u>	<u>\$ 28,715,866</u>	<u>\$ 390,000</u>

NOTES TO FINANCIAL STATEMENTS

V. Other information

A. Risk management

The City 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 City carries commercial insurance. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The City previously established a limited risk management program for workers' compensation.

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

Changes in the balances of risk management claims liabilities during the past two fiscal years are as follows:

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Unpaid claims, beginning of fiscal year	\$ 942,303	\$ 1,027,168
Claims incurred	525,500	668,204
Claims paid	(736,066)	(753,069)
Unpaid claims, end of fiscal year	<u>\$ 731,737</u>	<u>\$ 942,303</u>

NOTES TO FINANCIAL STATEMENTS

V. Other information (continued)

A. Risk management (continued)

Effective July 1, 2015, the City elected to change their medical insurance policy to a Shared Returns – Minimum Premium policy. Under the policy, the City is responsible for making minimum premium payments set to cover the costs for the plan administration, commissions, and insurance protection. Additionally, the City is responsible for any claims which are filed each month up to a certain maximum or cap based on the specific plan terms. The monthly cap varies each month based on number of covered employees and the selected coverage. The plan is administered by Cigna and the claims are paid through an imprest bank account which is funded by the City. The changes in the medical claims liability is as follows:

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Unpaid claims, beginning of fiscal year	\$ 956,128	\$ 812,174
Claims incurred	5,362,237	5,257,053
Claims paid	(5,346,429)	(5,113,099)
Unpaid claims, end of fiscal year	<u>\$ 971,936</u>	<u>\$ 956,128</u>

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 City expects such amounts, if any, to be immaterial.

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

C. Related organizations

The City Administrator of the City 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 City's taxing authority. The City does not control the operations of the corporation. Separate financial statements for the corporation are not prepared.

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

C. Related organizations (continued)

The City Administrator of the City 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 City's taxing authority. The City 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 City incorporated to promote tourism within the City of Alpharetta. The Mayor and Council appoint four of the ten directors to this entity. The City 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
178 S. Main Street, Suite 200
Alpharetta, Georgia 30009
(678) 297-2811

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NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

D. Joint venture

Under Georgia law, the City, 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.

In July 2013, the cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority will provide an interoperable, high quality, reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: *The Financial Reporting Entity*, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. Of the estimated \$16 million required to initially capitalize the Authority, the City of Alpharetta is responsible for approximately \$3.7 million pursuant to the intergovernmental agreement between the cities. For the fiscal year ended June 30, 2019, the City of Alpharetta contributed \$328,335 to the Authority. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

E. Retirement plans

1. Defined Benefit Pension Plan – Combined Plan

Plan Administration. The City of Alpharetta maintains a single-employer defined benefit pension plan, comprised of the City of Alpharetta Regular Defined Benefit Pension Plan (the “Regular Plan”) and the City of Alpharetta Enhanced Defined Benefit Pension Plan (the “Enhanced Plan” or in combination the “Plans”), for the employees of the City of Alpharetta. For all reporting, funding, accounting and actuarial purposes, the Plans have been merged into a single plan, The City of Alpharetta Combined Defined Benefit Plan (the “Combined Plan”) effective July 1, 2011 whereby the Plan assets are accumulated in aggregate and may legally be used to pay any benefits to any of the combined Plan members or beneficiaries. The Combined Plan is administered by a Board of Trustees, who has executed trust agreements with a financial institution to hold, manage, invest, and distribute contributions in accordance with the provisions of the Plans. The Board of Trustees consists of five members, the City Administrator, City Council member liaison to the Finance Department, the Finance Director, the City Attorney, and the Mayor’s designee. Benefit provisions are established and may be amended by the City Council. Annual contributions are determined through an actuarial valuation of the Combined Plan and are approved by City Council as part of the annual budgeting process. The Plans are closed to new entrants. The Regular Plan is funded by the City only while the Enhanced Plan is funded by both the City and the Plan participants.

The Combined Plan covers all full-time City employees, City officials, and the elected or appointed judge of the Municipal Court, hired prior to July 1, 2009. Employees become eligible to participate in the Combined Plan after one year of employment and are fully vested after five years of employment. Benefit provisions are established by a resolution of City Council. The Combined Plan provides retirement and death benefits to Plan members and beneficiaries. The Combined Plan does not issue separate stand-alone financial reports.

Plan Membership. At January 1, 2019, the date of the most recent actuarial valuation, there were 541 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	143
Vested terminated employees not yet receiving benefits	158
Active employees	240
Total	<u>541</u>

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

E. Retirement plans (Continued)

1. *Defined Benefit Pension Plan – Combined Plan (Continued)*

Benefits. The Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as 2 percent of final average earnings per year of credited service. Participants who elected the enhanced formula and who are making employee contributions will receive an additional 0.5% of final average earnings multiplied by the years of credited service after December 31, 2007. A participant's late retirement benefit is equal to the accrued benefit using all service and earnings as of termination. Plan members with 5 years of continuous service are eligible to retire at age 55. The participant may receive a monthly benefit equal to the benefit accrued at early retirement date reduced 3% for each year the payment date precedes the normal retirement date. Regular plan members who terminate on or after age 55 with the sum of age and vesting service equal to at least 80, public service plan members employed on July 1, 1999 who terminate on or after age 55 with at least 5 years of vesting service, and public service plan members not employed on July 1, 1999 who terminate on or after age 55 with at least 10 years of vesting service are eligible for unreduced early retirement. Death benefits are calculated as if the participant terminated on his date of death, survived until his date of retirement, elected a 50% joint and survivor benefit and died the next day. An unmarried participant will not be eligible for any pre-retirement death benefits. If a member terminates employment prior to completing ten years of continuous service, he or she shall be entitled to a refund of his or her accumulated contributions with interest.

Contributions. For the Regular Plan, only the City makes contributions. For the Enhanced Plan, both the City and the Employees (at 2.5% of payroll) make contributions to the Plan. For fiscal year 2019, employees contributed \$310,689 to the Enhanced Plan. The City is required to contribute at an actuarially determined rate: the contribution rate for 2019 was 15.20% of payroll for the Combined Plan. The annual required contributions for the current fiscal year were determined as part of the January 1, 2019 actuarial valuations using the projected unit credit method. The actuarial assumptions included (a) a rate of return on the investments of present and future assets of 7.5% per year, compounded annually and net of investment expenses and (b) projected salary increases of 2.10% - 4.20% per year, adjusted for employee age, which includes 1.0% due to merit and 2.5% for inflation.

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

E. Retirement plans (Continued)

1. *Defined Benefit Pension Plan – Combined Plan (Continued)*

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2019 with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2019. The following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5%
Salary increases, including inflation	4.20% - under 30 years old
	3.90% - ages 30-34
	3.50% - ages 35-59
	2.60% - ages 60-64
	2.10% - ages 65+
Investment rate of return	7.5%, including inflation, net of investment expense

Mortality rates were based upon the RP-2000 Combined Mortality Table with 29 Years Projection using scale BB. No mortality improvement is included prior to or following the measurement date.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of the most recent experience study which was performed in April 2015, taking into account ten years of data experience.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are: Equities – 8.25%, International Equities – 9%, Fixed Income – 3.9%, and Alternatives – 7.5%.

Discount rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

E. Retirement plans (Continued)

1. Defined Benefit Pension Plan – Combined Plan (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2019, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/18	\$ 82,348,143	\$ 70,291,479	\$ 12,056,664
Changes for the fiscal year:			
Service Cost	1,445,365	-	1,445,365
Interest	6,188,428	-	6,188,428
Differences between expected and actual experience	(273,013)	-	(273,013)
Assumption Changes	2,229,270	-	2,229,270
Contributions - employer	-	2,699,997	(2,699,997)
Contributions - employee	-	310,689	(310,689)
Net investment income	-	3,435,733	(3,435,733)
Benefit payments, including refunds of employee contributions	(2,347,569)	(2,347,569)	-
Administrative expense	-	(81,237)	81,237
Net Changes	7,242,481	4,017,613	3,224,868
Balances at 6/30/2019	<u>\$ 89,590,624</u>	<u>\$ 74,309,092</u>	<u>\$ 15,281,532</u>

The Plan's fiduciary net position as a percentage of the total pension liability 82.9%

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
\$ 28,788,127	\$ 15,281,532	\$ 4,099,939

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

E. Retirement plans (Continued)

1. Defined Benefit Pension Plan – Combined Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$3,343,928. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 975,162	\$ 693,050
Changes in assumptions	1,984,614	1,102,469
Net difference between projected and actual earnings on pension plan investments	1,622,736	-
Total	<u>\$ 4,582,512</u>	<u>\$ 1,795,519</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	
2020	\$ 918,188
2021	313,007
2022	988,020
2023	567,778
	<u>\$ 2,786,993</u>

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

E. Retirement plans (Continued)

2. *Defined Contribution Plan*

Plan description and funding requirements. The City maintains a supplemental retirement plan for all employees entitled to the deferred compensation plan, a single-employer, defined contribution plan. Both full-time and part-time employees of the City are eligible to participate. This Plan is administered by Transamerica as a 401(a) and 457 plan, as defined by the Internal Revenue Service. At June 30, 2019, there were 496 employees and 401 participants. Plan provisions and contribution requirements are established and may be amended by the City Council (the "Board").

Employees may elect to contribute a portion of their pay, not to exceed the IRS guidelines, into the 457 Plan. Upon completion of one year of employment for full-time employees and three years of employment for part-time employees, the City will match the employee's contribution, up to 5% of the employee's annual salary, into the 401(a) plan. Additionally, the City is required to contribute 10% of the annual salary of all employees hired subsequent to June 30, 2009. The City Council has the ability to amend the Plan provisions. For the fiscal year ended June 30, 2019, the City's contribution to the 401(a) plan was \$2,080,538. The amount contributed by employees into the 457 plan was \$1,970,179.

F. Other postemployment benefits

1. *Defined Benefit Plan*

Plan Administration and benefits. The City of Alpharetta Retiree Benefit Plan (the "COARBP") is a single employer defined benefit postretirement health care plan. Through June 30, 2011, the Plan operated on a "pay-as-you-go" basis. The City reports in the financial statements the "costs" associated with the future participation of retirees in this benefit. The Plan does not issue a separate stand-alone financial report. The Plan is administered by a Board of Trustees, who has executed trust agreements with a financial institution to hold, manage, invest, and distribute contributions in accordance with the provisions of the Plan. Benefit provisions are established and may be amended by the City Council.

Plan Membership. Membership of the COARBP Plan consisted of the following at July 1, 2018, the date of the latest actuarial valuation:

Active participants	356
Retirees and beneficiaries currently receiving benefits	2
Total	<u>358</u>

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

F. Other postemployment benefits (Continued)

1. Defined Benefit Plan (Continued)

Contributions. The City Council has the authority to establish and amend the contribution requirements of plan members. The Council establishes rates based on an actuarially determined rate. For the year ended June 30, 2019, the City's average contribution rate was .39% of covered payroll. Plan members are not required to contribute to the plan. The City's contribution is dependent on the employee's number of years of creditable service. Retirees pay 100% of the blended premium afforded to the City. The Council may amend the benefit provisions.

Benefits. Eligible retirees are offered the same health and prescription drug coverage as active employees. The City provides an implicit rate plan, whereby eligible retirees who retire and receive a pension are entitled to continue to purchase health insurance coverage from the City until age 65, at the same rate as active employees.

Net OPEB Liability (Asset) of the City

Changes in Net OPEB Liability (asset) of the City. The City's Net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the Net OPEB liability (asset) was determined by an actuary valuation as of July 1, 2018 with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.50%
Long-term expected rate of return on OPEB investments	3.5%, net of investment expense, including inflation
Healthcare Cost Trend Rate:	8% per annum, gradually decreasing to 3.50%
Inflation Rate:	2.50%
Salary increase:	5.60%-7.70% plus merit
Participation rate:	30%

The total OPEB liability was rolled forward to June 30, 2019, utilizing update procedures incorporating the actuarial assumptions.

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

F. Other postemployment benefits (Continued)

1. *Defined Benefit Plan (Continued)*

Mortality rates for pre-retirement were based on the RP-2014 Employee for Males or Females that is fully generational with MP-2017 Mortality Improvement Scale, as appropriate, with no adjustments or projections. Postretirement mortality rates were based on the RP-2014 Health Annuitant tables for males and females that is fully generational with MP-2017 Mortality Improvement Scale.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period ending December 31, 2005. The population is too small to justify a statistically significant result.

The long-term expected rate of return on COARBP investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, are presented previously.

Discount rate. The discount rate used to measure the total OPEB liability was 3.50 percent. The projection of cash flows used to determine the discount rate assumed that the City will contribute at rates equal to the actuarially determined contribution rates. Based on those assumptions, the COARBP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on COARBP investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate of 3.50% has remained consistent with the discount rate utilized to determine the total OPEB liability as of the beginning of the measurement period.

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

F. Other postemployment benefits (Continued)

1. Defined Benefit Plan (Continued)

The components of the net OPEB liability (asset) of the City at June 30, 2019 were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balances at 6/30/18	\$ 1,071,463	\$ 1,224,157	\$ (152,694)
Changes for the fiscal year:			
Service cost	84,028	-	84,028
Interest	38,813	-	38,813
Differences between expected and actual experience	(6,715)	-	(6,715)
Contributions—employer	-	85,000	(85,000)
Net investment income	-	37,843	(37,843)
Benefit payments, including refunds of employee contributions	(9,094)	(9,094)	-
OPEB plan administrative expenses	-	(3,832)	3,832
Net changes	107,032	109,917	(2,885)
Balances at 6/30/19	\$ 1,178,495	\$ 1,334,074	\$ (155,579)

The Plan's fiduciary net position as a percentage of the total OPEB liability 113.2%

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

F. Other postemployment benefits (Continued)

Net OPEB Liability (Asset) of the City

The required schedule of changes in the City's net OPEB liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total OPEB liability.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate. The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.5% decreasing to 2.5%) or 1-percentage-point higher (3.5% increasing to 4.5%) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability (asset)	\$ (60,357)	\$ (155,579)	\$ (246,307)

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates. The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 2.5%) or 1-percentage-point higher (9.0% decreasing to 4.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% to 2.5%)	Current rates (8.0% to 3.5%)	1% Increase (9.0% to 4.5%)
Net OPEB liability (asset)	\$ (300,400)	\$ (155,579)	\$ 13,842

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2019 and the current sharing pattern of costs between employer and employee.

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

F. Other postemployment benefits (Continued)

Net OPEB Liability (Asset) of the City (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the City recognized OPEB expense of \$92,511. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 94,740
Changes in assumptions	127,747	-
Net difference between projected and actual earnings on OPEB plan investments	19,964	-
Total	<u>\$ 147,711</u>	<u>\$ 94,740</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2020	\$ 10,245
2021	10,245
2022	10,244
2023	5,342
2024	4,028
Thereafter	12,867
Total	<u>\$ 52,971</u>

NOTES TO FINANCIAL STATEMENTS

V. Other information (Continued)

F. Other postemployment benefits (Continued)

2. *Defined Contribution Plan*

Plan description and funding requirements. The City created a new fund in the fiscal year ended June 30, 2019, called the OPEB Reimbursement Fund to account for a new retiree benefit, which is the retiree reimbursement benefit. Only full-time employees of the City are eligible to participate. Plan provisions and contribution requirements are established and may be amended by the City Council (the "Board").

Full-time employees who terminate employment with a minimum of 15 years of service and reach the age of 55 will be eligible to receive a monthly health reimbursement benefit as periodically determined by the Board of Trustees. The monthly benefit is available to the participant to cover eligible medical expenses (of the participant or the participant's spouse or dependent) as defined under Section 213(d) of the IRS Code. The City funds this benefit at an amount equal to 2% of all Employees' annual regular wages. The City Council has the ability to amend the Plan provisions. Employees of the City are required to contribute to the Plan. For the fiscal year ended June 30, 2019, the City's initial contribution to the plan was \$2,050,000, consisting of \$550,000 (2% of the gross wages) and \$1,500,000 (transferred from excesses in the Medical Insurance Fund).

G. Hotel/Motel lodging tax

The City imposes a hotel/motel tax on lodging facilities within the City of Alpharetta. The tax is currently assessed at a rate of 8%. Revenues were \$9,051,333 for the fiscal year ended June 30, 2019. Of this amount 93.99%, or \$8,505,001, was expended. Expenditures of the tax were used to promote tourism as required by O.C.G.A. 48-13-51. A portion of the tax is being held to pay a portion of the debt service associated with the construction of the convention center in accordance with O.C.G.A. 48-13-50.

H. Tax abatements

For the year ended June 30, 2019, City's property tax revenues were reduced by \$46,894 and \$543,636 under agreements entered into by the City of Alpharetta Development Authority and Fulton County Development Authority, respectively. These authorities entered into agreements with various entities under the economic development laws of the State of Georgia which qualify for disclosure under GASB Statement No. 77, *Tax Abatement Disclosures*. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALPHARETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 1,445,365	\$ 1,505,980	\$ 1,598,717	\$ 1,716,370	\$ 1,968,015	\$ 1,567,142
Interest on total pension liability	6,188,428	5,740,858	5,433,736	4,819,727	4,288,338	4,005,310
Differences between expected and actual experience	(273,013)	726,104	(1,092,001)	1,281,931	465,014	-
Change of assumptions	2,229,270	199,517	186,911	178,382	(4,591,299)	-
Benefit payments, including refunds of employee contributions	(2,347,569)	(1,993,117)	(1,761,551)	(1,463,409)	(1,327,566)	(1,185,315)
Other charges	-	-	-	177,741	-	-
Net change in total pension liability	7,242,481	6,179,342	4,365,812	6,710,742	802,502	4,387,137
Total pension liability - beginning	82,348,143	76,168,801	71,802,989	65,092,247	64,289,745	59,902,608
Total pension liability - ending (a)	\$ 89,590,624	\$ 82,348,143	\$ 76,168,801	\$ 71,802,989	\$ 65,092,247	\$ 64,289,745
Plan fiduciary net position						
Contributions - employer	\$ 2,699,997	\$ 2,625,003	\$ 2,500,000	\$ 2,400,000	\$ 2,300,000	\$ 2,250,000
Contributions - employee	310,689	338,544	347,281	368,356	368,638	371,246
Net investment income (loss)	3,435,733	4,747,877	6,679,684	(36,548)	1,709,776	7,664,372
Benefit payments, including refunds of member contributions	(2,347,569)	(1,993,117)	(1,761,551)	(1,463,409)	(1,327,566)	(1,185,315)
Administrative expenses	(81,237)	(87,942)	(309,924)	(135,692)	(161,357)	(47,295)
Net change in plan fiduciary net position	4,017,613	5,630,365	7,455,490	1,132,707	2,889,491	9,053,008
Plan fiduciary net position - beginning	70,291,479	64,661,114	57,205,624	56,072,917	53,183,426	44,130,418
Plan fiduciary net position - ending (b)	\$ 74,309,092	\$ 70,291,479	\$ 64,661,114	\$ 57,205,624	\$ 56,072,917	\$ 53,183,426
City's net pension liability - ending (a) - (b)	\$ 15,281,532	\$ 12,056,664	\$ 11,507,687	\$ 14,597,365	\$ 9,019,330	\$ 11,106,319
Plan fiduciary net position as a percentage of the total pension liability	82.9%	85.4%	84.9%	79.7%	86.1%	82.7%
Covered payroll	\$ 17,797,422	\$ 18,562,532	\$ 19,186,755	\$ 20,234,162	\$ 20,306,168	\$ 20,203,287
Net pension liability as a percentage of covered payroll	85.9%	65.0%	60.0%	72.1%	44.4%	55.0%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF ALPHARETTA, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLAN

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,668,838	\$ 2,359,496	\$ 2,287,519	\$ 2,289,533	\$ 2,003,761
Contributions in relation to the actuarially determined contribution	<u>(2,699,997)</u>	<u>(2,625,003)</u>	<u>(2,500,000)</u>	<u>2,400,000</u>	<u>2,300,000</u>
Contribution deficiency (excess)	<u>\$ (31,159)</u>	<u>\$ (265,507)</u>	<u>\$ (212,481)</u>	<u>\$ (110,467)</u>	<u>\$ (296,239)</u>
Covered payroll	\$ 17,797,422	\$ 18,562,532	\$ 19,186,755	\$ 20,234,162	\$ 20,306,168
Contributions as a percentage of covered payroll	-15.17%	-14.14%	-13.03%	11.86%	11.33%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 2,200,896	\$ 2,601,891	\$ 2,553,324	\$ 3,528,345	\$ 2,999,252
Contributions in relation to the actuarially determined contribution	<u>2,250,000</u>	<u>2,705,967</u>	<u>2,987,389</u>	<u>3,104,944</u>	<u>2,849,289</u>
Contribution deficiency (excess)	<u>\$ (49,104)</u>	<u>\$ (104,076)</u>	<u>\$ (434,065)</u>	<u>\$ 423,401</u>	<u>\$ 149,963</u>
Covered payroll	\$ 20,203,287	\$ 21,623,292	\$ 22,141,454	\$ 23,393,451	\$ 23,011,719
Contributions as a percentage of covered payroll	11.14%	12.51%	13.49%	13.27%	12.38%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	January 1, 2019
Cost Method	Entry Age
Actuarial Asset Valuation Method	Market value
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	2.10% to 4.20%, which includes 2.5% for inflation
Cost-of-living Adjustment	None
Amortization Method	Level dollar for unfunded liability
Remaining Amortization Period	30 years (open)

CITY OF ALPHARETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF PENSION INVESTMENT RETURNS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	4.88%	7.16%	11.37%	0.07%	3.13%	16.89%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF ALPHARETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY
AND RELATED RATIOS

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 84,028	\$ 56,869
Interest on total OPEB liability	38,813	38,402
Differences between expected and actual experience	(6,715)	(109,895)
Changes of assumptions and other inputs	-	158,319
Benefit payments	(9,094)	(7,686)
Net change in total OPEB liability	107,032	136,009
Total OPEB liability - beginning	1,071,463	935,454
Total OPEB liability - ending (a)	\$ 1,178,495	\$ 1,071,463
Plan fiduciary net position		
Contributions - employer	\$ 85,000	\$ 85,200
Net investment income	37,843	16,391
Benefit payments	(9,094)	(7,686)
Administrative expenses	(3,832)	-
Net change in plan fiduciary net position	109,917	93,905
Plan fiduciary net position - beginning	1,224,157	1,130,252
Plan fiduciary net position - ending (b)	\$ 1,334,074	\$ 1,224,157
City's net OPEB liability (asset) - ending (a) - (b)	\$ (155,579)	\$ (152,694)
Plan fiduciary net position as a percentage of the total OPEB liability	113.20%	114.25%
Covered payroll	\$ 21,788,982	\$ 21,788,982
Net OPEB liability (asset) as a percentage of covered payroll	-0.7%	-0.7%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF ALPHARETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 68,015	\$ 60,889
Contributions in relation to the actuarially determined contribution	<u>85,000</u>	<u>85,200</u>
Contribution deficiency (excess)	<u>\$ (16,985)</u>	<u>\$ (24,311)</u>
Covered payroll	\$ 21,788,982	\$ 21,788,982
Contributions as a percentage of covered payroll	0.39%	0.39%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	July 1, 2017
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	3.50%
Projected Salary Increases	5.60% to 7.70%, including 2.5% for inflation
Cost-of-living Adjustment	None
Amortization Method	Level dollar, closed
Remaining Amortization Period	5 years
Mortality	
Pre-retirement	RP-2014 Employee tables for males and females; fully generational with MP-2017 Mortality Improvement Scale
Post-retirement	RP-2014 Healthy Annuitant tables for males and females; fully generational with MP-2017 Mortality Improvement Scale
Health Care Cost Trends:	8.00% and gradually decreasing to an ultimate rate of 3.50%

(2) The schedule will present 10 years of information once it is accumulated.

CITY OF ALPHARETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN
SCHEDULE OF OPEB INVESTMENT RETURNS

	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses for the City's OPEB Plan	1.68%	1.55%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF ALPHARETTA, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 23,932,000	\$ 25,332,000	\$ 25,930,361	\$ 598,361
Sales and use taxes	15,650,000	15,650,000	16,849,321	1,199,321
Franchise taxes	6,200,000	6,200,000	6,787,133	587,133
Business taxes	5,479,000	5,479,000	5,555,835	76,835
Other taxes	3,050,500	3,050,500	3,321,352	270,852
Licenses and permits	2,704,250	2,704,250	4,198,814	1,494,564
Charges for services	3,619,150	3,626,037	4,264,290	638,253
Fines and forfeitures	1,987,000	1,987,000	1,841,143	(145,857)
Intergovernmental	460,000	510,000	556,343	46,343
Contributions and donations	82,500	92,845	84,103	(8,742)
Investment earnings	150,000	150,000	745,578	595,578
Other revenues	95,171	95,171	107,707	12,536
Total revenues	63,409,571	64,876,803	70,241,980	5,365,177
Expenditures:				
Current:				
General government:				
City clerk	393,632	409,105	411,228	(2,123)
Mayor and council	364,389	364,389	351,543	12,846
Municipal court	1,096,466	1,096,466	973,898	122,568
Legal	690,000	690,000	842,459	(152,459)
City administrator	1,575,821	1,495,321	1,232,159	263,162
Finance	3,366,136	3,366,136	3,240,903	125,233
Human resources	433,325	508,325	450,955	57,370
Technology services	1,742,223	1,742,223	1,701,499	40,724
Internal audit	202,152	56,534	57,751	(1,217)
Non-departmental	1,499,500	2,401,413	776,347	1,625,066
Total general government	11,363,644	12,129,912	10,038,742	2,091,170
Public safety	27,791,221	27,842,731	26,989,233	853,498
Public works	8,744,321	8,744,321	8,338,371	405,950
Community development	3,162,560	3,162,560	3,079,223	83,337
Culture and recreation	9,844,305	9,870,027	9,553,348	316,679
Debt service				
Principal	804,378	804,378	803,714	664
Interest	187,705	187,705	197,304	(9,599)
Total expenditures	61,898,134	62,741,634	58,999,935	3,741,699
Excess of revenues over expenditures	1,511,437	2,135,169	11,242,045	9,106,876

Continued

CITY OF ALPHARETTA, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses):				
Proceeds from sale of capital assets	119,813	119,813	132,939	13,126
Transfers in	2,868,750	3,225,000	3,394,250	169,250
Transfers out	(10,600,065)	(11,580,047)	(11,580,047)	-
Total other financing sources (uses)	(7,611,502)	(8,235,234)	(8,052,858)	182,376
Net change in fund balances	(6,100,065)	(6,100,065)	3,189,187	9,289,252
Fund balances, beginning of fiscal year	24,637,083	24,637,083	24,637,083	-
Fund balances, end of fiscal year	<u>\$ 18,537,018</u>	<u>\$ 18,537,018</u>	<u>\$ 27,826,270</u>	<u>\$ 9,289,252</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes other than capital projects or debt service.

Hotel Motel Fund – This fund is used to account for the occupancy tax collected by the City from area hotels and motels, and distributed based upon state statute. The City is currently collecting this tax at a rate of 8%.

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 City's impact fee ordinance, as required by state law.

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

Grant Operating Fund – This fund is used to account for the funds received from external sources as they relate to grants awarded to the City. Matching funds, which are the City's responsibility, are also recorded within this fund.

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 City, as required by state law.

Capital Projects Funds

Conference Center Fund is used to track the capital acquisitions, construction, and equipping of the new City conference center and the related financing of those costs.

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

Stormwater Capital Fund – This fund accounts for stormwater and drainage maintenance, repair, and improvement projects.

Debt Service Fund

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

CITY OF ALPHARETTA, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2019

ASSETS	Special Revenue Funds				
	Hotel Motel	Impact Fee	Confiscated Assets	Grant Operating	E911
Cash and cash equivalents	\$ 1,567,185	\$ 2,084,263	\$ 498,216	\$ 59,017	\$ 729,751
Investments	986,250	1,311,654	3,836	37,140	459,242
Taxes receivable, net	768,508	-	-	-	-
Accounts receivable	-	-	-	25,756	735,028
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 3,321,943</u>	<u>\$ 3,395,917</u>	<u>\$ 502,052</u>	<u>\$ 121,913</u>	<u>\$ 1,924,021</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 376	\$ -	\$ -	\$ 847	\$ 39,777
Retainage payable	-	-	-	-	-
Accrued expenditures	336,222	-	7,414	-	75,677
Due to other funds	288,191	-	-	-	-
Total liabilities	<u>624,789</u>	<u>-</u>	<u>7,414</u>	<u>847</u>	<u>115,454</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - other	-	-	-	3,028	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,028</u>	<u>-</u>
FUND BALANCES					
Restricted:					
Capital projects	-	3,395,917	-	-	-
Law enforcement	-	-	494,638	-	-
Emergency telephone system activities	-	-	-	-	1,808,567
Tourism	2,697,154	-	-	-	-
Debt service	-	-	-	-	-
Assigned for:					
Grant projects	-	-	-	118,038	-
Stormwater projects	-	-	-	-	-
Total fund balances	<u>2,697,154</u>	<u>3,395,917</u>	<u>494,638</u>	<u>118,038</u>	<u>1,808,567</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,321,943</u>	<u>\$ 3,395,917</u>	<u>\$ 502,052</u>	<u>\$ 121,913</u>	<u>\$ 1,924,021</u>

Capital Project Funds					
Conference Center Fund	Grant Capital Fund	Stormwater Capital Fund	Debt Service Fund	Nonmajor Governmental Funds	
\$ -	\$ 151,705	\$ 701,213	\$ 760,177	\$ 6,551,527	
-	95,470	441,282	478,389	3,813,263	
-	-	-	55,387	823,895	
-	-	-	-	760,784	
-	282,546	-	-	282,546	
<u>\$ -</u>	<u>\$ 529,721</u>	<u>\$ 1,142,495</u>	<u>\$ 1,293,953</u>	<u>\$ 12,232,015</u>	
\$ -	\$ 37,062	\$ 253,742	\$ 26,244	\$ 358,048	
-	60,198	-	-	60,198	
-	-	-	-	419,313	
-	-	-	-	288,191	
-	97,260	253,742	26,244	1,125,750	
-	-	-	43,755	43,755	
-	157,060	-	-	160,088	
-	157,060	-	43,755	203,843	
-	-	-	-	3,395,917	
-	-	-	-	494,638	
-	-	-	-	1,808,567	
-	-	-	-	2,697,154	
-	-	-	1,223,954	1,223,954	
-	275,401	-	-	393,439	
-	-	888,753	-	888,753	
-	275,401	888,753	1,223,954	10,902,422	
<u>\$ -</u>	<u>\$ 529,721</u>	<u>\$ 1,142,495</u>	<u>\$ 1,293,953</u>	<u>\$ 12,232,015</u>	

CITY OF ALPHARETTA, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds				
	Hotel Motel	Impact Fee	Confiscated Assets	Grant Operating	E911
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/Motel taxes	9,051,333	-	-	-	-
Impact fees	-	960,432	-	-	-
Charges for services	-	-	-	-	3,016,363
Forfeiture income	-	-	388,848	-	-
Intergovernmental	-	-	142,590	37,551	1,239,393
Contributions	-	-	-	1,000	-
Investment earnings	-	83,063	635	1,164	24,446
Other revenues	-	-	-	-	-
Total revenues	9,051,333	1,043,495	532,073	39,715	4,280,202
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	40,000	360,612	48,151	4,246,770
Culture and recreation	-	351,766	-	9,485	-
Community development	4,130,789	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	200,000	-	-	-	67,895
Interest	779,963	-	-	-	8,881
Total expenditures	5,110,752	391,766	360,612	57,636	4,323,546
Excess (deficiency) of revenues over expenditures	3,940,581	651,729	171,461	(17,921)	(43,344)
Other financing sources (uses):					
Transfers out	(3,394,250)	-	-	-	-
Transfers in	380,308	-	-	90,912	-
Total other financing sources (uses)	(3,013,942)	-	-	90,912	-
Net change in fund balances	926,639	651,729	171,461	72,991	(43,344)
Fund balances, beginning of fiscal year	1,770,515	2,744,188	323,177	45,047	1,851,911
Fund balances, end of fiscal year	\$ 2,697,154	\$ 3,395,917	\$ 494,638	\$ 118,038	\$ 1,808,567

Capital Project Funds				Total Nonmajor Governmental Funds
Conference Center Fund	Grant Capital Fund	Stormwater Capital Fund	Debt Service Fund	
\$ -	\$ -	\$ -	\$ 5,583,905	\$ 5,583,905
-	-	-	-	9,051,333
-	-	-	-	960,432
-	-	-	-	3,016,363
-	-	-	-	388,848
-	1,096,060	-	-	2,515,594
-	-	-	-	1,000
5,586	17,482	27,852	79,535	239,763
-	-	-	452	452
5,586	1,113,542	27,852	5,663,892	21,757,690
-	-	-	3,475	3,475
-	-	-	-	4,695,533
-	-	7,214	-	368,465
-	-	-	-	4,130,789
-	-	1,550,643	-	1,550,643
-	992,731	-	-	992,731
-	-	-	2,832,100	3,099,995
-	-	-	2,636,412	3,425,256
-	992,731	1,557,857	5,471,987	18,266,887
5,586	120,811	(1,530,005)	191,905	3,490,803
(380,308)	(60,912)	-	-	(3,835,470)
-	-	1,875,000	-	2,346,220
(380,308)	(60,912)	1,875,000	-	(1,489,250)
(374,722)	59,899	344,995	191,905	2,001,553
374,722	215,502	543,758	1,032,049	8,900,869
\$ -	\$ 275,401	\$ 888,753	\$ 1,223,954	\$ 10,902,422

CITY OF ALPHARETTA, GEORGIA
HOTEL MOTEL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Hotel/Motel taxes	\$ 7,650,000	\$ 8,600,000	\$ 9,051,333	\$ 451,333
Total revenues	7,650,000	8,600,000	9,051,333	451,333
Expenditures:				
Current:				
Community development	3,801,287	5,045,774	4,130,789	914,985
Debt service:				
Principal	200,000	200,000	200,000	-
Interest	779,963	2,279,963	779,963	1,500,000
	4,781,250	7,525,737	5,110,752	2,414,985
Excess of revenues over expenditures	2,868,750	1,074,263	3,940,581	2,866,318
Other financing sources (uses):				
Transfers out	(2,868,750)	(3,225,000)	(3,394,250)	(169,250)
Transfers in	-	380,222	380,308	86
Total other financing sources (uses)	(2,868,750)	(2,844,778)	(3,013,942)	(169,164)
Net changes in fund balances	-	(1,770,515)	926,639	2,697,154
Fund balances, beginning of fiscal year	1,770,515	1,770,515	1,770,515	-
Fund balances, end of fiscal year	\$ 1,770,515	\$ -	\$ 2,697,154	\$ 2,697,154

CITY OF ALPHARETTA, GEORGIA
IMPACT FEE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Impact fees	\$ 45,000	\$ 975,000	\$ 960,432	\$ (14,568)
Investment earnings	-	50,000	83,063	33,063
Total revenues	45,000	1,025,000	1,043,495	18,495
Expenditures:				
Current:				
Public safety	40,000	40,000	40,000	-
Culture and recreation	570,000	3,729,188	351,766	3,377,422
Total expenditures	610,000	3,769,188	391,766	3,377,422
Net changes in fund balances	(565,000)	(2,744,188)	651,729	3,395,917
Fund balances, beginning of fiscal year	2,744,188	2,744,188	2,744,188	-
Fund balances, end of fiscal year	<u>\$ 2,179,188</u>	<u>\$ -</u>	<u>\$ 3,395,917</u>	<u>\$ 3,395,917</u>

**CITY OF ALPHARETTA, GEORGIA
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Forfeiture income	\$ -	\$ 300,000	\$ 388,848	\$ 88,848
Investment earnings	-	600	635	35
Intergovernmental revenue	-	142,591	142,590	(1)
Total revenues	-	443,191	532,073	88,882
Expenditures:				
Current:				
Public safety	287,507	766,368	360,612	405,756
Total expenditures	287,507	766,368	360,612	405,756
Net changes in fund balances	(287,507)	(323,177)	171,461	494,638
Fund balances, beginning of fiscal year	323,177	323,177	323,177	-
Fund balances, end of fiscal year	\$ 35,670	\$ -	\$ 494,638	\$ 494,638

CITY OF ALPHARETTA, GEORGIA
GRANT OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 57,806	\$ 37,551	\$ (20,255)
Contributions	-	1,000	1,000	-
Investment earnings	-	-	1,164	1,164
Total revenues	-	58,806	39,715	(19,091)
Expenditures:				
Current:				
General government	30,000	100,000	-	100,000
Public safety	-	84,519	48,151	36,368
Culture and recreation	-	10,246	9,485	761
Total expenditures	30,000	194,765	57,636	137,129
Deficiency of revenues over expenditures	(30,000)	(135,959)	(17,921)	118,038
Other financing sources:				
Transfers in	30,000	90,912	90,912	-
Total other financing sources	30,000	90,912	90,912	-
Net changes in fund balances	-	(45,047)	72,991	118,038
Fund balances, beginning of fiscal year	45,047	45,047	45,047	-
Fund balances, end of fiscal year	<u>\$ 45,047</u>	<u>\$ -</u>	<u>\$ 118,038</u>	<u>\$ 118,038</u>

CITY OF ALPHARETTA, GEORGIA
EMERGENCY 911 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 3,105,000	\$ 3,105,000	\$ 3,016,363	\$ (88,637)
Intergovernmental	950,000	950,000	1,239,393	289,393
Investment earnings	11,693	11,693	24,446	12,753
Total revenues	<u>4,066,693</u>	<u>4,066,693</u>	<u>4,280,202</u>	<u>213,509</u>
Expenditures:				
Current:				
Public safety	4,068,311	4,944,723	4,246,770	697,953
Debt service:				
Principal	75,000	75,000	67,895	7,105
Interest	8,882	8,882	8,881	1
Total expenditures	<u>4,152,193</u>	<u>5,028,605</u>	<u>4,323,546</u>	<u>705,059</u>
Net changes in fund balances	(85,500)	(961,912)	(43,344)	918,568
Fund balances, beginning of fiscal year	<u>1,851,911</u>	<u>1,851,911</u>	<u>1,851,911</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 1,766,411</u>	<u>\$ 889,999</u>	<u>\$ 1,808,567</u>	<u>\$ 918,568</u>

**CITY OF ALPHARETTA, GEORGIA
CONFERENCE CENTER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ 5,500	\$ 5,586	\$ 86
Total revenues	-	5,500	5,586	86
Expenditures:				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	5,500	5,586	86
Other financing uses:				
Transfers out	-	(380,222)	(380,308)	(86)
Total other financing uses	-	(380,222)	(380,308)	(86)
Net changes in fund balances	-	(374,722)	(374,722)	-
Fund balances, beginning of fiscal year	<u>374,722</u>	<u>374,722</u>	<u>374,722</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 374,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALPHARETTA, GEORGIA
GRANT CAPITAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 4,706,566	\$ 4,706,566	\$ 1,096,060	\$ (3,610,506)
Interest	-	-	17,482	17,482
Total revenues	<u>4,706,566</u>	<u>4,706,566</u>	<u>1,113,542</u>	<u>(3,593,024)</u>
Expenditures:				
Capital outlay	<u>4,861,156</u>	<u>4,861,156</u>	<u>992,731</u>	<u>3,868,425</u>
Total expenditures	<u>4,861,156</u>	<u>4,861,156</u>	<u>992,731</u>	<u>3,868,425</u>
Excess (deficiency) of revenues over expenditures	(154,590)	(154,590)	120,811	275,401
Other financing uses:				
Transfers out	-	(60,912)	(60,912)	-
Total other financing uses	<u>-</u>	<u>(60,912)</u>	<u>(60,912)</u>	<u>-</u>
Net changes in fund balances	(154,590)	(215,502)	59,899	275,401
Fund balances, beginning of fiscal year	<u>215,502</u>	<u>215,502</u>	<u>215,502</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 60,912</u>	<u>\$ -</u>	<u>\$ 275,401</u>	<u>\$ 275,401</u>

**CITY OF ALPHARETTA, GEORGIA
STORMWATER CAPITAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 27,852	\$ 27,852
Total revenues	-	-	27,852	27,852
Expenditures:				
Current:				
Public works	1,575,000	2,118,758	1,550,643	568,115
Culture and recreation	300,000	300,000	7,214	292,786
Total expenditures	1,875,000	2,418,758	1,557,857	860,901
Deficiency of revenues over expenditures	(1,875,000)	(2,418,758)	(1,530,005)	888,753
Other financing sources:				
Transfers in	1,875,000	1,875,000	1,875,000	-
Total other financing sources	1,875,000	1,875,000	1,875,000	-
Net changes in fund balances	-	(543,758)	344,995	888,753
Fund balances, beginning of fiscal year	543,758	543,758	543,758	-
Fund balances, end of fiscal year	<u>\$ 543,758</u>	<u>\$ -</u>	<u>\$ 888,753</u>	<u>\$ 888,753</u>

CITY OF ALPHARETTA, GEORGIA
CAPITAL PROJECT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 13,672,223	\$ 1,639,767	\$ (12,032,456)
Contributions and donations	-	366,710	366,807	97
Investment earnings	-	225,000	354,035	129,035
Miscellaneous	-	24,350	34,229	9,879
Total revenues	-	14,288,283	2,394,838	(11,893,445)
Expenditures:				
Capital outlay	11,445,065	38,104,776	16,142,156	21,962,620
Total expenditures	11,445,065	38,104,776	16,142,156	21,962,620
Deficiency of revenues over expenditures	(11,445,065)	(23,816,493)	(13,747,318)	10,069,175
Other financing sources:				
Transfers in	8,695,065	9,675,047	9,675,047	-
Total other financing sources	8,695,065	9,675,047	9,675,047	-
Net changes in fund balances	(2,750,000)	(14,141,446)	(4,072,271)	10,069,175
Fund balances, beginning of fiscal year	14,141,446	14,141,446	14,141,446	-
Fund balances, end of fiscal year	<u>\$ 11,391,446</u>	<u>\$ -</u>	<u>\$ 10,069,175</u>	<u>\$ 10,069,175</u>

CITY OF ALPHARETTA, GEORGIA
T-SPLOST CAPITAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Sales and use taxes	\$ 8,160,000	\$ 11,100,000	\$ 11,263,455	\$ 163,455
Investment earnings	-	225,000	355,413	130,413
Total revenues	<u>8,160,000</u>	<u>11,325,000</u>	<u>11,618,868</u>	<u>293,868</u>
Expenditures:				
Public works	<u>5,760,000</u>	<u>20,718,814</u>	<u>2,386,832</u>	<u>18,331,982</u>
Total expenditures	<u>5,760,000</u>	<u>20,718,814</u>	<u>2,386,832</u>	<u>18,331,982</u>
Net changes in fund balances	2,400,000	(9,393,814)	9,232,036	18,625,850
Fund balances, beginning of fiscal year	<u>11,793,815</u>	<u>11,793,815</u>	<u>11,793,815</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 14,193,815</u>	<u>\$ 2,400,001</u>	<u>\$ 21,025,851</u>	<u>\$ 18,625,850</u>

CITY OF ALPHARETTA, GEORGIA
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	\$ 5,134,000	\$ 5,134,000	\$ 5,583,905	\$ 449,905
Investment earnings	10,000	10,000	79,535	69,535
Other revenues	-	-	452	452
Total revenues	<u>5,144,000</u>	<u>5,144,000</u>	<u>5,663,892</u>	<u>519,892</u>
Expenditures:				
Current:				
General government	5,000	707,536	3,475	704,061
Debt service:				
Principal	2,832,100	2,832,100	2,832,100	-
Interest	<u>2,636,413</u>	<u>2,636,413</u>	<u>2,636,412</u>	<u>1</u>
Total expenditures	<u>5,473,513</u>	<u>6,176,049</u>	<u>5,471,987</u>	<u>704,062</u>
Net change in fund balances	(329,513)	(1,032,049)	191,905	1,223,954
Fund balances, beginning of fiscal year	<u>1,032,049</u>	<u>1,032,049</u>	<u>1,032,049</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 702,536</u>	<u>\$ -</u>	<u>\$ 1,223,954</u>	<u>\$ 1,223,954</u>

CITY OF ALPHARETTA, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM TRANSPORTATION SPECIAL LOCAL OPTION SALES TAX (TSPLOST) FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL	
TSPLOST TIER 1						
Congestion Relief (Haynes Bridge Road / Old Milton Parkway / McGinnis Ferry Road / Windward Parkway Business District / Union Hill)	\$ 32,647,634	\$ 27,191,916	\$ 419,880	\$ 605,135	\$ 1,025,015	3.770 %
Operations and Safety (Academy St./Webb Bridge Road/ Bicycle Improvements, Morris Road, Bethany at Mayfield Intersection, and Bethany at Mid Broadwell Road Intersection)	20,656,029	28,613,089	968,713	1,694,269	2,662,982	9.307 %
TSPLOST TIER 2						
Kimball Bridge Road Operations and Ped/Bike Improvements	4,906,529	4,906,529	132,139	87,428	219,567	4.475 %
Adaptive Traffic Signals/ ITS Milling/Resurfacing	1,500,000	-	-	-	-	0.000 %
Sidewalks	1,000,000	1,000,000	-	-	-	0.000 %
Debt Service	1,000,000	-	-	-	-	0.000 %
Quick Response Projects	1,000,000	-	-	-	-	0.000 %
TSPLOST TIER 3						
Bridges (Academy St./Webb Bridge Road / Ga 400 Bridge Improvements and Kimball Bridge/Ga 400 Improvements)	7,293,644	-	-	-	-	0.000 %
Commuter Bike Corridor	500,000	-	-	-	-	0.000 %
Ga 400 Bottlenecks	1,650,000	-	-	-	-	0.000 %
TOTAL TSPLOST	\$ 72,153,836	\$ 61,711,534	\$ 1,520,732	\$ 2,386,832	\$ 3,907,564	

CITY OF ALPHARETTA, GEORGIA

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2019

Governmental Activities - Internal Service Funds			
ASSETS	Risk Management Fund	Medical Insurance Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 970,061	\$ 320,683	\$ 1,290,744
Accounts receivables	-	283,684	283,684
Investments	610,472	104,057	714,529
Total assets	1,580,533	708,424	2,288,957
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	77,794	-	77,794
Claims payable, due within one year	338,856	971,936	1,310,792
Total current liabilities	416,650	971,936	1,388,586
NONCURRENT LIABILITIES			
Claims payable, due in more than one year	392,881	-	392,881
Total noncurrent liabilities	392,881	-	392,881
Total liabilities	809,531	971,936	1,781,467
NET POSITION (Deficit)			
Unrestricted	771,002	(263,512)	507,490
Total net position (deficit)	\$ 771,002	\$ (263,512)	\$ 507,490

CITY OF ALPHARETTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Risk Management Fund	Medical Insurance Fund	Total
OPERATING REVENUES			
Charges for services:			
Charges for service	\$ 1,446,500	\$ 7,126,137	\$ 8,572,637
Miscellaneous revenue	14,574	-	14,574
Total operating revenues	<u>1,461,074</u>	<u>7,126,137</u>	<u>8,587,211</u>
OPERATING EXPENSES			
Administration	110,716	-	110,716
Claims and judgements	200,354	5,458,174	5,658,528
Premiums	629,874	1,631,686	2,261,560
Total operating expenses	<u>940,944</u>	<u>7,089,860</u>	<u>8,030,804</u>
Operating income (loss)	520,130	36,277	556,407
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	28,736	151	28,887
Contribution to trust	-	(1,500,000)	(1,500,000)
Total non-operating revenues (expenses)	<u>28,736</u>	<u>(1,499,849)</u>	<u>(1,471,113)</u>
Change in net position	548,866	(1,463,572)	(914,706)
NET POSITION, beginning of year	<u>222,136</u>	<u>1,200,060</u>	<u>1,422,196</u>
NET POSITION (DEFICIT), end of year	<u>\$ 771,002</u>	<u>\$ (263,512)</u>	<u>\$ 507,490</u>

CITY OF ALPHARETTA, GEORGIA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Risk Management Fund	Medical Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,461,074	\$ 6,842,453	\$ 8,303,527
Payments to vendors/suppliers	(580,075)	(1,631,686)	(2,211,761)
Payments on claims	(521,636)	(5,442,366)	(5,964,002)
Net cash provided by (used in) operating activities	359,363	(231,599)	127,764
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(228,792)	-	(228,792)
Sale of investments	-	494,446	494,446
Interest and dividends received	28,736	151	28,887
Net cash provided by (used in) investing activities	(200,056)	494,597	294,541
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Contributions to trust	-	(1,500,000)	(1,500,000)
Net cash used in non-capital financing activities	-	(1,500,000)	(1,500,000)
Increase (decrease) in cash and cash equivalents	159,307	(1,237,002)	(1,077,695)
Cash and cash equivalents, beginning of year	810,754	1,557,685	2,368,439
Cash and cash equivalents, end of year	<u>\$ 970,061</u>	<u>\$ 320,683</u>	<u>\$ 1,290,744</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income	\$ 520,130	\$ 36,277	\$ 556,407
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Decrease in due from other funds	-	(283,684)	(283,684)
Increase in accounts payable	49,799	-	49,799
Increase (decrease) in claims payable	(210,566)	15,808	(194,758)
Net cash provided by (used in) operating activities	<u>\$ 359,363</u>	<u>\$ (231,599)</u>	<u>\$ 127,764</u>

CITY OF ALPHARETTA, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2019

ASSETS	Pension Plan	OPEB Plan	OPEB Retirement Reimbursement Plan	Total
Cash	\$ 8,990	\$ 515	\$ 772	\$ 10,277
Accounts receivable	469,101	7,982	12,832	489,915
Investments:				
Money Market Funds	2,136,393	24,616	36,442	2,197,451
U.S. Treasuries	4,321,983	106,735	164,313	4,593,031
U.S. Government Agencies	331,434	-	-	331,434
Corporate and Foreign Agencies	10,725,608	236,938	349,374	11,311,920
Common Equity Securities	53,210,468	760,180	1,222,588	55,193,236
Preferred Equity Securities	77,796	1,435	2,144	81,375
Equity Mutual Funds	9,796	121,123	103,494	234,413
Fixed Income Mutual Funds	-	68,740	102,623	171,363
Exchange Traded Funds	3,321,492	68,255	103,248	3,492,995
Total assets	74,613,061	1,396,519	2,097,830	78,107,410
LIABILITIES				
Accounts payable	303,969	62,445	7,982	374,396
Total liabilities	303,969	62,445	7,982	374,396
NET POSITION				
Net position restricted for retiree benefits	\$ 74,309,092	\$ 1,334,074	\$ 2,089,848	\$ 77,733,014

CITY OF ALPHARETTA, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Pension Plan	OPEB Plan	OPEB Retirement Reimbursement Plan	Total
ADDITIONS				
Contributions:				
Employee contributions	\$ 310,689	\$ -	\$ -	\$ 310,689
Employer contributions	2,699,997	85,000	550,000	3,334,997
Other contributions	-	-	1,500,000	1,500,000
Total contributions	3,010,686	85,000	2,050,000	5,145,686
Investment income:				
Net appreciation of fair value of investments	2,048,146	752	11,492	2,060,390
Interest and dividends	1,387,587	38,995	36,894	1,463,476
Less investment expense	-	(1,904)	(2,819)	(4,723)
Net investment income	3,435,733	37,843	45,567	3,519,143
Total additions	6,446,419	122,843	2,095,567	8,664,829
DEDUCTIONS				
Benefit payments	2,347,569	9,094	-	2,356,663
Administrative expenses	81,237	3,832	5,719	90,788
Total deductions	2,428,806	12,926	5,719	2,447,451
Change in net position	4,017,613	109,917	2,089,848	6,217,378
NET POSITION RESTRICTED FOR RETIREE BENEFITS				
Beginning of year	70,291,479	1,224,157	-	71,515,636
End of year	\$ 74,309,092	\$ 1,334,074	\$ 2,089,848	\$ 77,733,014

**DISCRETELY PRESENTED COMPONENT UNIT –
DEVELOPMENT AUTHORITY OF ALPHARETTA**

CITY OF ALPHARETTA, GEORGIA

BALANCE SHEET COMPONENT UNIT - DEVELOPMENT AUTHORITY JUNE 30, 2019

ASSETS

Cash	\$	146,078
Accounts receivables		2,700
Investments		320
Total assets	\$	<u>149,098</u>

LIABILITIES

Accounts payable	\$	<u>1,772</u>
Total liabilities		<u>1,772</u>

FUND BALANCE

Fund balance:		
Restricted for:		
Economic development		90,948
Unassigned		<u>56,378</u>
Total fund balance		<u>147,326</u>
 Total liabilities and fund balance	\$	<u><u>149,098</u></u>

CITY OF ALPHARETTA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
COMPONENT UNIT - DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Revenues:

Interest earnings	\$ 205
Miscellaneous income	<u>2,345,102</u>
Total revenues	<u>2,345,307</u>

Expenditures:

Community development	282,046
Debt service:	
Principal	1,120,000
Interest and fiscal charges	<u>905,053</u>
Total expenditures	<u>2,307,099</u>

Net change in fund balances	38,208
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Fund balance, beginning of fiscal year	<u>109,118</u>
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Fund balance, end of fiscal year	<u><u>\$ 147,326</u></u>
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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 City's overall financial health.

	<u>Page</u>
Financial Trends	103-107

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

Revenue Capacity.....	108-113
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These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity.....	114-117
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	118 and 119
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	120-122
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CITY OF ALPHARETTA, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2019	2018	2017 (2)	2016
Governmental activities				
Net investment in capital assets (2)	\$ 214,287,654	\$ 207,591,819	\$ 156,743,582	\$ 215,676,760
Restricted	31,734,150	21,779,964	60,101,289	9,761,642
Unrestricted	24,935,364	26,815,118	31,781,332	21,343,378
Total governmental activities net position	<u>\$ 270,957,168</u>	<u>\$ 256,186,901</u>	<u>\$ 248,626,203</u>	<u>\$ 246,781,780</u>
Business-type activities (1)				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	1,206,592	1,186,192	1,133,212	1,123,990
Total business-type activities net position	<u>\$ 1,206,592</u>	<u>\$ 1,186,192</u>	<u>\$ 1,133,212</u>	<u>\$ 1,123,990</u>
Primary government				
Net investment in capital assets	\$ 214,287,654	\$ 207,591,819	\$ 156,743,582	\$ 215,676,760
Restricted	31,734,150	21,779,964	60,101,289	9,761,642
Unrestricted	26,141,956	28,001,310	32,914,544	22,467,368
Total primary government net position	<u>\$ 272,163,760</u>	<u>\$ 257,373,093</u>	<u>\$ 249,759,415</u>	<u>\$ 247,905,770</u>

(1) 2014 was restated for the implementation of GASB Statement No. 68 and 71.

(2) 2017 was restated for the implementation of GASB Statement No. 75.

2015	2014 (1)	2013	2012	2011	2010
\$ 201,023,973	\$ 201,359,025	\$ 203,216,963	\$ 210,559,491	\$ 197,506,611	\$ 187,034,265
7,791,738	9,614,036	8,063,704	6,669,541	9,944,113	7,524,218
19,004,765	17,825,182	29,004,650	28,447,427	25,107,500	36,664,811
<u>\$ 227,820,476</u>	<u>\$ 228,798,243</u>	<u>\$ 240,285,317</u>	<u>\$ 245,676,459</u>	<u>\$ 232,558,224</u>	<u>\$ 231,223,294</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
967,766	1,013,492	1,026,865	1,016,648	995,792	956,834
<u>\$ 967,766</u>	<u>\$ 1,013,492</u>	<u>\$ 1,026,865</u>	<u>\$ 1,016,648</u>	<u>\$ 995,792</u>	<u>\$ 956,834</u>
\$ 201,023,973	\$ 201,359,025	\$ 203,216,963	\$ 210,559,491	\$ 197,506,611	\$ 187,034,265
7,791,738	9,614,036	8,063,704	6,669,541	9,944,113	7,524,218
19,972,531	18,838,674	30,031,515	29,464,075	26,103,292	37,621,645
<u>\$ 228,788,242</u>	<u>\$ 229,811,735</u>	<u>\$ 241,312,182</u>	<u>\$ 246,693,107</u>	<u>\$ 233,554,016</u>	<u>\$ 232,180,128</u>

CITY OF ALPHARETTA, GEORGIA

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

	2019	2018	2017	2016
Expenses				
Governmental activities (1):				
General government	\$ 15,780,792	\$ 21,454,576	\$ 29,135,914	\$ 11,509,627
Public safety	33,611,899	32,400,805	30,123,186	30,252,024
Public works	21,553,723	10,681,676	14,533,961	19,358,138
Community development	7,319,083	6,553,596	5,772,585	5,416,361
Culture and recreation	10,465,655	14,990,020	10,686,154	9,191,257
Interest on long-term debt	3,583,252	3,995,843	3,835,898	1,556,382
Total governmental activities expenses	92,314,404	90,076,516	94,087,698	77,283,789
Business-type activities:				
Solid waste	4,226,955	3,818,643	3,274,907	3,077,407
Total business-type activities expenses	4,226,955	3,818,643	3,274,907	3,077,407
Total primary government expenses	\$ 96,541,359	\$ 93,895,159	\$ 97,362,605	\$ 80,361,196
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 98,287	\$ 131,490	\$ 3,614,607	\$ 3,614,607
Public safety	7,779,202	6,948,160	4,811,153	4,811,153
Public works	-	-	32,726	32,726
Community development	5,628,275	4,921,134	4,765,125	4,765,125
Culture and recreation	2,559,400	2,283,361	2,248,077	2,248,077
Operating grants and contributions	658,226	918,641	591,849	591,849
Capital grants and contributions (3)	3,422,011	4,300,025	17,803,410	17,803,410
Total governmental activities program revenues	20,145,401	19,502,811	33,866,947	33,866,947
Business-type activities:				
Charges for services:				
Solid waste	4,188,117	3,851,806	3,225,033	3,225,033
Total business-type activities program revenues	4,188,117	3,851,806	3,225,033	3,225,033
Total primary government program revenues	\$ 24,333,518	\$ 23,354,617	\$ 37,091,980	\$ 37,091,980
Net (expense)/revenue				
Governmental activities	\$ (72,169,003)	\$ (70,573,705)	\$ (43,416,842)	\$ (43,416,842)
Business-type activities	(38,838)	33,163	147,626	147,626
Total primary government net expense	\$ (72,207,841)	\$ (70,540,542)	\$ (43,269,216)	\$ (43,269,216)

- (1) The changes in expenses are primarily due to capital expenditure variances from year to year.
- (2) In 2010 the City received a donated road and bridge worth over \$7,000,000.
- (3) Prior to 2010 the City charged depreciation expense related to City's infrastructure to the general government function and in 2010 began charging to the public works function.
- (4) In 2013 the City secured a \$4 million bond issued by the Development Authority for which the City is not the beneficiary of the proceeds, thus the full expense is recognized in the statement of activities.

2015	2014	2013	2012	2011	2010
\$ 12,065,471	\$ 11,463,544	\$ 12,321,146	\$ 10,825,565	\$ 8,731,761	\$ 9,424,951
32,637,732	27,912,188	26,435,109	25,811,403	25,935,466	25,425,405
17,529,801	14,035,094	17,291,919	13,955,690	17,823,080	12,201,036
5,183,616	4,774,226	8,668,317	3,901,289	3,883,385	3,676,652
8,111,598	7,834,329	7,139,273	7,324,834	7,049,036	7,127,575
1,606,823	1,807,273	1,860,527	1,766,432	1,632,890	1,737,171
77,135,041	67,826,654	73,716,291	63,585,213	65,055,618	59,592,790
3,264,095	3,213,392	3,197,191	3,144,127	3,048,205	2,677,687
3,264,095	3,213,392	3,197,191	3,144,127	3,048,205	2,677,687
\$ 80,399,136	\$ 71,040,046	\$ 76,913,482	\$ 66,729,340	\$ 68,103,823	\$ 62,270,477
\$ 3,318,538	\$ 2,843,024	\$ 2,967,937	\$ 3,262,882	\$ 3,791,391	\$ 3,921,041
5,752,584	5,138,078	5,156,890	5,011,033	4,704,105	3,788,809
32,726	88,191	36,268	12,304	14,214	10,543
3,628,850	2,725,927	1,577,213	2,301,293	2,051,232	1,524,015
1,820,871	1,709,555	2,023,639	2,019,465	1,869,572	1,840,027
636,727	397,870	398,524	82,200	85,049	180,396
3,299,374	1,662,642	4,733,378	14,284,321	3,397,529	9,084,587 (2)
18,489,670	14,565,287	16,893,849	26,973,498	15,913,092	20,349,418
3,215,238	3,194,769	3,204,318	3,160,503	3,083,736	2,645,368
3,215,238	3,194,769	3,204,318	3,160,503	3,083,736	2,645,368
\$ 21,704,908	\$ 17,760,056	\$ 20,098,167	\$ 30,134,001	\$ 18,996,828	\$ 22,994,786
\$ (58,645,371)	\$ (53,261,367)	\$ (56,822,442)	\$ (36,611,715)	\$ (49,142,526)	\$ (39,243,372)
(48,857)	(18,623)	7,127	16,376	35,531	(32,319)
\$ (58,694,228)	\$ (53,279,990)	\$ (56,815,315)	\$ (36,595,339)	\$ (49,106,995)	\$ (39,275,691)

CITY OF ALPHARETTA, GEORGIA

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Occupancy Tax
2010	\$ 25,988,259	\$ 11,174,798	\$ 6,017,828	\$ 2,831,888
2011	24,818,984	11,230,204	6,152,869	3,133,641
2012	21,451,396	12,239,330	6,430,151	3,364,193
2013	23,055,884	12,173,275	6,346,008	3,859,498
2014	23,681,167	13,575,938	6,235,684	4,137,790
2015	24,216,991	14,757,780	6,682,041	4,637,950
2016	25,833,303	14,953,985	6,630,390	6,391,857
2017	27,218,360	14,943,853	6,357,342	9,566,630
2018	27,953,119	26,669,576	6,177,460	7,665,868
2019	31,569,551	28,112,776	6,787,133	9,051,333

Business Taxes	Other Taxes	Total
\$ 3,096,541	\$ 1,884,379	\$ 50,993,693
3,023,400	2,033,759	50,392,857
3,912,564	2,244,577	49,642,211
4,072,729	2,318,455	51,825,849
4,227,363	2,243,736	54,101,678
4,425,286	2,767,730	57,487,778
4,981,704	3,003,685	61,794,924
5,160,501	3,092,041	66,338,727
5,387,059	3,129,297	76,982,379
5,555,835	3,321,352	84,397,980

CITY OF ALPHARETTA, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Assigned:				
Book revenue	-	-	17,973	17,973
Subsequent budget appropriations	5,537,018	6,100,065	8,842,313	6,049,857
Unassigned	22,289,252	18,537,018	19,600,065	21,222,540
Total general fund	<u>\$ 27,826,270</u>	<u>\$ 24,637,083</u>	<u>\$ 28,460,351</u>	<u>\$ 27,290,370</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds (1)	-	-	-	-
Restricted:				
Capital projects	57,996,237	53,096,354	60,610,599	27,175,844
Law enforcement	494,638	323,177	1,460,509	1,752,596
Emergency telephone services	1,808,567	1,851,911	1,827,068	2,122,857
Grant projects	-	-	-	-
Tourism	2,697,154	1,770,515	1,505,262	950,567
Debt service	1,223,954	1,032,049	1,250,405	814,051
Promotion of tourism	-	-	-	-
Assigned:				
Grant projects	393,439	260,549	38,982	39,857
Capital projects	10,613,617	14,294,222	15,130,110	6,114,004
Unassigned:	-	-	(197,470)	(2,286,335)
Total all other governmental funds	<u>\$ 75,227,606</u>	<u>\$ 72,628,777</u>	<u>\$ 81,625,465</u>	<u>\$ 36,683,441</u>

(1) During 2011 the City implemented GASB Statement No. 54, which changed the reporting of the fund balance.

(2) During 2012 the City issued \$29,000,000 of general obligation bonds, which remained unspent at year-end.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,663
-	-	-	-	-	18,815,691
17,973	-	-	-	-	-
5,018,236	4,105,260	5,684,667	4,661,795	4,441,136	-
18,549,859	16,768,236	15,266,611	16,668,503	16,123,905	-
<u>\$ 23,586,068</u>	<u>\$ 20,873,496</u>	<u>\$ 20,951,278</u>	<u>\$ 21,330,298</u>	<u>\$ 20,565,041</u>	<u>\$ 18,879,354</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,508,967
-	-	-	-	-	3,711,378
-	-	-	-	-	19,154,319
2,986,088	14,896,779	28,411,579	31,250,773 (2)	4,411,296	-
1,974,755	2,099,710	2,116,404	1,716,204	1,281,939	-
2,150,699	3,971,699	3,325,910	2,486,266	1,915,839	-
-	-	-	-	610,351	-
-	-	-	-	-	-
845,511	913,165	745,672	327,547	4,948,377	-
-	-	11,114	11,081	10,947	-
364,190	698,318	325,292	85,510	103,241	-
5,667,535	6,747,056	6,415,189	5,001,690	4,055,233	-
-	-	-	(1,188,792)	-	-
<u>\$ 13,988,778</u>	<u>\$ 29,326,727</u>	<u>\$ 41,351,160</u>	<u>\$ 39,690,279</u>	<u>\$ 17,337,223</u>	<u>\$ 33,374,664</u>

CITY OF ALPHARETTA, GEORGIA

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

	2019	2018	2017	2016
Revenues				
Property taxes	\$ 31,514,266	\$ 27,920,695	\$ 27,262,172	\$ 25,841,451
Sales tax	28,112,776	26,669,576	17,412,634	14,953,985
Other taxes	24,715,653	22,359,684	21,707,749	21,007,620
Licenses and permits	4,198,814	3,403,611	4,222,432	3,814,821
Intergovernmental	4,711,704	3,774,694	12,733,728	8,870,676
Contributions and donations	451,910	467,484	953,912	793,450
Charges for services	7,280,653	6,317,352	6,364,262	6,788,274
Impact fees	960,432	1,346,589	1,449,478	1,425,667
Fines and forfeitures	2,229,991	2,054,812	2,463,790	2,453,134
Investment earnings	2,541,290	1,152,024	560,590	201,044
Miscellaneous	149,788	167,268	196,279	200,484
Total revenues	<u>106,867,277</u>	<u>95,633,789</u>	<u>95,327,026</u>	<u>86,350,606</u>
Expenditures				
General government	10,042,217	16,560,677	27,000,660	10,222,722
Public safety	31,684,766	31,843,942	28,912,695	28,735,794
Public works	12,275,846	9,939,770	8,820,932	7,288,023
Community development	7,210,012	6,539,525	5,738,401	5,356,302
Culture and recreation	9,921,813	21,102,795	13,248,613	8,129,640
Capital outlay	22,551,277	15,696,812	19,496,900	22,500,926
Intergovernmental	-	-	-	-
Debt service				
Principal	3,903,709	3,727,824	3,597,331	2,964,225
Interest	3,622,560	3,700,476	3,378,768	1,476,940
Other charges	-	-	361,301	-
Total expenditures	<u>101,212,200</u>	<u>109,111,821</u>	<u>110,555,601</u>	<u>86,674,572</u>
Excess (deficiency) of revenues over (under) expenditures	5,655,077	(13,478,032)	(15,228,575)	(323,966)
Other financing sources (uses)				
Transfers in	15,415,517	16,897,064	13,218,136	12,184,381
Transfers out	(15,415,517)	(16,897,064)	(13,218,136)	(12,184,381)
General obligation bond proceeds	-	-	50,855,000	-
Premium on bond issuance	-	-	1,527,686	-
Payments to refunding escrow	-	-	-	-
Capital leases	-	504,024	3,695,447	709,742
Issuance of intergovernmental payable	-	-	-	24,720,000
Sale of capital assets	132,939	154,052	5,262,447	1,293,189
Total other financing sources (uses)	<u>132,939</u>	<u>658,076</u>	<u>61,340,580</u>	<u>26,722,931</u>
Net change in fund balances	<u>\$ 5,788,016</u>	<u>\$ (12,819,956)</u>	<u>\$ 46,112,005</u>	<u>\$ 26,398,965</u>
Debt service as a percentage of noncapital expenditures	8.9%	8.9%	7.8%	6.1%
Total debt service expenditures	7,526,269	7,428,300	6,976,099	4,347,341
Total non-capital expenditures	84,423,530	83,907,494	88,878,648	71,537,644

	2015	2014	2013	2012	2011	2010
\$	24,274,577	\$ 23,696,658	\$ 23,127,131	\$ 23,226,420	\$ 25,175,624	\$ 25,940,049
	14,757,780	13,575,938	12,173,275	12,239,330	11,230,204	11,174,798
	18,520,227	16,837,353	16,596,690	15,951,485	14,343,669	13,830,636
	2,912,433	2,400,059	1,859,213	2,201,211	1,819,139	1,497,744
	3,570,796	2,691,949	8,104,863	5,412,258	1,417,580	1,018,726
	171,226	536,309	116,510	25,277	96,957	1,038,048
	6,502,793	5,563,630	5,136,187	5,184,606	5,194,559	4,640,288
	529,004	337,108	158,038	468,657	251,116	104,486
	3,537,448	2,865,931	3,356,903	3,930,119	4,235,789	3,867,865
	75,916	124,173	97,018	87,739	84,599	350,630
	305,071	222,412	357,667	225,280	405,286	295,292
	75,157,271	68,851,520	71,083,495	68,952,382	64,254,522	63,758,562
	10,182,488	9,900,168	9,235,058	8,859,577	7,805,079	7,390,748
	30,830,566	26,448,052	25,074,754	24,696,668	24,489,746	23,891,333
	7,008,688	6,819,823	6,700,695	6,580,587	6,343,910	7,025,225
	5,127,170	4,742,837	4,340,018	3,934,018	3,813,176	3,624,923
	6,670,048	6,248,603	6,128,106	6,140,771	6,139,829	6,168,144
	23,759,144	23,061,757	15,166,479	17,732,749	20,157,683	4,729,958
	20,000	40,000	4,130,000	-	-	-
	2,772,528	2,609,414	4,576,564	6,348,904	8,580,773	8,109,879
	1,574,813	1,638,871	1,966,171	1,370,126	1,522,673	1,789,637
	-	170,000	-	400,334	-	-
	87,945,445	81,679,525	77,317,845	76,063,734	78,852,869	62,729,847
	(12,788,174)	(12,828,005)	(6,234,350)	(7,111,352)	(14,598,347)	1,028,715
	9,325,180	9,750,177	8,994,917	10,291,074	6,837,811	8,143,936
	(9,325,180)	(9,750,177)	(8,994,917)	(10,683,574)	(7,564,111)	(9,393,322)
	-	17,695,000	-	29,000,000	-	-
	-	-	-	1,001,322	-	-
	-	(17,518,423)	-	-	-	-
	-	-	3,290,981	487,153	725,000	-
	-	-	4,130,000			
	162,797	549,213	95,230	133,690	247,893	73,099
	162,797	725,790	7,516,211	30,229,665	246,593	(1,176,287)
\$	(12,625,377)	\$ (12,102,215)	\$ 1,281,861	\$ 23,118,313	\$ (14,351,754)	\$ (147,572)
	6.1%	7.0%	9.5%	12.5%	15.7%	16.8%
	4,347,341	4,248,285	6,542,735	7,719,030	10,103,446	9,899,516
	71,537,644	61,061,593	68,579,162	61,764,450	64,544,837	59,080,042

CITY OF ALPHARETTA, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Vehicle Tax	Alcoholic Beverage Tax	Other Taxes	Total
2010	\$ 25,940,049	\$ 11,174,798	\$ 6,017,828	\$ 1,110,772	\$ 1,537,425	\$ 5,164,611	\$ 50,945,483
2011	25,175,624	11,230,204	6,152,869	1,176,898	1,619,468	5,394,434	50,749,497
2012	23,226,420	12,239,330	6,430,151	1,198,459	1,687,862	6,635,013	51,417,235
2013	23,127,131	12,173,275	6,346,008	1,202,974	1,712,952	7,334,756	51,897,096
2014	23,696,658	13,575,938	6,235,684	895,290	1,774,662	7,931,717	54,109,949
2015	24,274,577	14,757,780	6,682,041	622,507	1,998,770	9,216,909	57,552,584
2016	25,841,451	14,953,985	6,630,390	449,164	2,053,173	11,874,893	61,803,056
2017	27,262,172	17,412,634	6,357,342	302,977	2,113,121	12,934,309	66,382,555
2018	27,920,695	26,669,576	6,177,460	222,688	2,210,031	13,749,505	76,949,955
2019	31,514,266	28,112,776	6,787,133	169,870	2,330,292	15,428,358	84,342,695

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

CITY OF ALPHARETTA, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Personal Property	
	Residential	Commercial	Motor Vehicles	Other
2010	\$ 2,050,816,880	\$ 2,721,978,449	\$ 212,426,680	\$ 29,658
2011	1,966,548,340	2,634,434,718	193,069,470	85,922
2012	1,900,633,180	2,603,970,058	198,495,280	29,308
2013	1,899,875,770	2,558,697,811	201,312,700	10,760
2014	1,859,569,100	2,526,630,701	218,557,340	10,760
2015	1,924,974,730	2,513,543,524	186,312,400	23,862
2016	2,169,172,670	2,755,306,162	130,611,730	29,923
2017	2,238,392,880	2,907,419,873	91,948,620	64,228
2018	2,274,153,290	3,058,277,943	62,542,690	662,682
2019	2,831,212,300	3,067,760,757	44,032,240	161,090

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.

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
\$ 486,085,608	\$ 4,499,166,059	5.75	\$ 12,463,129,168	40.00%
546,731,438	4,247,407,012	5.75	11,985,346,125	40.00%
541,498,910	4,161,628,916	5.75	11,757,819,565	40.00%
533,072,610	4,126,824,431	5.75	11,649,742,603	40.00%
527,564,070	4,077,203,831	5.75	11,511,919,753	40.00%
529,904,910	4,094,949,606	5.75	11,562,136,290	40.00%
523,053,335	4,532,067,150	5.75	12,637,801,213	40.00%
642,812,340	4,595,013,261	5.75	13,094,564,003	40.00%
640,291,164	4,755,345,441	5.75	13,489,091,513	40.00%
567,088,190	5,376,078,197	5.75	14,857,915,968	40.00%

CITY OF ALPHARETTA, GEORGIA

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS (Per \$1,000 of Assessed Value) LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	City of Alpharetta			Fulton County			School District			State	Direct & Overlapping Rates
		General Obligation			General Obligation			General Obligation				
		Operating Millage	Service Millage	Total City Millage	Operating Millage	Service Millage	Total County Millage	Operating Millage	Service Millage	Total School Millage		
2010	2009	4.215	1.535	5.750	10.281	0.000	10.281	17.502	0.000	17.502	0.250	33.783
2011	2010	4.215	1.535	5.750	10.281	0.000	10.281	18.502	0.000	18.502	0.250	34.783
2012	2011	4.215	1.535	5.750	10.281	0.270	10.551	18.502	0.000	18.502	0.250	35.053
2013	2012	4.820	0.930	5.750	10.281	0.270	10.551	18.502	0.000	18.502	0.200	35.003
2014	2013	4.870	0.880	5.750	10.211	0.270	10.481	18.502	0.000	18.502	0.150	34.883
2015	2014	4.950	0.800	5.750	11.781	0.270	12.051	18.502	0.000	18.502	0.100	36.403
2016	2015	5.000	0.750	5.750	10.450	0.250	10.700	18.483	0.000	18.483	0.000	34.933
2017	2016	4.620	1.130	5.750	10.450	0.250	10.700	18.483	0.000	18.483	0.000	34.933
2018	2017	4.720	1.030	5.750	10.380	0.025	10.405	18.546	0.000	18.546	0.000	34.701
2019	2018	4.770	0.980	5.750	10.200	0.230	10.430	17.796	0.000	17.796	0.000	33.976

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, GEORGIA

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	Transportation Special Purpose Local Option Sales Tax	Total Overlapping Rates
2010	4.00 %	1.00 %	1.00 %	1.00 %	0.00 %	7.00 %
2011	4.00	1.00	1.00	1.00	0.00	7.00
2012	4.00	1.00	1.00	1.00	0.00	7.00
2013	4.00	1.00	1.00	1.00	0.00	7.00
2014	4.00	1.00	1.00	1.00	0.00	7.00
2015	4.00	1.00	1.00	1.00	0.00	7.00
2016	4.00	1.00	1.00	1.00	0.00	7.00
2017	4.00	1.00	1.00	1.00	0.75	7.75
2018	4.00	1.00	1.00	1.00	0.75	7.75
2019	4.00	1.00	1.00	1.00	0.75	7.75

Source: Georgia Department of Revenue, Property Tax Division

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

The City of Alpharetta received 5.8367% of the Local Option Sales Tax collected on a county-wide basis.

CITY OF ALPHARETTA, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT AND NINE YEARS AGO

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GGP North Point Inc	\$ 71,146,080	1	1.32 %	\$ 29,091,320	2	0.65 %
F7 NWO LLC	68,527,960	2	1.27			
32000 Gardner Drive Apartments	66,469,800	3	1.24			
Avalon	63,503,220	4	1.18			
Sanctuary Acquisitions West LLC	56,485,200	5	1.05			
NPMC Retail Ic	39,081,400	6	0.73			
Lakeside at Milton Park LLC	37,335,000	7	0.69			
BRI 1870 North Point LLC	34,398,880	8	0.64			
BOF GA Royal Centre LLC	30,652,800	9	0.57			
PPF Amli Mansell Road LLC	30,620,400	10	0.57			
IBM Credit Corporation				30,695,250	1	0.68
State Farm Mutual Auto				28,459,480	3	0.63
E*Trade Group Inc.				19,442,040	4	0.43
AT&T				19,162,470	5	0.43
AT&T				18,230,160	6	0.41
State Farm Mutual Auto				18,137,590	7	0.40
HBO & CO of GA				17,935,970	8	0.40
Governs Point Properties				15,617,150	9	0.35
Sanctuary Park Realty Holding				14,335,490	10	0.32
Totals	<u>\$ 498,220,740</u>		<u>9.27 %</u>	<u>\$ 211,106,920</u>		<u>4.69 %</u>

Source: Fulton County Board of Assessors

CITY OF ALPHARETTA, GEORGIA

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	Percentage of Levy
2010	2009	\$ 24,736,634	\$ 24,113,565	97.48 %	\$ 593,358	\$ 24,706,923	99.88 %
2011	2010	23,176,061	22,902,145	98.82	250,009	23,152,154	99.90
2012	2011	22,020,800	21,691,376	98.50	309,179	22,000,555	99.91
2013	2012	21,542,122	21,113,760	98.01	404,534	21,518,294	99.89
2014	2013	21,419,762	21,144,336	98.71	243,995	21,388,331	99.85
2015	2014	22,169,757	22,009,987	99.28	134,254	22,144,241	99.88
2016	2015	24,397,030	23,810,905	97.60	553,443	24,364,347	99.87
2017	2016	25,769,052	25,141,619	97.57	570,683	25,712,301	99.78
2018	2017	26,479,723	26,254,863	99.15	209,334	26,254,863	99.15
2019	2018	30,302,967	30,064,201	99.21	-	30,064,201	99.21

Source: Fulton County Tax Commissioner's Office.

CITY OF ALPHARETTA, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business- type Activities	Percentage of Estimated			
	General			Fund Balance		Net Total	Actual	Percentage	
	Obligation	Capital	Notes	Restricted to	Revenue	Primary	Taxable Value	of Personal	Per
	Bonds	Leases	Payable	Debt Service	Bonds	Government	of Property	Income (1)	Capita (1)
2010	\$ 34,270,000	\$ 1,560,232	\$ 927,300	\$ (6,811,110)	\$ -	29,946,422	0.24 %	1.47 %	570
2011	26,220,000	1,841,909	839,850	(4,948,377)	-	23,953,382	0.20	0.98	416
2012	49,280,000	2,010,908	749,100	(327,547)	-	51,712,461	0.44	1.96	871
2013	48,753,210	2,525,200	4,784,225	(745,672)	-	55,316,963	0.47	1.97	892
2014	48,541,210	2,088,963	4,626,050	(913,165)	-	54,343,058	0.47	1.98	872
2015	46,403,302	1,638,734	4,358,750	(845,511)	-	51,555,275	0.45	1.96	818
2016	44,084,193	1,784,850	28,803,150	(814,051)	-	73,858,142	0.58	2.72	1,160
2017	93,809,170	4,758,516	28,522,600	(1,250,405)	-	125,839,881	0.96	4.26	1,941
2018	91,088,614	4,465,216	28,232,100	(1,032,049)	-	122,753,881	0.91	4.05	1,866
2019	88,239,519	3,773,607	27,730,000	(1,267,709)	-	118,475,417	0.80	3.55	1,788

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, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	Net General Obligation Bonds (3)	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2010	\$ 27,458,890	0.22 %	\$ 523
2011	21,271,623	0.18	369
2012	48,952,453	0.42	824
2013	48,007,538	0.41	775
2014	47,628,045	0.41	765
2015	45,557,791	0.39	723
2016	43,270,142	0.34	679
2017	92,558,765	0.71	1,428
2018	90,056,565	0.67	1,369
2019	86,971,810	0.59	1,313

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.

(3) Bonds are shown net of externally restricted resources for the repayment of the bonded debt.

CITY OF ALPHARETTA, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2019

	<u>Net General Obligations Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Alpharetta (1)</u>	<u>Amount Applicable to City of Alpharetta</u>
Overlapping General Obligation Debt:			
Fulton County, Georgia	\$ 245,227,000	7.8%	\$ 19,127,706
Fulton County Board of Education	<u>32,715,000</u>	15.5%	<u>5,070,825</u>
Subtotal, overlapping debt	277,942,000		24,198,531
 City of Alpharetta direct debt	 <u>119,743,126</u>	 100.0%	 <u>119,743,126</u>
 Total direct and overlapping debt	 <u><u>\$ 397,685,126</u></u>		 <u><u>\$ 143,941,657</u></u>

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

Debt outstanding data provided by the Fulton County Board of Education.

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, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit	\$ 594,316,639	\$ 539,563,661	\$ 523,782,560	\$ 505,512,049
Total net debt applicable to limit	<u>87,015,565</u>	<u>90,056,565</u>	<u>92,558,764</u>	<u>43,270,142</u>
Legal debt margin	<u>\$ 507,301,074</u>	<u>\$ 449,507,096</u>	<u>\$ 431,223,796</u>	<u>\$ 462,241,907</u>
Total net debt applicable to the limit as a percentage of debt limit	15%	17%	18%	9%

Legal Debt Margin Calculation for Current Fiscal Year

Assessed value	\$ 5,376,078,197
Add back: exempt real property	<u>567,088,190</u>
Total assessed value	5,943,166,387
Debt limit (10% of total assessed value)	594,316,639
Debt applicable to limit:	
General obligation bonds	88,239,519
Less: Amount set aside for repayment of general obligation debt	<u>(1,223,954)</u>
Total net debt applicable to limit	<u>87,015,565</u>
Legal debt margin	<u>\$ 507,301,074</u>

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 462,485,482	\$ 460,476,790	\$ 465,989,704	\$ 470,312,783	\$ 479,413,845	\$ 498,525,167
<u>45,562,966</u>	<u>47,655,000</u>	<u>48,007,538</u>	<u>48,952,453</u>	<u>21,271,623</u>	<u>27,458,890</u>
<u>\$ 416,922,516</u>	<u>\$ 412,821,790</u>	<u>\$ 417,982,166</u>	<u>\$ 421,360,330</u>	<u>\$ 458,142,222</u>	<u>\$ 471,066,277</u>
10%	10%	10%	10%	4%	6%

CITY OF ALPHARETTA, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	Education Levels in Years of Formal Schooling (4)	School Enrollment (4)	Unemployment Rate (2)
2010	52,508	\$ 2,042,193,644	\$ 38,893	36.3	16.0	11,417	7.9 %
2011	57,571	2,442,795,101	42,431	36.8	16.0	11,022	7.8
2012	59,397	2,642,513,133	44,489	36.8	16.0	12,033	6.9
2013	61,981	2,800,921,390	45,190	36.8	16.0	11,861	6.2
2014	62,298	2,750,020,614	44,143	35.8	16.0	11,818	5.9
2015	63,038	2,636,312,198	41,821	36.4	16.0	11,603	4.8
2016	63,693	2,716,124,292	42,644	36.4	16.0	11,388	4.3
2017	64,820	2,953,069,560	45,558	37.0	16.0	11,173	4.3
2018	65,799	3,034,189,287	46,113	37.4	16.0	12,695	2.9
2019	66,255	3,334,746,660	50,332	37.3	16.0	11,668	2.5

Data sources:

(1) Bureau of the Census/County Regional Planning Commission

(2) State Department of Labor

(3) State Department of Commerce

(4) School District, with school enrollment for fiscal year 2006 estimated based upon trend data. Reduction in school enrollment in 2009 due to adjustment for incorporation of City of Milton.

Fiscal Year 2013 through 2016 have been adjusted 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, GEORGIA

PRINCIPAL EMPLOYERS CURRENT AND NINE YEARS AGO (as of December 31)

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Verizon Enterprise	2,800	1	3.29 %	817	5	1.61 %
ADP, Inc.	2,260	2	2.66	2,000	1	3.93
Fiserv	1,700	3	2.00			
Lexis Nexis Risk Solutions	1,600	4	1.88	1,076	3	2.12
Equifax Inc.	1,600	5	1.88	675	9	1.33
UPS Supply Chain Solutions General Services	1,200	6	1.41			
Change Healthcare (formerly McKesson)	1,100	7	1.29	1,800	2	3.54
E* Trade	1,100	8	1.29	587	10	1.15
Ernst & Young	900	9	1.06			
Hewlett-Packard Enterprise	800	10	0.94	953	4	1.87
AT&T Inc	-		-	751	6	1.48
Comcast Cable	-		-	729	7	1.43
Cox Communications	-		-	676	8	1.33
	15,060		17.70 %	10,064		19.79 %

Sources: City of Alpharetta Community Development Department

CITY OF ALPHARETTA, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Mayor and City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
City Administration	8.0	10.0	10.0	11.0	11.0	14.0	14.0	11.0	10.0	10.0
Finance	22.5	22.5	22.5	22.5	25.0	22.5	25.0	26.0	26.0	26.0
Human Resources	3.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Municipal Court	8.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Information Technology	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Community Development	28.0	26.0	26.0	23.0	23.0	23.0	20.0	20.0	21.0	21.0
Public Safety	253.0	253.0	251.0	246.5	246.0	246.0	240.0	240.0	238.0	238.0
Public works	52.0	52.0	52.0	55.0	59.0	59.0	62.0	62.0	62.0	62.0
Culture and recreation	51.0	51.0	51.0	51.0	54.0	51.0	51.0	51.0	51.0	51.0
Total	444.5	444.5	442.5	439.0	449.0	446.5	443.0	441.0	439.0	439.0

CITY OF ALPHARETTA, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Function										
General government										
Ordinances approved	116	19	14	22	14	13	10	13	12	20
Special events held	11,749	115	119	115	127	104	95	90	62	62
Court cases heard	Aaa/AAA	11,320	14,400	14,938	10,996	13,791	17,498 (1)	18,946 (1)	21,336 (1)	9,859 (1)
Bond rating	136	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa1-AAA	Aa1-AAA	Aa1-AAA	Aa1-AAA
Software applications supported	9	103	99	123	115	124	157	164	173	172
Grants managed		10	39	32	35	42	44	40	43	40
Police	75,974									
Calls for service	N/A**	80,773	80,105	68,484	71,302	77,967	77,156	70,711	74,773	82,499
Part 1 crimes reported	17,817	1,563	1,515	1,626	1,577	1,655	1,627	1,797	1,486	1,676
Traffic citations issued		17,176	20,764	14,375	22,316	26,478	24,316	22,517	21,561	23,621
Fire	8,976									
Incident responses	0	7,219	7,037	6,515	6,374	6,305	5,984	5,268	5,410	6,143
Average response time	0:00	4:29	3:04	6:06	6:10	3:29	3:40	6:18	6:18	6:46
Fire safety programs conducted	10,958	616	401	257	149	159	146	176	146	145
Inspections conducted		12,333	10,215	9,494	8,914	7,253	7,048	7,215	7,269	7,216
Highways and streets	124									
Traffic signals timed	1	126	126	57	56	49	54	51	50	40
Average days to repair pothole	144	1	1	2	1	1	1	1	1	1
Stormwater plans reviewed		160	162	128	122	106	163	133	133	103
Community development	5,717									
New building permits issued	-	5,902	5,333	4,816	5,018	3,892	3,287	2,995	2,516	2,360
Parcels annexed		-	-	-	-	-	-	-	-	1
Culture and recreation	360									
Park acres maintained	250	360	360	320	320	312	312	312	312	311
Greenway acres maintained	52,085	250	250	250	250	206	206	206	206	205
Annual program registrants	52,823	52,823	41,025	38,400	41,450	37,310	36,191	26,366	20,106	20,132

Source: Various City departments

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

** Indicators are no longer available

CITY OF ALPHARETTA, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units and support vehicles	171	168	172	158	158	158	155	135	146	139
Police motorcycles	6	6	6	8	8	8	8	8	7	7
Fire										
Fire stations	6	6	6	6	6	6	6	6	6	6
Ladder units - in service	1	1	1	1	1	1	1	1	1	1
Ladder units - reserve	1	1	1	1	1	1	1	1	1	1
Pumper units - in service	6	6	6	6	6	6	6	6	6	6
Pumper units - reserve	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets - paved (miles)*	227	225	225	223	225	214	214	214	214	218
Streets - unpaved (miles)	1	2	2	2	2	1	1	1	1	1
Sidewalk (miles)	223	223	220	220	220	214	212	211	205	205
Drainage - piped (miles)	121	121	128	128	128	99	99	100	100	100
Drainage - open (miles)*	58	57	58	57	58	35	35	40	40	40
Culture and recreation										
Parks - active and passive	16	16	16	15	15	15	15	14	15	14
Park acreage	832	832	832	800	797	764	764	764	764	762
Greenway and walking trails (miles)	17	17	17	17	17	12	12	12	12	11
Adaptive athletic fields	1	1	1	1	1	1	1	1	1	1
Athletic fields	28	28	28	28	28	28	29	28	28	29
Equestrian facilities	1	1	1	1	1	1	1	1	1	1
Hockey rinks	2	2	2	2	2	2	2	2	2	2
Swimming pools	2	2	1	1	1	1	1	1	1	1
Tennis courts	17	17	17	17	17	17	17	17	17	17
Recreation buildings	26	26	26	21	20	20	20	20	20	20
Playgrounds	8	8	8	8	8	8	8	8	8	7
Picnic shelters/restrooms	34	34	34	24	24	24	24	24	33	31

Source: Various government departments

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

* Change due to update of GIS records