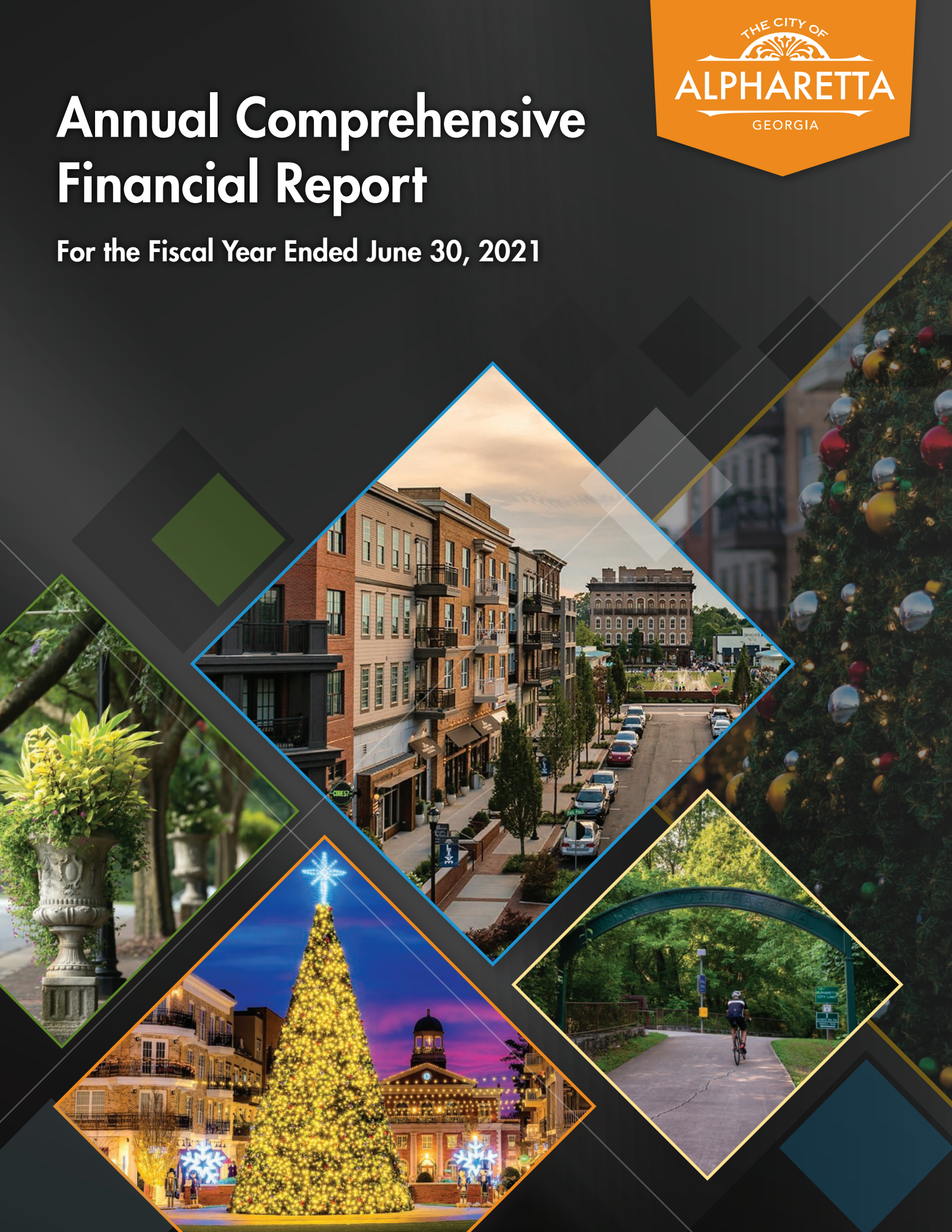


# Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

THE CITY OF  
**ALPHARETTA**  
GEORGIA







City of Alpharetta, Georgia

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

Prepared By:

Thomas G. Harris, CPA  
Director of Finance

Submitted By:

Robert J. Regus  
City Administrator





# INTRODUCTORY SECTION



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## INTRODUCTORY SECTION

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MAYOR  
JIM GILVIN

MAYOR PRO TEM  
DONALD MITCHELL

COUNCIL MEMBERS  
JASON BINDER  
BEN BURNETT  
JOHN HIPES  
DAN MERKEL  
KAREN RICHARD

CITY ADMINISTRATOR  
ROBERT J. REGUS

December 27, 2021

## 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, 2021. 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, 2021. 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 65,818. Population growth

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

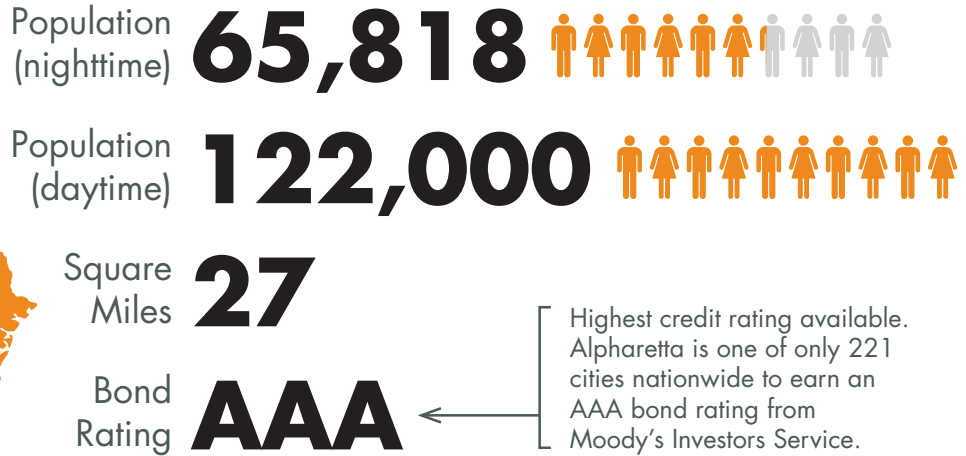
With the incorporation of the City of Milton and the City of John's Creek, all unincorporated areas within north Fulton County have been absorbed. As such, future growth will be through internal development and redevelopment as opposed to annexation.

## 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).

# OUR COMMUNITY



## INFRASTRUCTURE

### ADVANTAGES

Our story goes like this: During the late-90s dot-com boom, the City of Alpharetta started to grow from the ground up—literally. Hundreds of miles of fiber optic cables were buried throughout the city, and the state's largest electricity provider, Georgia Power, took it a step further by establishing a series of redundant electric networks throughout the city.



**700+**  
Tech Companies



**60%**  
Download Speeds  
Above U.S. Average



**25M**  
Total Sq. Ft.  
Office Space

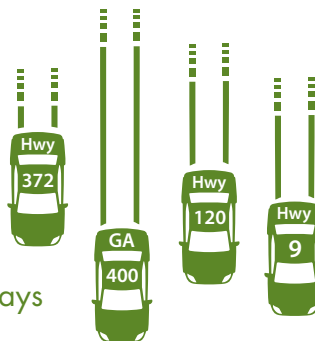
### ACCESSIBILITY

Because Alpharetta is just a quick drive from Atlanta, businesses are conveniently positioned right by the world's busiest airport. And if that's not enticing enough, there are plenty of other ways to get around whether you prefer to drive by car or ride public transit, Alpharetta makes sure businesses and their workers get to where they need to go.



**22** Miles from Alpharetta  
to Downtown Atlanta

**4** Major  
Highways



**marta**



**4** MARTA Routes  
to Atlanta



# BUSINESS CLIMATE

## LOCAL COMPANIES

There's a reason why more than 700 technology-based businesses have made their home in Alpharetta, and it's not just the nice houses and great weather. Our fiber-optic network is the most extensive and redundant in the Southeast, and we work closely with state and local economic development agencies to provide tax credits and incentives to complement any brand of business. Some of the biggest and most recognized names in the tech industry are thriving here in Alpharetta.

We could talk about Alpharetta's exceptional business climate all day long, but nothing speaks to our success quite like our track record. Here are just a few names we're proud to work with.



## TOP 10 EMPLOYERS

Providing a strong economic foundation for our community, the City of Alpharetta is pleased to recognize the top 10 employers –based on the number of employees.

<i>Employer</i>	<i>No. of Employees</i>
FISERV . . . . .	2,088
ADP, INC. . . . .	2,053
EQUIFAX INFORMATION SERVICES . . . . .	1,669
LEXIS NEXIS RISK SOLUTIONS. . . . .	1,349
VERIZON . . . . .	1,340
ERNST & YOUNG U. S. LLP . . . . .	1,062
GLOBAL PAYMENTS . . . . .	1,000
JACKSON HEALTHCARE . . . . .	906
UPS SUPPLY CHAIN SOLUTIONS . . . . .	861
HEWLETT PACKARD ENTERPRISE COMPANY . . . . .	738

Source: City of Alpharetta Division of Economic Development, 2021

# WORKFORCE

## COMPETITIVE EDGE

Every business on the planet, from Mom & Pop stores to Fortune 500 companies, is only as good as its employees. And in Alpharetta, we're proud to be home to some of the smartest minds in the world of tech.

**65.0 percent** of Alpharetta's residents own a bachelor's degree or higher, which is nearly double the national average for young adults. And there are plenty of them, too. With a **daytime population over 122,000**, Alpharetta boasts 4,632 workers per square mile; that's more than major metropolitan areas like Denver, Houston, Charlotte, Nashville, Austin, and even Atlanta.

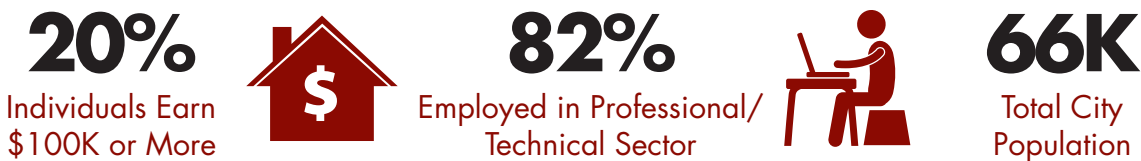
## EDUCATION

When it comes to college degrees, our workforce has credentials that are hard to compete with. No matter what heights our businesses desire to reach, our workers come equipped with the invaluable knowledge it takes to get there.



## PROFESSIONS

Need more proof that Alpharetta is a rising hub in the business world? Consider that 82% of Alpharetta residents are employed in professional, managerial, technical, sales and administrative positions. Our citizens don't just have degrees—they've got the experience and working knowledge needed to take any business to the next level.



## PERSONNEL

Alpharetta's consistent population nearly doubles during the day. That means that employees are coming from throughout the region to work for Alpharetta's rising tech companies. With great accessibility and a superior quality of life, it's no wonder we're the 6th fastest-growing city in the nation, and it's getting better every day.



**Top City in the Nation  
For Health IT**

Healthcare  
**Informatics**  
Healthcare IT Leadership Vision & Strategy

**The Best Small Cities to  
Start a Small Business**

**verizon**✓

## 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. 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.

The City of Alpharetta, like many cities in our region and throughout the world, is currently facing fiscal challenges as a result of the COVID-19 pandemic and associated social distancing policies. Current challenges include severe economic losses within the hospitality, restaurant, and arts/entertainment/recreation market segments, declining business investment and operations (including closures), job losses, reduced consumer spending (e.g. local option sales tax collections), declining consumer confidence in the economy, etc.

All of these factors have combined to limit revenue growth (e.g. Franchise Fees) and in some cases reduce revenues below prior-year levels (e.g. business and occupational taxes, financial institution taxes, licenses and permits, charges for services, etc.).

In response to the economic challenges, our businesses and citizens have tightened their budgets and are doing more with less. And so too shall the City of Alpharetta.

The City has been proactive in realigning its spending to match the current economic reality. Spending during FY 2021 was focused on essential items only and vacancies were filled on a priority basis with an emphasis on public safety operations. Proactive fiscal management has positioned us to more effectively approach the challenges in the FY 2022 Budget resulting from COVID-19.

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 – 4.935 mills; debt service – 0.815 mills) in fiscal year 2021 which was flat with fiscal year 2020. 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 City offers multiple homestead exemptions which save our homeowners \$5 million annually and include:

- Floating Homestead exemption that caps the taxable value growth of homesteaded properties to the lesser of 3% or CPI;
- Basic Homestead exemption of \$45,000 off the assessed value of homesteaded properties which is among the highest in the State;
  - Voters approved increasing the exemption by \$5,000 effective with the FY 2021 Budget which saved our homeowners over \$300,000 in the 1st year alone.
- Senior Basic Homestead exemption of \$25,000 off the assessed value of homesteaded properties for residents age 65 and older;
  - Prior to FY 2021, the Senior Basic Homestead exemption was split between a general \$15,000 exemption and an income-restricted \$10,000 exemption. Voters approved removing the income restriction on the \$10,000 exemption which was implemented with the FY 2021 Budget and saved our homeowners over \$60,000 in the 1st year alone.
- Senior full-value exemption available to residents age 70 and older who meet certain income requirements.

At the end of the current fiscal year, total fund balance for the general fund was \$35,676,599 which is an increase of \$9,050,548 from the prior year. This balance represents approximately 52% of 2022 budgeted operating expenditures. Approximately 16% of total fund balance, or \$5,836,799, constitutes assigned fund balance for 2022 fiscal year expenditures.

Approximately 84% of total fund balance, or \$29,839,800, constitutes unassigned fund balance. This balance represents approximately 44% of 2022 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 2021, the emergency reserve requirement totals 25% which equates to \$17,200,000. The surplus after such emergency reserve and other allowances will enable the City to fund onetime future capital in the amount of \$12,639,800 as part of the annual budget to be developed for fiscal year 2023.

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 2020

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, sidewalk repair, facility roof repair and replacement, tree planting and landscape improvements, fire station and park facility renovations, etc. as well as multiple drainage and stormwater repair/improvement projects.

As the City's economic development efforts continue to fuel growth, the need to ensure vehicular and pedestrian safety is tantamount. 2021 saw multiple vehicular/pedestrian safety projects completed including: Bethany Road at Mayfield Road Roundabout; Bethany Road at Mid Broadwell Road Roundabout; installation of flashing beacons at Old Milton Parkway and the Wills Park entrance as well as at Old Milton Parkway and Marietta Street; installation

of speed detection signs throughout the city; construction of a scramble crosswalk at Milton Avenue at Roswell Street; and installation of a midblock crossing at State Route 9 and Marietta Street. The City's focus on quality of life culminated in multiple recreational improvements including completion of the Big Creek Greenway extension (Marconi Drive to Union Hill Park); continued completion of AlphaLoop segments; installation of synthetic turf at the Town Green; replacement of playground equipment at North Park; resurfacing of tennis courts at Wills Park; etc.

## MAJOR INITIATIVES PLANNED FOR FISCAL YEAR 2022

The City's capital plan for FY 2022 totals \$48 million and includes recommended capital initiatives totaling \$47 million with an additional \$1.4 million set aside for future capital investment. Specific initiatives include:

- Transportation (\$37 million) – Initiatives funded include: infrastructure maintenance initiatives (milling and resurfacing of streets, signal system, striping, traffic calming, landscaping, etc.); technology improvements for the Traffic Control Center; transportation improvements to sections along Webb Bridge Road and Old Milton Parkway; etc.
- Drainage/Stormwater (\$3.7 million) – Initiatives funded include: storm-water system inspections and maintenance; pipe repair and replacement; design of drainage control measures; etc.
- Facility (\$575,000) - Initiatives funded include: fire station renovations; 911 facility renovations; public safety facility renovations (roof replacement at fire station 81 and HVAC replacements at multiple facilities including the Fire Stations 81, 84, and 85); generator replacements at the Detention Facility; etc.
- Recreation (\$3.6 million) - Initiatives funded include: general park enhancements (fence replacement and repair, signage, new benches, and trash cans, etc.); replacement of a playground at Wills Park (Kings Ridge); resurfacing of the tennis courts at Webb Bridge Park; replacement of a synthetic turf field at North Park (field #2); greenway repairs and improvements; etc.
- Fleet/Equipment Replacement (\$2.1 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 (public safety equipment including Lucas chest-compression devices for our first responders, personal protective equipment for our staff, etc.) and efficient (general technology replacement for city staff) 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 Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended June 30, 2020. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare ACFR'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 ACFR 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, 2020.

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, 2020. 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 fluid and cursive, with the first name "Thomas" and last name "Harris" clearly legible.

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, 2020

*Christopher P. Morill*

Executive Director/CEO



# ELECTED AND APPOINTED OFFICIALS JUNE 30, 2021

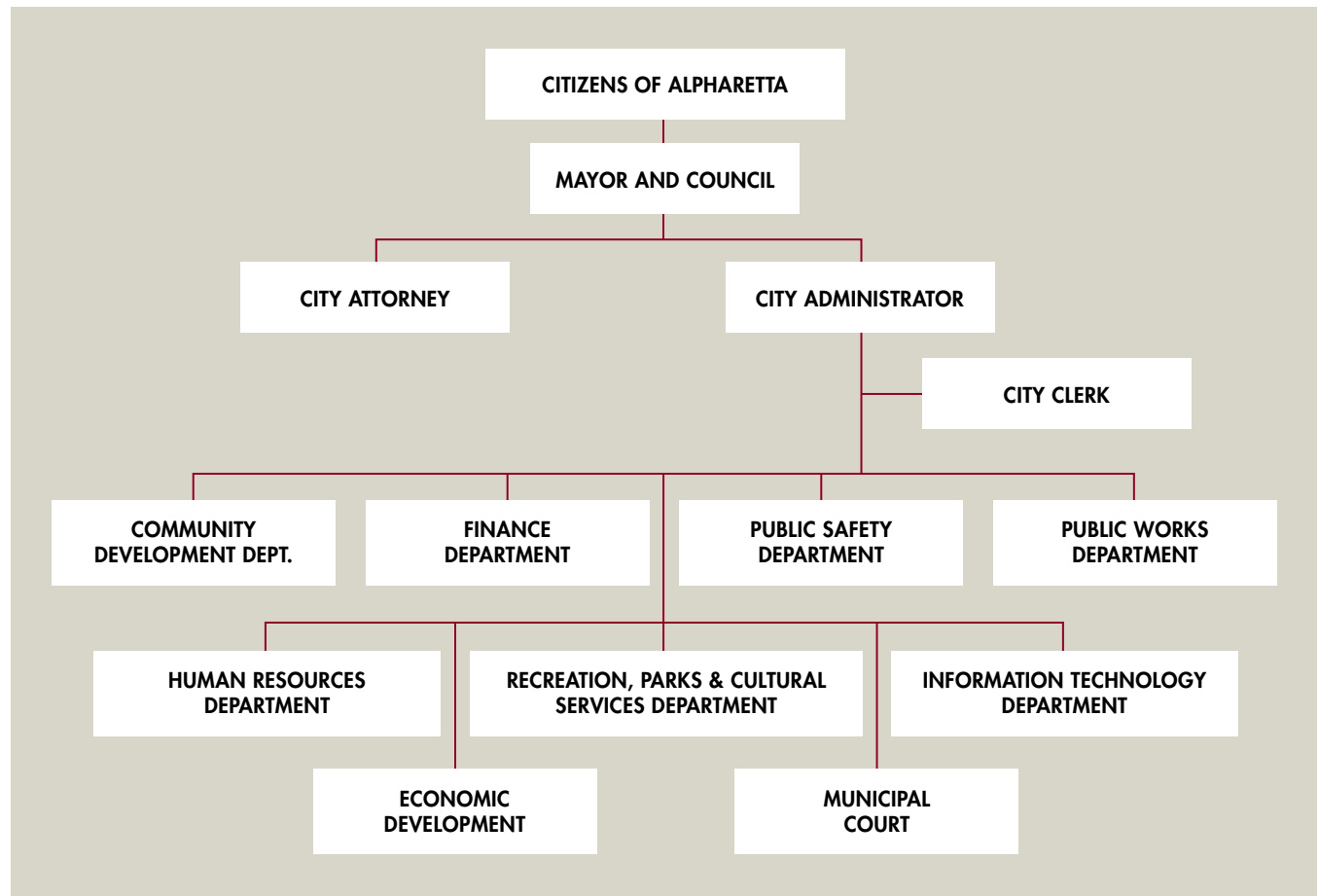
## Elected Officials

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 . . . . Brooke Lappin  
 Public Safety Director. . . . . John Robison  
 Community Development Director . . . . . Kathi Cook  
 Municipal Judge . . . . . Barry Zimmerman

# STRUCTURE OF YOUR CITY GOVERNMENT JUNE 30, 2021



# CITY DEPARTMENTS BY THE NUMBERS

## PUBLIC SAFETY



**1** police station



**1** training facility

**6** fire stations



**268** total staffing which includes:

**108** sworn police officers

**105** certified firefighters



**1** fire ladder truck  
(in-service)

**6** fire pumper trucks  
(in-service)

**35,866** Emergency  
911 Calls



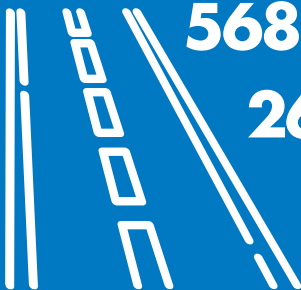
## PUBLIC WORKS



**733** streetlights  
(city-owned/maintained)



**126** signalized intersections



**568** paved lane miles

**26** street resurfacing  
(in miles)

**229** sidewalks (in miles)

## RECREATION, PARKS AND CULTURAL SERVICES



**6** community/art centers



**1** aquatic facility



**1** equestrian  
center

**3** community  
agriculture  
venues



**862** acres of parks

**27** athletic  
fields



**18** miles of trails



**10** playgrounds

**38** special events  
(city-sponsored  
and city-partnered)

**20,010** recreation  
program  
registrations



## COMMUNITY AND ECONOMIC DEVELOPMENT



**5,024** permits issued

**1,284** code enforcement  
inspections performed



**4,494** business licenses



# FINANCIAL SECTION



# INDEPENDENT AUDITOR'S REPORT



## 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, each major fund, and the aggregate remaining fund information of the **City of Alpharetta, Georgia** as of and for the year ended June 30, 2021, 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.

# INDEPENDENT AUDITOR'S REPORT

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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, each major fund, and the aggregate remaining fund information of the City of Alpharetta, Georgia, as of June 30, 2021, 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 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.

# INDEPENDENT AUDITOR'S REPORT

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## *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 27, 2021 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 27, 2021





# FINANCIAL SECTION

## Management's Discussion and Analysis



# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Alpharetta (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. 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 \$310,128,086 (total net position). Of this amount \$38,523,819 (unrestricted net position) may be used to meet the ongoing obligations of the government.
- The City's total net position increased by \$25,685,822.
- As of the close of the current fiscal year, the City of Alpharetta's governmental funds reported combined ending fund balances of \$95,500,198, an increase of \$2,561,176 from the prior year.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$29,839,800 which represents approximately 44% of 2022 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 2021, the emergency reserve requirement totals 25% which equates to \$17,200,000. The Surplus after such emergency reserve and other allowances will enable the City to fund one-time future capital in the amount of \$12,639,800 as part of the annual budget to be developed for fiscal year 2023.

## 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 29 and 30 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 twelve 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 eight 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 31 through 33 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 34 through 36 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 37 and 38 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 39 through 69 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Alpharetta 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 70 through 75 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 76 through 97 of this report.

## CITY OF ALPHARETTA'S NET POSITION

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$116,264,636	\$113,340,785	\$3,039,137	\$2,698,337	\$119,303,773	\$116,039,122
Capital assets	334,780,384	317,351,730	—	—	334,780,384	317,351,730
<b>Total assets</b>	<b>451,045,020</b>	<b>430,692,515</b>	<b>3,039,137</b>	<b>2,698,337</b>	<b>454,084,157</b>	<b>433,390,852</b>
Deferred outflow of resources	1,520,186	7,393,275	—	—	1,520,186	7,393,275
<b>Total deferred outflow of resources</b>	<b>1,520,186</b>	<b>7,393,275</b>	<b>—</b>	<b>—</b>	<b>1,520,186</b>	<b>7,393,275</b>
Current liabilities	12,687,038	13,325,886	2,236,546	1,549,816	14,923,584	14,875,702
Non-current liabilities outstanding	121,102,693	139,444,394	300	997	121,102,993	139,445,391
<b>Total liabilities</b>	<b>133,789,731</b>	<b>152,770,280</b>	<b>2,236,846</b>	<b>1,550,813</b>	<b>136,026,577</b>	<b>154,321,093</b>
Deferred inflow of resources	9,449,680	1,273,541	—	—	9,449,680	1,273,541
<b>Total deferred inflow of resources</b>	<b>9,449,680</b>	<b>1,273,541</b>	<b>—</b>	<b>—</b>	<b>9,449,680</b>	<b>1,273,541</b>
Net investment in capital assets	227,123,239	223,789,948	—	—	227,123,239	223,789,948
Restricted	44,481,028	40,012,955	—	—	44,481,028	40,012,955
Unrestricted	37,721,528	20,239,066	802,291	1,147,524	38,523,819	21,386,590
<b>Total net position</b>	<b>\$309,325,795</b>	<b>\$284,041,969</b>	<b>\$802,291</b>	<b>\$1,147,524</b>	<b>\$310,128,086</b>	<b>\$285,189,493</b>

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 \$310,128,086 at the close of the most recent fiscal year. The largest portion of the City's net position (73%) 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 (14%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2021, the City's restricted net position was \$44,481,028 representing \$39,393,244 obligated for capital projects, \$1,311,312 restricted for tourism, \$911,954 restricted for the repayment of general obligation bond debt, \$234,945 restricted for law enforcement activities, and \$2,629,573 for emergency telephone activities.

The remaining balance in unrestricted net position of \$38,523,819 (13%) 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	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
<i>Program revenues:</i>						
Charges for services	\$16,022,063	\$14,063,274	\$4,403,138	\$4,207,802	\$20,425,201	\$18,271,076
Operating grants and contributions	4,406,840	673,654	—	—	4,406,840	673,654
Capital grants and contributions	15,034,235	11,110,983	—	—	15,034,235	11,110,983
<i>General revenues:</i>					—	—
Property tax	34,693,764	32,927,048	—	—	34,693,764	32,927,048
Local option sales tax	29,078,454	27,059,918	—	—	29,078,454	27,059,918
Other taxes	20,848,396	22,736,563	—	—	20,848,396	22,736,563
Unrestricted investment earnings	168,428	2,015,281	1,623	52,632	170,051	2,067,913
Gain on sale of assets	—	309,425	—	—	—	309,425
<b>Total revenues</b>	<b>120,252,180</b>	<b>110,896,146</b>	<b>4,404,761</b>	<b>4,260,434</b>	<b>124,656,941</b>	<b>115,156,580</b>
<b>Expenses</b>						
General government	14,102,831	12,897,560	—	—	14,102,831	12,897,560
Public safety	33,800,622	45,004,360	—	—	33,800,622	45,004,360
Public works	36,021,581	17,502,024	—	—	36,021,581	17,502,024
Community development	6,927,901	7,480,557	—	—	6,927,901	7,480,557
Culture and recreation	585,966	10,995,696	—	—	585,966	10,995,696
Interest on long-term debt	2,782,224	3,931,148	—	—	2,782,224	3,931,148
Solid waste	—	—	4,749,994	4,319,502	4,749,994	4,319,502
<b>Total expenses</b>	<b>94,221,125</b>	<b>97,811,345</b>	<b>4,749,994</b>	<b>4,319,502</b>	<b>98,971,119</b>	<b>102,130,847</b>
<b>Increase in net position</b>	<b>26,031,055</b>	<b>13,084,801</b>	<b>(345,233)</b>	<b>(59,068)</b>	<b>25,685,822</b>	<b>13,025,733</b>
<b>Net position - beginning</b>	<b>283,294,740</b>	<b>270,209,939</b>	<b>1,147,524</b>	<b>1,206,592</b>	<b>284,442,264</b>	<b>271,416,531</b>
<b>Net position - ending</b>	<b>\$309,325,795</b>	<b>\$283,294,740</b>	<b>\$802,291</b>	<b>\$1,147,524</b>	<b>\$310,128,086</b>	<b>\$284,442,264</b>

**Governmental activities.** Governmental activities increased the City's net position by \$26,031,055 (compared to an increase of \$13,084,801 in the prior year) accounting for all of the increase in the net position of the City (business-type activities had a decrease in net position of \$345,233). Key elements of this change from year to year are as follows:

- Total governmental program revenues increased by \$9,353,707.
- Total general revenues decreased by \$259,193 from the prior year primarily due to a decrease in hotel/motel occupancy tax proceeds offset by an increase in property taxes, sales taxes, and investment earnings proceeds.

- Total expenses of the governmental activities increased by \$3,590,220, primarily as a result of increases in general government (\$1.2 million), and public works (\$18.5 million), offset by decreases in public safety (\$11.2 million), culture and recreation (\$10.4 million), interest on long-term debt (\$1.2 million), and community development (\$.5 million).

**Business-type activities.** Business-type activities decreased the City of Alpharetta's net position by \$345,233 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 2021, the City reported governmental funds combined ending fund balance of \$95,500,198, an increase of \$2,561,176 from the prior year. Approximately 31% of this balance or \$29,839,800 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 \$43,612,453, law enforcement of \$200,999, emergency telephone activities of \$2,629,573, tourism of \$1,311,312, and debt service of \$851,509. Assigned fund balance consists of amounts assigned for grant projects of \$269,470, capital projects of \$10,685,162, economic development \$263,121, and 2022 fiscal year expenditures of \$5,836,799.

**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 \$35,676,599 which is an increase of \$9,050,548 from the prior year. In terms of liquidity, total fund balance represents approximately 52% of 2022 budgeted expenditures.

Approximately 84% of total fund balance, or \$29,839,800 constitutes unassigned fund balance. This balance represents approximately 44% of 2022 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 2021, the emergency reserve requirement totals 25% which equates to \$17,200,000. The surplus after such emergency reserve and other allowances will enable the City to fund one-time future capital in the amount of \$12,639,800 as part of the annual budget to be developed for fiscal year 2023.

The fund balance of the City's General Fund increased during fiscal year 2021 by \$9,050,548. Revenues exceeded expenditures by \$12,009,971; however, net transfers out were \$3,083,081.

Council approved the utilization of prior year fund balance for capital projects (\$5,289,252). Other significant variances are explained below:

- From a year to year operational perspective, total revenues increased by \$3,588,547 primarily due to increases in sales and property tax proceeds.
- Revenues of \$72,901,667 exceeded amounts budgeted by \$8,092,951. Specific revenue variances include the following: property taxes (\$2,072,431 greater than budget); sales and use taxes (\$3,505,446 greater than budget); other taxes (\$1,401,353 greater than budget); licenses and permits (\$476,392 greater than budget); charges for services (\$1,172,700 greater than budget); and fines and forfeitures (\$413,262 less than budget).
- Total expenditures increased by \$124,209 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 \$60,891,696 with \$7,285,660 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, \$3,156,862 was transferred to this fund from the General Fund, while expenditures amounted to \$17,833,752. The above along with \$15,657,318 in additional revenue, increased fund balance by \$2,291,678 to \$9,534,428 at year-end as compared to \$7,242,750 at end of prior year.

**T-SPLOST Capital Fund.** During fiscal year 2021, the T-SPLOST capital fund received \$12,093,551 in sales tax proceeds and generated \$24,502 in investment income for a total revenue amount of \$12,118,053. Current expenditures amounted to \$5,757,227. The net amount resulted in an increase in fund balance of \$6,360,826.



**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. Capital outlay expenditures in the amount of \$15,716,591 offset by investment earnings of \$16,350 resulted in a decrease in fund balance restricted for capital projects in the amount of \$15,700,241, from \$20,825,345 to \$5,125,104 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 \$802,291. The total decrease in net position for the solid waste fund was \$345,233 compared to \$59,068 decrease in the prior year. Total operating revenue increased by \$195,336 to \$4,403,138. Investment earnings decreased by \$51,009 compared to \$6,606 decrease in the prior year. Total expenses increased by \$430,492 to \$4,749,994.

**Risk Management Fund.** Unrestricted net position of the risk management fund increased in the amount of \$27,092 from \$1,144,814 to \$1,171,906 as compared to a prior year increase in the amount of \$373,812. Total operating revenues decreased by \$5,106 to \$1,547,222 while total operating expenses increased by \$310,938 to \$1,521,328. Investment earnings decreased by \$30,676 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 \$7,909,144 and operating expenses amounted to \$7,950,966 resulting in a decrease in net position of \$41,822 (as compared to a decrease of \$265,961 in the prior year) yielding a negative net position of \$39,373 at year-end.

## 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 \$456,596 which consisted in part of increases of \$239,200 for business taxes, \$73,557 for charges for services, and \$156,000 for Intergovernmental revenues. Total budgeted expenditures increased by \$456,596 from the beginning of the year consisting of an increase to total Public Safety for \$425,692, Public Works for \$76,640, Community Development for \$490,111, and Culture and Recreation for \$133,824. General Government budgeted expenditures decreased for \$611,471.
- Property taxes were \$2,072,431 more than budgeted, sales and use taxes were \$3,505,446 more than budgeted, other taxes were \$1,401,353 more than budgeted. Charges for services were also \$1,172,700 more than budgeted. However, fines and forfeitures were \$413,262 less than budgeted and investment earnings were \$205,618 less than budgeted. The net result of all the revenue variances was that actual total revenues exceeded final budget total revenues by \$8,092,951.
- Total actual expenditures were \$7,285,660 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 \$3,866,307 less than final budget, Public Safety which expended \$1,371,281 less than final budget, Public Works which expended \$510,152 less than final budget, and Culture and Recreation which expended \$1,224,865 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, 2021, amounts to \$334,780,384 (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 Alpha Greenway Extension (\$7,759,899)
- Additions to construction in progress for Kimball Bridge Road Improvements (\$5,713,794)
- Additions to construction in progress for Windward Parkway Improvements (\$2,991,058)
- Additions to construction in progress for Rucker Road Corridor Project (\$1,390,948)
- Additions to construction in progress for Eastside Community Center (\$849,831)

### CITY OF ALPHARETTA'S CAPITAL ASSETS (net of depreciation)

	<i>Governmental Activities</i>	
	2021	2020
Land and permanent improvements	\$92,882,328	\$91,203,401
Buildings	58,062,040	59,347,363
Improvements other than buildings	15,075,082	15,214,677
Machinery and equipment	7,904,296	9,367,693
Infrastructure	108,118,562	106,630,801
Construction in progress	52,738,076	35,587,795
<b>Total</b>	<b>\$334,780,384</b>	<b>\$317,351,730</b>

**Long-term debt.** At the end of the fiscal year 2021, the City's total outstanding debt was \$112,555,414. Total outstanding debt consists of \$108,674,204 of bonds, and \$3,881,210 of capital leases payable.

### CITY OF ALPHARETTA'S OUTSTANDING DEBT General Obligation Bonds and Notes

	<i>Governmental Activities</i>	
	2021	2020
General obligation bonds	\$81,251,480	\$84,270,023
Revenue Bonds	27,422,724	28,233,013
Financed purchases payable	3,881,210	3,271,886
<b>Total</b>	<b>\$112,555,414</b>	<b>\$115,774,922</b>

The City's total debt decreased by \$2,326,495 during the 2021 fiscal year (includes bond debt and capital leases) primarily due to principal payments in the amount of \$3,782,146 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 \$659,762,777.

Additional information on the City's long-term debt can be found in note IV.E on pages 57 through 60 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Alpharetta, like many cities in our region and throughout the world, is currently facing fiscal challenges as a result of the COVID-19 pandemic. Current challenges include economic losses within the hospitality, restaurant, and arts/entertainment/recreation market segments, reduced consumer spending, etc. That said, economic trends are improving and, while not close to pre-pandemic levels, are trending towards growth. The one exception is forecasted to be the commercial segment of our property tax digest valuations which, with the 2021 taxroll year (FY 2022), will include revaluations associated with the reduced business income generation resulting from the COVID-19 pandemic.

In light of the current economic challenges and its impact on city resources, staff has compiled a budget in line with our guiding principles that accomplishes the following:

- Tax-burden reductions for our homeowners in excess of \$5 million annually (see section entitled Taxpayer Savings for more information).
- Continuation of the same high service levels our citizenry, business owners, and stakeholders expect from our city.
- Maintenance of the city's millage rate at 5.750 mills (flat with FY 2021).
- Alignment of departmental operating budgets to the city's short term revenue outlook.
- Capital investment focused on maintaining and improving city infrastructure and assets (\$47 million when including potential grant sources) while reserving sufficient funds to provide flexibility for future prioritized capital investment (\$1.4 million).



# FINANCIAL SECTION

## Basic Financial Statements



CITY OF ALPHARETTA  
**STATEMENT OF NET POSITION**

June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$77,556,268	\$1,725,439	\$79,281,707
Investments	23,378,306	1,068,496	24,446,802
Receivables, net of allowance for uncollectibles	7,725,969	245,202	7,971,171
Prepaid items	255,981	—	255,981
Restricted cash equivalents	6,666,665	—	6,666,665
Net OPEB asset	681,447	—	681,447
Capital assets, non-depreciable	145,620,404	—	145,620,404
Capital assets, depreciable, net of accumulated depreciation	189,159,980	—	189,159,980
Total assets	451,045,020	3,039,137	454,084,157
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	296,431	—	296,431
Pension related items	1,115,975	—	1,115,975
OPEB related items	107,780	—	107,780
Total deferred outflows of resources	1,520,186	—	1,520,186
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	12,089,038	892,499	12,981,537
Unearned revenue	—	1,344,047	1,344,047
Interest payable	598,000	—	598,000
Noncurrent liabilities:			
Bonds payable, due within one year	3,200,000	—	3,200,000
Bonds payable, due in more than one year	105,474,204	—	105,474,204
Financed purchases payable, due within one year	565,902	—	565,902
Financed purchases payable, due in more than one year	3,315,308	—	3,315,308
Net pension liability, due in more than one year	4,064,225	—	4,064,225
Other noncurrent liabilities, due within one year	3,707,665	300	3,707,965
Other noncurrent liabilities, due in more than one year	775,389	—	775,389
Total liabilities	133,789,731	2,236,846	136,026,577
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension related items	8,945,443	—	8,945,443
OPEB related items	504,237	—	504,237
Total deferred inflows of resources	9,449,680	—	9,449,680
<b>NET POSITION</b>			
Net investment in capital assets	227,123,239	—	227,123,239
Restricted for:			
Capital projects	39,393,244	—	39,393,244
Economic Development	—	—	—
Tourism	1,311,312	—	1,311,312
Debt service	911,954	—	911,954
Law enforcement	234,945	—	234,945
Emergency telephone activities	2,629,573	—	2,629,573
Unrestricted	37,721,528	802,291	38,523,819
Total net position	\$309,325,795	\$802,291	\$310,128,086

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

CITY OF ALPHARETTA  
**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2021

				Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Program Revenues		Primary Government			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$14,102,831	\$700,631	\$3,945,003	\$ —	\$(9,457,197)	\$ —	\$(9,457,197)
Public safety	33,800,622	7,552,607	20,764	—	(26,227,251)	—	(26,227,251)
Public works	36,021,581	—	106,679	14,677,828	(21,237,074)	—	(21,237,074)
Community development	6,927,901	5,727,862	—	356,407	(843,632)	—	(843,632)
Culture and recreation	585,966	2,040,963	334,394	—	1,789,391	—	1,789,391
Interest on long-term debt	2,782,224	—	—	—	(2,782,224)	—	(2,782,224)
Total governmental activities	94,221,125	16,022,063	4,406,840	15,034,235	(58,757,987)	—	(58,757,987)
Business-type activities:							
Solid waste	4,749,994	4,403,138	—	—	—	(346,856)	(346,856)
Total business-type activities	4,749,994	4,403,138	—	—	—	(346,856)	(346,856)
Total primary government	\$98,971,119	\$20,425,201	\$4,406,840	\$15,034,235	\$(58,757,987)	\$(346,856)	\$(59,104,843)
General revenues:							
Property taxes					34,693,764	—	34,693,764
Sales taxes					29,078,454	—	29,078,454
Franchise taxes					6,858,414	—	6,858,414
Hotel/Motel occupancy taxes					3,890,093	—	3,890,093
Business taxes					6,198,056	—	6,198,056
Other taxes					3,901,833	—	3,901,833
Unrestricted investment earnings					168,428	1,623	170,051
Total general revenues					84,789,042	1,623	84,790,665
Change in net position					26,031,055	(345,233)	25,685,822
Net position, beginning of year					283,294,740	1,147,524	284,442,264
Net position, end of year					\$309,325,795	\$802,291	\$310,128,086

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



CITY OF ALPHARETTA  
**BALANCE SHEET**  
GOVERNMENTAL FUNDS  
June 30, 2021

	General	Capital Project	TSPLOST Capital Fund	2016 Bond Construction Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$21,545,396	\$10,416,357	\$34,770,944	\$ —	\$2,051,712	\$6,941,848	\$75,726,257
Investments	13,465,466	3,839,290	—	—	1,270,544	3,801,821	22,377,121
Taxes receivable, net	3,409,413	—	1,131,821	—	—	660,653	5,201,887
Accounts receivable, net	620,226	15,000	—	—	—	696,517	1,331,743
Intergovernmental	9,986	509,414	—	—	—	456,171	975,571
Due from other funds	1,119,847	—	—	—	—	—	1,119,847
Restricted cash equivalents	—	—	—	6,666,665	—	—	6,666,665
Total assets	\$40,170,334	\$14,780,061	\$35,902,765	\$6,666,665	\$3,322,256	\$12,557,010	\$113,399,091
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$2,396,743	\$4,275,722	\$617,611	\$ —	\$ —	\$566,505	\$7,856,581
Contracts payable	—	—	—	609,254	—	—	609,254
Retainage payable	—	529,888	103,595	858,809	—	66,876	1,559,168
Accrued liabilities	1,651,030	—	—	—	—	379,670	2,030,700
Due to other funds	—	—	823,228	73,498	—	223,121	1,119,847
Total liabilities	4,047,773	4,805,610	1,544,434	1,541,561	—	1,236,172	13,175,550
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	341,218	—	—	—	—	60,445	401,663
Unavailable revenue - other	104,744	440,023	—	—	3,322,256	454,657	4,321,680
Total deferred inflows of resources	445,962	440,023	—	—	3,322,256	515,102	4,723,343
<b>FUND BALANCES</b>							
Restricted for:							
Capital projects	—	319,303	34,358,331	5,125,104	—	3,809,715	43,612,453
Law enforcement	—	—	—	—	—	200,999	200,999
Emergency telephone activities	—	—	—	—	—	2,629,573	2,629,573
Tourism	—	—	—	—	—	1,311,312	1,311,312
Debt service	—	—	—	—	—	851,509	851,509
Assigned for:							
Grant projects	—	—	—	—	—	269,470	269,470
Capital projects	—	9,215,125	—	—	—	1,470,037	10,685,162
Economic development	—	—	—	—	—	263,121	263,121
Fiscal year 2021 budget	5,836,799	—	—	—	—	—	5,836,799
Unassigned	29,839,800	—	—	—	—	—	29,839,800
Total fund balances	35,676,599	9,534,428	34,358,331	5,125,104	—	10,805,736	95,500,198
Total liabilities, deferred inflows of resources, and fund balances	\$40,170,334	\$14,780,061	\$35,902,765	\$6,666,665	\$3,322,256	\$12,557,010	

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.	334,780,384
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the governmental funds.	4,723,343
Internal service funds are used by the City to charge costs to other funds. The assets and liabilities are included in the government activities.	1,132,533
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(115,457,941)
Prepaid items are costs applicable to future periods and, therefore, are not reported in governmental funds.	255,981
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.	(11,893,693)
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.	284,990
Net position of governmental activities	<b>\$309,325,795</b>

CITY OF ALPHARETTA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2021

	General	Capital Project	TSPLOST Capital Fund	2016 Bond Construction Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes:							
Property taxes	\$29,314,431	\$ —	\$ —	\$ —	\$ —	\$5,146,453	\$34,460,884
Sales and use taxes	16,984,903	—	12,093,551	—	—	—	29,078,454
Other taxes	16,958,303	—	—	—	—	3,890,093	20,848,396
Licenses and permits	3,056,142	—	—	—	—	—	3,056,142
Charges for services	4,536,057	—	—	—	—	3,239,918	7,775,975
Impact fees	—	—	—	—	—	2,098,746	2,098,746
Fines and forfeitures	1,392,738	—	—	—	—	265,334	1,658,072
Intergovernmental	338,694	11,350,820	—	—	—	3,828,284	15,517,798
Contributions and donations	113,467	356,407	—	—	—	6,230	476,104
Investment earnings	104,382	5,088	24,502	16,350	—	18,106	168,428
Other revenues	102,550	3,945,003	—	—	—	258,135	4,305,688
Total revenues	72,901,667	15,657,318	12,118,053	16,350	—	18,751,299	119,444,687
<b>Expenditures</b>							
Current:							
General government	9,968,132	—	—	—	—	142,260	10,110,392
Public safety	28,769,613	—	—	—	—	4,348,828	33,118,441
Public works	8,536,228	—	5,757,227	—	—	2,969,902	17,263,357
Community development	3,868,757	—	—	—	—	1,776,253	5,645,010
Culture and recreation	8,866,601	—	—	—	—	26,043	8,892,644
Capital outlay	—	17,725,288	—	15,716,591	—	2,537,814	35,979,693
Debt service:							
Principal	717,727	108,464	—	—	—	2,960,735	3,786,926
Interest and fiscal charges	164,638	—	—	—	—	3,365,143	3,529,781
Total expenditures	60,891,696	17,833,752	5,757,227	15,716,591	—	18,126,978	118,326,244
Excess (deficiency) of revenues over expenditures	12,009,971	(2,176,434)	6,360,826	(15,700,241)	—	624,321	1,118,443
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	123,658	—	—	—	—	7,825	131,483
Financed purchases	—	1,311,250	—	—	—	—	1,311,250
Transfers in	1,458,781	3,156,862	—	—	—	1,385,000	6,000,643
Transfers out	(4,541,862)	—	—	—	—	(1,458,781)	(6,000,643)
Total other financing sources (uses)	(2,959,423)	4,468,112	—	—	—	(65,956)	1,442,733
Net change in fund balances	9,050,548	2,291,678	6,360,826	(15,700,241)	—	558,365	2,561,176
Fund balances, beginning of year	26,626,051	7,242,750	27,997,505	20,825,345	—	10,247,371	92,939,022
<b>Fund balances, end of year</b>	<b>\$35,676,599</b>	<b>\$9,534,428</b>	<b>\$34,358,331</b>	<b>\$5,125,104</b>	<b>\$ —</b>	<b>\$10,805,736</b>	<b>\$95,500,198</b>

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

# 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, 2021

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

Net change in fund balances - total governmental funds	\$2,561,176
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.	17,372,600
The net effect of various miscellaneous transactions involving capital assets (i.e. donations and sales) is to increase net position.	56,054
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	476,224
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.	3,201,319
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.	(14,730)
Prepaid items are costs applicable to future periods and, therefore, are not reported in the governmental funds.	(2,808)
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.	2,381,220)
<b>Change in net position - governmental activities</b>	<b>\$26,031,055</b>

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

CITY OF ALPHARETTA  
**STATEMENT OF NET POSITION**  
 PROPRIETARY FUNDS  
 June 30, 2021

	<i>Business-type Activities - Enterprise Fund</i>	<i>Governmental Activities</i>
	<i>Solid Waste Fund</i>	<i>Internal Service Funds</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$1,725,439	\$1,830,011
Investments	1,068,496	1,001,185
Accounts receivable, net of allowance for uncollectibles	245,202	216,768
Total assets	3,039,137	3,047,964
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	890,291	33,335
Accrued salaries	2,208	—
Unearned revenue	1,344,047	—
Compensated absences payable	300	—
Claims payable, due within one year	—	1,470,841
Total current liabilities	2,236,846	1,504,176
<b>NON-CURRENT LIABILITIES</b>		
Claims payable, due in more than one year	—	411,255
Total noncurrent liabilities	—	411,255
Total liabilities	2,236,846	1,915,431
<b>NET POSITION</b>		
Unrestricted	802,291	1,132,533
Total net position	\$802,291	\$1,132,533

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

CITY OF ALPHARETTA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

### PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2021

	<i>Business-type Activities - Enterprise Fund</i>	<i>Governmental Activities</i>
	<i>Solid Waste Fund</i>	<i>Internal Service Funds</i>
<b>OPERATING REVENUES</b>		
Charges for services:		
Refuse collection charges	\$4,327,787	\$ —
Charges for service	—	9,421,948
Miscellaneous revenue	75,351	33,611
Total operating revenues	4,403,138	9,455,559
<b>OPERATING EXPENSES</b>		
Administration	4,749,994	85,452
Claims and judgements	—	6,819,860
Premiums	—	2,566,982
Total operating expenses	4,749,994	9,472,294
Operating income (loss)	(346,856)	(16,735)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment earnings	1,623	2,005
Total non-operating revenues	1,623	2,005
Change in net position	(345,233)	(14,730)
<b>NET POSITION, beginning of year</b>	1,147,524	1,147,263
<b>NET POSITION, end of year</b>	\$802,291	\$1,132,533

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

CITY OF ALPHARETTA  
**STATEMENT OF CASH FLOWS**  
 PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2021

	<i>Business-type Activities - Enterprise Fund</i>	<i>Governmental Activities</i>
	<i>Solid Waste Fund</i>	<i>Internal Service Funds</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$4,518,698	\$9,547,529
Payments to vendors/suppliers	(4,134,286)	(2,558,234)
Payments on claims	—	(6,913,483)
Payments to employees	(68,562)	—
Net cash provided by operating activities	315,850	75,812
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	(94,414)	(220,298)
Purchase of investments	—	(130,822)
Interest and dividends received	1,623	2,005
Net cash provided by investing activities	(92,791)	(349,115)
Increase (decrease) in cash and cash equivalents	223,059	(273,303)
<b>Cash and cash equivalents, beginning of year</b>	1,502,380	2,103,314
<b>Cash and cash equivalents, end of year</b>	\$1,725,439	\$1,830,011
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>		
Operating loss	\$(346,856)	\$(16,735)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Increase in accounts receivable	(23,327)	—
Decrease in due from other funds	—	91,970
Increase in accounts payable	547,596	8,748
Increase in other accrued liabilities	139,134	—
Decrease in compensated absence	(697)	—
Decrease in claims payable	—	(8,171)
Net cash provided by operating activities	\$315,850	\$75,812

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

CITY OF ALPHARETTA  
**STATEMENT OF FIDUCIARY NET POSITION**  
 FIDUCIARY FUNDS  
 June 30, 2021

<b>ASSETS</b>	<i>Fiduciary Funds</i>
Cash	\$2,565
Accounts receivable	306,749
Investments:	
Money Market Funds	1,047,879
U.S. Treasuries	6,285,735
Corporate and Foreign Agencies	22,055,780
Common Equity Securities	66,473,364
Preferred Equity Securities	122,376
Equity Mutual Funds	978,820
Exchange Traded Funds	5,099,814
Total assets	102,373,082
 <b>LIABILITIES</b>	
Accounts payable	451,963
Total liabilities	451,963
 <b>NET POSITION</b>	
Restricted for:	
Pensions	95,956,491
Post-employment benefits other than pensions	5,964,628
Net position restricted for retiree benefits	\$101,921,119

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



CITY OF ALPHARETTA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2021

	<i>Fiduciary Funds</i>
<b>ADDITIONS</b>	
Contributions:	
Employee contributions	\$293,715
Employer contributions	3,430,312
Total contributions	3,724,027
Investment income:	
Net depreciation of fair value of investments	20,770,776
Interest and dividends	2,032,546
Less investment expense	(508,988)
Net investment income	22,294,334
Total additions	26,018,361
<b>DEDUCTIONS</b>	
Benefit payments	3,341,871
Administrative expenses	81,890
Total deductions	3,423,761
Change in net position	22,594,600
<b>NET POSITION RESTRICTED FOR RETIREE BENEFITS</b>	
Beginning of year	79,326,519
End of year	\$101,921,119

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

# NOTES TO THE FINANCIAL STATEMENTS June 30, 2021

## 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.

**Blended component unit.** The Development Authority of Alpharetta (the "Authority") promotes the industrial and economic development of the City. The Authority 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 significant portion of the debt of the Authority through intergovernmental agreements. 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 segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

### C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the fiscal year 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.

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 **American Rescue Plan Fund** is used to account for the grant money received under the American Rescue Plan Act in response to COVID-19.

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, development authority operations, 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.

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

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

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

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.

### **4. Restricted assets**

Proceeds of 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 sub-system 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:

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

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

**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. A deferred charge on refunding is reported as a deferred outflow of resources in the government-wide statement of net position for governmental activities. 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.

**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.

## 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, 2021.

**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.

## 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 \$115,457,941 difference are as follows:

Bonds payable	\$(101,800,000)
Plus: Issuance premium	(6,874,204)
Deferred charge on refunding	656,275
Deferred gain on refunding	(359,844)
Financed purchases payable	(3,881,210)
Accrued interest payable	(598,000)
Compensated absences	(2,600,958)
<i>Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities</i>	<i>\$(115,457,941)</i>

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 \$11,893,693 difference are as follows:

Net pension liability	\$(4,064,225)
Deferred outflows of resources:	
Difference between expected and actual experience	142,749
Assumption changes in plan	973,226
Deferred inflows of resources:	
Difference between expected and actual experience	(546,666)
Assumption changes in plan	(131,459)
Net difference between projected and actual investment earnings – pensions	(8,267,318)
<i>Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities</i>	<i>\$(11,893,693)</i>

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 \$284,990 difference are as follows:

Net OPEB asset	\$681,447
Deferred outflows of resources:	
Difference between expected and actual experience	10,605
Assumption changes in plan	97,175
Deferred inflow of resources:	
Difference between expected and actual experience	(149,141)
Assumption changes in plan	(74,786)
Net difference between projected and actual investment earnings – OPEB	(280,310)
<i>Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities</i>	<i>\$284,990</i>



## 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 \$17,372,600 difference is as follows:

Capital outlay	\$27,752,031
Depreciation expense	(10,379,431)
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>	\$17,372,600

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., donations and sales) is to increase net position.” The details of this \$56,054 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.	\$(275,215)
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.	331,269
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>	\$56,054

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 \$2,381,220 difference are as follows:

Compensated absences	\$ 241,990
Accrued interest	21,914
OPEB expense	92,978
Pension expense	2,024,338
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>	\$2,381,220

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 \$3,201,319 difference are as follows:

Principal repayments:	
General obligation bonds	\$3,085,000
Financed purchase payable	701,926
Issuance of financed purchases	(1,311,250)
Amortization of deferred gain on refunding	113,067
Amortization of deferred charges on refunding	(131,256)
Amortization of bond premium	743,832
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>	\$3,201,319

### 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, 2021:

#### General Fund

Legal .....	\$12,682
Debt service .....	8,901
Capital Project Fund - debt service principal .....	8,464

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 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.

### 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, 2021, the City of Alpharetta had the following cash equivalents and investments:

<i>Investment</i>	<i>Standards &amp; Poor Rating</i>	<i>Weighted Average Maturity</i>	<i>Fair Value</i>
Georgia Fund 1	AAAF	36 days	\$75,369,276
U.S. Treasury	AA+	2.3 years	21,316,282
Mortgage Backed Securities	AA+	1.33 years	3,009,565
Fidelity Money Market Account	N/A	—	120,955
Deposits with financial institutions	N/A	—	10,579,096
Total			\$110,395,174

##### *As reported in the Statement of Net Position:*

Cash and cash equivalents	\$79,281,707
Restricted cash and cash equivalents	6,666,665
Investments	24,446,802
Total	\$110,395,174

*The investment in Georgia Fund 1 is reported as a cash equivalent.*

**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, 2021:

<i>Investment</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Fair Value</i>
Fidelity Treasury money market Mutual fund	\$120,955	\$ —	\$120,955
U.S. Treasuries	—	21,316,282	21,316,282
Mortgage backed securities	—	3,009,565	3,009,565
<b>Total investments measured by fair value</b>	<b>\$120,955</b>	<b>\$24,325,847</b>	<b>\$24,446,802</b>

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 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.

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 AA+ 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, 2021, 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 Plan 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 Plan 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%.

As of June 30, 2021, the Pension Plan Trust Fund had \$96,811,700 invested in the following types of investments:

<i>Investment</i>	<i>Fair Value</i>	<i>S&amp;P Rating</i>
Money Market Funds	\$898,094	N/A
U.S. Treasuries	5,898,390	N/A
Corporate and Foreign Agencies	3,107,250	A-
Corporate and Foreign Agencies	3,072,165	A to AAA
Corporate and Foreign Agencies	538,258	B+
Corporate and Foreign Agencies	10,263,578	BBB to BBB+
Corporate and Foreign Agencies	3,646,900	BBB-
Common Equity Securities	62,590,808	N/A
Preferred Equity Securities	114,812	N/A
Equity Mutual Funds	978,820	N/A
Exchanged Traded Funds	4,805,532	N/A
<b>Total</b>	<b>\$95,914,607</b>	

N/A - these assets are not rated.

<i>Investment</i>	<i>Fair Value</i>	<i>Average Maturity</i>
Money Market Funds	\$898,094	—
U.S. Treasuries	5,898,390	1.732
Corporate and Foreign Agencies	20,628,151	3.481
Common Equity Securities	62,590,808	—
Preferred Equity Securities	114,812	—
Equity Mutual Funds	978,820	—
Exchanged Traded Funds	4,805,532	—
<b>Total</b>	<b>\$95,914,607</b>	

Securities and exchange traded fund 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, 2021, 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, 2021:

<i>Investment</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair Value</i>
<b><i>Investments by Fair Value Level</i></b>				
U.S. equities	\$ —	\$5,898,390	\$ —	5,898,390
Money market funds	898,094	—	—	898,094
Equity mutual funds	978,820	—	—	978,820
Common equity securities	62,590,808	—	—	62,590,808
Preferred equity securities	114,812	—	—	114,812
Exchanged traded funds	4,805,532	—	—	4,805,532
Corporate and foreign equities	—	20,628,151	—	20,628,151
<b>Total investments by fair value level</b>	<b>\$69,388,066</b>	<b>\$26,526,541</b>	<b>\$ —</b>	<b>\$95,914,607</b>

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, 2021, the annual money-weighted rate of return on the Pension Trust Fund investments, net of investment expenses, was 28.00%. Over the trailing 3 year period through June 30, 2021, the Pension Fund's annualized money-weighted rate of return has averaged 10.69%/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.

## 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 40%; 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, 2021, the OPEB Plan Trust Fund had \$1,990,137 invested in the following types of investments:

<i>Investment</i>	<i>Fair Value</i>	<i>Rating</i>
Money Market Funds	\$56,331	N/A
U.S. Treasuries	125,343	N/A
Corporate and Foreign Agencies	69,327	A to AAA
Corporate and Foreign Agencies	70,581	A-
Corporate and Foreign Agencies	12,210	B+
Corporate and Foreign Agencies	227,705	BB+ to BBB+
Corporate and Foreign Agencies	80,518	BBB-
Common Equity Securities	1,250,733	N/A
Preferred Equity Securities	2,430	N/A
Fixed Income Mutual Fund	94,959	N/A
<b>Total</b>	<b>\$1,990,137</b>	

N/A – these fund types are not rated.

<i>Investment</i>	<i>Fair Value</i>	<i>Average Maturity</i>
Money Market Funds	\$56,331	—
U.S. Treasuries	125,343	1.825
Corporate and Foreign Agencies	460,341	2.256
Common Equity Securities	1,250,733	N/A
Preferred Equity Securities	2,430	N/A
Fixed Income Mutual Funds	94,959	N/A
<b>Total</b>	<b>\$1,990,137</b>	

*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, 2021, 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.

**Fair Value Measurements.** The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2021:

<i>Investment</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair Value</i>
<b><i>Investments by Fair Value Level</i></b>				
U.S. equities	\$ —	\$125,343	\$ —	\$125,343
Money market funds	56,331	—	—	56,331
Fixed Income Mutual Funds	94,959	—	—	94,959
Common equity securities	1,250,733	—	—	1,250,733
Preferred equity securities	2,430	—	—	2,430
Corporate and foreign equities	—	460,341	—	460,341
<b>Total investments by fair value level</b>	<b>\$1,404,453</b>	<b>\$585,684</b>	<b>\$ —</b>	<b>\$1,990,137</b>

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, 2021, the annual money-weighted rate of return on the Retiree Health Benefit Plan's investments, net of investment expenses, was 29.80%. Over the trailing 3 year period through June 30, 2021, the Pension Fund's annualized money-weighted rate of return has averaged 11.10%/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.

## 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.

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 40%; 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, 2021, the OPEB Retirement Reimbursement Plan Trust Fund had \$4,159,024 invested in the following types of investments:

<i>Investment</i>	<i>Fair Value</i>	<i>Rating</i>
Money Market Funds	\$93,454	N/A
U.S. Treasuries	262,002	N/A
Corporate and Foreign Agencies	145,775	A to AAA
Corporate and Foreign Agencies	145,280	A-
Corporate and Foreign Agencies	25,438	B+
Corporate and Foreign Agencies	479,268	BBB to BBB+
Corporate and Foreign Agencies	171,527	BBB-
Common Equity Securities	2,631,823	N/A
Preferred Equity Securities	5,134	N/A
Exchanged Traded Funds	199,323	N/A
<b>Total</b>	<b>\$4,159,024</b>	

<i>Investment</i>	<i>Fair Value</i>	<i>Average Maturity</i>
Money Market Funds	\$93,454	—
U.S. Treasuries	262,002	1.865
Corporate and Foreign Agencies	967,288	2.248
Common Equity Securities	2,631,823	N/A
Preferred Equity Securities	5,134	N/A
Exchanged Traded Funds	199,323	N/A
<b>Total</b>	<b>\$4,159,024</b>	

**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, 2021, 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.



**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, 2021:

<i>Investment</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair Value</i>
<i>Investments by Fair Value Level</i>				
U.S. equities	\$ —	\$262,002	\$ —	\$262,002
Money market funds	93,454	—	—	93,454
Common equity securities	2,631,823	—	—	2,631,823
Preferred equity securities	5,134	—	—	5,134
Exchanged traded funds	199,323	—	—	199,323
Corporate and foreign equities	—	967,288	—	967,288
Total investments by fair value level	\$2,929,734	\$1,229,290	\$ —	\$4,159,024

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.

## 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:

	<i>General</i>	<i>Capital Projects</i>	<i>T-SPLOST</i>	<i>Nonmajor Governmental</i>	<i>Solid Waste</i>
Receivables:					
Taxes	\$3,801,970	\$ —	\$1,131,821	\$660,653	\$ —
Accounts	620,226	15,000	—	696,517	319,461
Intergovernmental	9,986	509,414	—	456,171	—
Gross receivables	4,432,182	524,414	1,131,821	1,813,341	319,461
Less allowance for uncollectibles	(392,557)	—	—	—	(74,259)
Net total receivables	\$4,039,625	\$524,414	\$1,131,821	\$1,813,341	\$245,202

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, 2021, \$1,344,047

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.

## C. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

### Primary Government

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Transfers</i>	<i>Ending Balance</i>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land and permanent improvements	\$91,203,401	\$1,678,927	\$ —	\$ —	\$92,882,328
Construction in progress	35,587,795	25,009,054	(241,487)	(7,617,286)	52,738,076
Total assets, not being depreciated	126,791,196	26,687,981	(241,487)	(7,617,286)	145,620,404
Capital assets, being depreciated:					
Buildings	81,547,491	32,983	—	646,025	82,226,499
Improvements other than buildings	39,902,737	183,533	—	796,835	40,883,105
Machinery and equipment	26,751,230	997,459	(925,964)	29,024	26,851,749
Infrastructure	199,893,790	181,344	—	6,145,402	206,220,536
Total assets, being depreciated	348,095,248	1,395,319	(925,964)	7,617,286	356,181,889
Less accumulated depreciation for:					
Buildings	(22,200,128)	(1,964,331)	—	—	(24,164,459)
Improvements other than buildings	(24,688,060)	(1,119,963)	—	—	(25,808,023)
Machinery and equipment	(17,383,537)	(2,456,152)	892,236	—	(18,947,453)
Infrastructure	(93,262,989)	(4,838,985)	—	—	(98,101,974)
Total accumulated depreciation	(157,534,714)	(10,379,431)	892,236	—	(167,021,909)
Total assets, being depreciated, net	190,560,534	(8,984,112)	(33,728)	7,617,286	189,159,980
Governmental activities capital assets, net	\$317,351,730	\$17,703,869	\$(275,215)	\$ —	\$334,780,384

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

<b>Governmental activities:</b>	
General government	\$4,543,462
Public safety	2,096,285
Public works	2,033,875
Culture and recreation	1,454,533
Community development	251,276
Total depreciation expense - governmental activities	\$10,379,431

## Construction Commitments

The City has active construction projects as of June 30, 2021. 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:

<i>Project</i>	<i>Spent-to-Date</i>	<i>Remaining Commitment</i>
Park, recreation, and art improvements	\$4,577,874	\$425,270
Sidewalk and pedestrian projects	16,983,135	829,560
Street and transportation improvements	76,871,983	15,664,109
Public safety facilities	1,206,835	370,552
Machinery, equipment, and technology	9,838,408	599,974
Economic development	37,500	43,890
General administrative facilities	221,008	11,992
<b>Total</b>	<b>\$109,736,743</b>	<b>\$17,945,347</b>

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, 2021, is as follows:

<i>Receivable Fund</i>	<i>Payable Fund</i>	<i>Amount</i>
General Fund	2016 Bond Construction fund	\$73,498
General Fund	TSPLOST	823,228
General Fund	Nonmajor governmental funds	223,121
		<b>\$1,119,847</b>

Interfund transfers for the fiscal year ended June 30, 2021:

<i>Transfer in</i>	<i>Transfer out</i>	<i>Amount</i>
General Fund	Nonmajor governmental funds	\$1,458,781
Capital Projects Fund	General Fund	3,156,862
Nonmajor governmental funds	General Fund	1,385,000
		<b>\$6,000,643</b>

Transfers are used to 1) move revenues from the Hotel/Motel Fund to the General Fund to pay a portion of the debt service associated with the construction of the convention center, 2) move unrestricted General Fund revenues to finance local match requirements for various grants that the City must account for in other funds, and 3) move revenues from the General Fund to the Stormwater Capital Projects Fund to fund various projects within the fund.

## 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, 2021 is \$86,325,000.

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 \$656,275. 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, 2021.

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, side-

walks 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 May 1, 2041. The bonds are payable on May 1 and November 1.

In 2020, the City issued \$17,775,000 of general obligation bonds for the purpose of (i) refunding a portion of the \$29,000,000 in original aggregate principal amount of the City of Alpharetta, Georgia General Obligation Bonds, Series 2012 maturing in the years 2021 through and including 2032 and (ii) paying all or a portion of the costs of issuance incident thereto. The 2020 Series were issued with interest rates of 3.00% - 5.00% and a maturity of May 1, 2032. The bonds are payable on May 1 and November 1.

The net carrying amount of the old debt exceeds the reacquisition price by \$503,781. This amount is being amortized over the remaining life of the refunding debt. The current balance of the deferred gain resulting from the net carrying amount of the old debt exceeding the reacquisition price is \$359,844. The current refunding was undertaken to reduce total debt service payments by \$4,711,528 and resulted in an economic gain and a present value of cash flow savings of \$3,316,612. The bonds were called and paid in full in April 2020 and there are no outstanding balances at June 30, 2021.

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:

<i>Purpose</i>	<i>Maturity</i>	<i>Interest Rates</i>	<i>Amount</i>
Partial Refunding of Series 2006 Bonds	May 2026	2.34%	\$8,895,000
Road and Parks and Recreation Improvements	May 2041	2.0 - 5.0%	48,740,000
Refunding of Series 2012	May 2032	3.0 - 5.0%	17,560,000
			<u>\$75,195,000</u>

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

<i>Fiscal Year Ending June 30,</i>	<i>Governmental Activities</i>	
	<i>Principal</i>	<i>Interest</i>
2022	\$2,405,000	\$2,537,881
2023	2,485,000	2,470,067
2024	2,565,000	2,397,134
2025	2,650,000	2,321,332
2026	2,735,000	2,242,278
2027-2031	16,190,000	9,446,125
2032-2036	21,920,000	5,731,700
2037-2041	24,245,000	2,176,950
<b>Total</b>	<b>\$75,195,000</b>	<b>\$29,323,467</b>

## Revenue Bonds

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. As of June 30, 2021, the outstanding amount on the bond is \$2,825,000.

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. As of June 30, 2021, the outstanding amount on the bond is \$23,780,000.

The annual requirements to amortize the Development Authority's revenue bonds outstanding as of June 30, 2021 are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>
2022	\$795,000	\$834,603
2023	855,000	798,853
2024	920,000	760,203
2025	985,000	719,190
2026	1,065,000	674,778
2027-2031	6,275,000	2,855,613
2032-2036	7,140,000	1,929,400
2037-2041	8,570,000	797,250
<b>Total</b>	<b>\$26,605,000</b>	<b>\$9,369,890</b>

## Financed Purchases – Direct Borrowing

In 2013, the City entered into a financed purchase agreement for financing the acquisition of new public works software, two fire trucks, and to refinance and consolidate the three individual purchases held as of July 1, 2012, which were used to finance accounting software and three fire trucks. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement).

In 2016, the City entered into two new financed purchase agreements for financing the acquisition of a new fire truck and police tasers. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). The financed purchase agreements bear interest of 1.32% and 2.43%. The term for the fire truck is 10 years and the tasers mature in 2023.

In 2017, the City entered into four new financed purchase agreements for financing the acquisition of three new fire trucks and heart-rate monitors. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). The financed purchase agreements bear interest of 2.08% - 2.93% for the firetrucks and 1.76% for the heart-rate monitors. The financed agreement for the three fire trucks matures in November 2025, November 2026, and November 2029. The financed agreement for the heart-rate monitors matured in November 2020.

In 2018, the City entered into a financed purchase agreement for financing the acquisition of mobile radios for public safety employ-

ees. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). The financed agreement bears interest of 2.73%. The lease term for the radios matures in November 2023.

In 2020, the City entered into three new financed purchase agreements for financing the acquisition of self-contained breathing apparatuses, a hanging sculpture, and a scorpion sculpture. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). The financed purchase agreement for the self-contained breathing apparatuses bear interest of 0% and matured in November 2020. The financed purchase agreement for the hanging sculpture bears interest of 2% and matures in October 2021. The financed purchase agreement for the scorpion sculpture bears interest of 2% and matures October 2023.

In 2021, the City entered into a new financed purchase agreement for financing the acquisition of an aerial ladder fire truck. The financed purchase agreement for the truck bears interest of 1.80% and matures in December 2033.

As of June 30, 2021, the City had \$6,660,296 of machinery and equipment under financed purchase agreements with accumulated depreciation of \$4,439,167. The amortization expense of \$760,645 for the financed purchases is included in depreciation expense.

The City's total financed purchase debt service requirements to maturity are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2022	\$565,902	\$76,859	\$642,761
2023	525,273	66,272	591,545
2024	535,998	55,547	591,545
2025	466,146	43,623	509,769
2026	421,574	35,119	456,693
2027-2031	1,036,191	82,952	1,119,143
2032-2034	330,126	11,953	342,079
<b>Total</b>	<b>\$3,881,210</b>	<b>\$372,325</b>	<b>\$4,253,535</b>

## Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$77,545,000	\$ —	\$(2,350,000)	\$75,195,000	\$2,405,000
Plus issuance premium	6,725,023	—	(668,543)	6,056,480	—
Net bonds payable	84,270,023	—	(3,018,543)	81,251,480	2,405,000
Revenue bonds payable	27,340,000	—	(735,000)	26,605,000	795,000
Plus issuance premium	893,013	—	(75,289)	817,724	—
Net bonds payable	28,233,013	—	(810,289)	27,422,724	795,000
Financed purchases payable	3,271,886	1,311,250	(701,926)	3,881,210	565,902
Net pension liability	19,829,270	8,838,499	(24,603,544)	4,064,225	—
Claims and judgments	1,890,267	6,857,131	(6,865,302)	1,882,096	1,470,841
Compensated absences	2,842,948	4,797,514	(5,039,504)	2,600,958	2,236,824
<b>Governmental activity Long-term liabilities</b>	<b>\$140,337,407</b>	<b>\$21,804,394</b>	<b>\$(41,039,108)</b>	<b>\$121,102,693</b>	<b>\$7,473,567</b>

The beginning balance of long-term liabilities in the above table has been increased to include the issuance premium associated with revenue bonds payable.

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.

### Business-type activities:

Compensated absences	\$997	\$2,606	\$(3,303)	\$300	\$300
<b>Business-type activity Long-term liabilities</b>	<b>\$997</b>	<b>\$2,606</b>	<b>\$(3,303)</b>	<b>\$300</b>	<b>\$300</b>

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 period.

## 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:

	<i>Fiscal Year Ended June 30, 2021</i>	<i>Fiscal Year Ended June 30, 2020</i>
Unpaid claims, beginning of fiscal year	<b>\$832,424</b>	\$731,737
Claims incurred	<b>705,000</b>	561,500
Claims paid	<b>(744,249)</b>	(460,813)
Unpaid claims, end of fiscal year	<b>\$793,175</b>	\$832,424

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:

	<i>Fiscal Year Ended June 30, 2021</i>	<i>Fiscal Year Ended June 30, 2020</i>
Unpaid claims, beginning of fiscal year	<b>\$1,057,843</b>	\$971,936
Claims incurred	<b>6,152,131</b>	5,633,235
Claims paid	<b>(6,121,053)</b>	(5,547,328)
Unpaid claims, end of fiscal year	<b>\$1,088,921</b>	\$1,057,843



## 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.

The City has the following encumbrances at year end for which expenditures will be incurred in the subsequent fiscal year:

Capital Projects	\$7,758,310
TSPLOST Fund	5,535,886
2016 Bond Construction Fund	14,438,076
Nonmajor governmental funds	3,041,416

## 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.

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

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.

The cities of Alpharetta, Milton, Roswell, and Sandy Springs have 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, 2021, the City of Alpharetta contributed \$441,671 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 1 Galambos Way, Sandy Springs, Georgia 30328.

## D. 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 fulltime 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, 2021, the date of the most recent actuarial valuation, there were 535 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	173
Vested terminated employees not yet receiving benefits	158
Active employees	204
Total	535

**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 2021, employees contributed \$293,715 to the Enhanced Plan. The City is required to contribute at an actuarially determined rate: the contribution rate for 2021 was 15.95% of payroll for the Combined Plan. The annual required contributions for the current fiscal year were determined as part of the January 1, 2021 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.

**Financial statements.** of June 30, 2021, the Combined Plan's statement of fiduciary net position was as follows:

**Assets**

Cash	\$2,565
Accounts receivable	288,127
Investments:	
Money Market Funds	898,094
U.S. Treasuries	5,898,390
Corporate and Foreign Agencies	20,628,151
Common Equity Securities	62,590,808
Preferred Equity Securities	114,812
Equity Mutual Funds	978,820
Exchange Traded Funds	4,805,532
<b>Total assets</b>	<b>96,205,299</b>

**Liabilities**

Accounts payable	248,808
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**Fiduciary Net Position**

Restricted for Pensions	\$95,956,491
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For the fiscal year ended June 30, 2021, the Combined Plan's statement of changes in fiduciary net position was as follows:

**Additions**

Contributions:	
Employee	\$293,715
Employer	2,779,221
<b>Total contributions</b>	<b>3,072,936</b>
Investment earnings:	
Net depreciation of fair value	19,559,290
Interest and dividends	1,916,853
Less investment expense	(483,458)
<b>Net investment income</b>	<b>20,992,685</b>

**Deductions**

Benefit payments	3,250,227
Administrative expenses	79,767
<b>Total deductions</b>	<b>3,329,994</b>
Change in net position	20,735,627
<b>Fiduciary net position - beginning</b>	<b>75,220,864</b>
<b>Fiduciary net position - ending</b>	<b>\$95,956,491</b>

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation as of January 1, 2021 with update procedures performed by the actuary to roll forward to the total pension

liability measured as of June 30, 2021. 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 PRI-2012 Employee Tables with the Retiree and Contingent Survivor Tables for annuitants projected forward with scale MP-2020. The actuarial assumptions used in the January 1, 2021 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, 2021 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.

**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, 2021, were as follows:

	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability (a) - (b)</i>
<b>Balances at 6/30/2020</b>	<b>\$95,050,134</b>	<b>\$75,220,864</b>	<b>\$19,829,270</b>
<b>Changes for the fiscal year:</b>			
Service cost	1,400,419	—	1,400,419
Interest	7,356,335	—	7,356,335
Differences between expected and actual experience	(354,879)	—	(354,879)
Assumption changes	(181,066)	—	(181,066)
Contributions - employer	—	2,779,221	(2,779,221)
Contributions - employee	—	293,715	(293,715)
Net investment income	—	20,994,663	(20,994,663)
Benefit payments, including refunds of employee contributions	(3,250,227)	(3,250,227)	—
Administrative expense	—	(81,745)	81,745
<b>Net changes</b>	<b>4,970,582</b>	<b>20,735,627</b>	<b>(15,765,045)</b>
<b>Balances at 6/30/2021</b>	<b>\$100,020,716</b>	<b>\$95,956,491</b>	<b>\$4,064,225</b>

The Plan's fiduciary net position as a percentage of the total pension liability . . . . . 95.9%

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:

<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
\$18,760,417	\$4,064,225	\$(8,115,207)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.** For the fiscal year ended June 30, 2021, the City recognized pension expense of \$754,883. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$142,749	\$(546,666)
Changes in assumptions	973,226	(131,459)
Net difference between projected and actual earnings on pension plan investments	—	(8,267,318)
<b>Total</b>	<b>\$1,115,975</b>	<b>\$(8,945,443)</b>

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

<i>Fiscal Year Ending June 30,</i>	
2022	\$1,142,946
2023	(1,563,188)
2024	(2,118,789)
2025	(3,004,545)
	<b>\$(7,829,468)</b>

## 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, 2021, there were 569 employees and 446 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, 2021, the City's contribution to the 401(a) plan was \$2,466,946. The amount contributed by employees into the 457 plan was \$2,314,203.

## E. OTHER POST-EMPLOYMENT 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, 2019, the date of the latest actuarial valuation:

Active participants	422
Retirees and beneficiaries currently receiving benefits	4
<b>Total</b>	<b>426</b>

**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, 2021, the City's average contribution rate was .29% 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.

**Financial statements.** As of June 30, 2021, the City of Alpharetta Retiree Benefit Plan's statement of fiduciary net position was as follows:

#### **Assets**

Accounts receivable	\$6,007
Investments:	
Money Market Funds	56,331
U.S. Treasuries	125,343
Corporate and Foreign Agencies	460,341
Common Equity Securities	1,250,733
Preferred Equity Securities	2,430
Exchange Traded Funds	94,959
<b>Total assets</b>	<b>1,996,144</b>

#### **Liabilities**

Accounts payable	124,232
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#### **Fiduciary Net Position**

Restricted for postemployment benefits other than pensions	\$1,871,912
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For the fiscal year ended June 30, 2021, the City of Alpharetta Retiree Benefit Plan's statement of changes in fiduciary net position was as follows:

### Additions

Contributions - employer	\$76,589
Investment income:	
Net depreciation of fair value	398,926
Interest and dividends	37,817
Less investment expense	(8,751)
Net investment income	427,992
Total additions	504,581

### Deductions

Benefit payments	34,792
	34,792

Change in net position	469,789
<b>Fiduciary net position - beginning</b>	<b>1,402,123</b>
<b>Fiduciary net position - ending</b>	<b>\$1,871,912</b>

**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, 2021, and the total OPEB liability used to calculate the Net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2020 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, 2019 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 . . . . .	7.5% per annum, gradually decreasing to 3.50%
Inflation rate . . . . .	2.50%
Salary increase . . . . .	2.10%-4.20% plus merit
Participation rate . . . . .	30%

The total OPEB liability was rolled forward to June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. 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, 2019 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.



The components of the net OPEB liability (asset) of the City at June 30, 2021 were as follows:

	<i>Total OPEB Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net OPEB Liability (a) - (b)</i>
<b>Balances at 6/30/2020</b>	<b>\$1,103,986</b>	<b>\$1,402,123</b>	<b>\$(298,137)</b>
<b>Changes for the fiscal year:</b>			
Service cost	70,315	—	70,315
Interest	39,261	—	39,261
Differences between expected and actual experience	11,695	—	11,695
Contributions - employer	—	76,589	(76,589)
Net investment income	—	428,561	(428,561)
Benefit payments, including refunds of employee contributions	(34,792)	(34,792)	—
Administrative expense	—	(569)	569
<b>Net changes</b>	<b>86,479</b>	<b>469,789</b>	<b>(383,310)</b>
<b>Balances at 6/30/2021</b>	<b>\$1,190,465</b>	<b>\$1,871,912</b>	<b>\$(681,447)</b>

The Plan's fiduciary net position as a percentage of the total pension liability . . . . . 157.2%

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:

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Net OPEB liability (asset)	\$(574,351)	\$(681,447)	\$(781,325)

**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 (7.5% decreasing to 6.5%) or 1-percentage-point higher (9.5% decreasing to 8.5%) than the current healthcare cost trend rates:

	<u>1% Decrease (7.5% to 6.5%)</u>	<u>Current Rates (8.5% to 8.5%)</u>	<u>1% Increase (9.5% to 9.5%)</u>
Net OPEB liability (asset)	\$(819,296)	\$(681,447)	\$(520,927)

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, 2021 and the current sharing pattern of costs between employer and employee.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the year ended June 30, 2021, the City recognized OPEB income of \$16,389. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$10,605	\$(149,141)
Changes in assumptions	97,175	(74,786)
Net difference between projected and actual earnings on OPEB plan investments	—	(280,310)
<b>Total</b>	<b>\$107,780</b>	<b>\$(504,237)</b>

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

<i>Fiscal Year Ending June 30,</i>	
2022	\$(76,739)
2023	(81,641)
2024	(82,957)
2025	(88,013)
2026	(12,260)
Thereafter	(54,847)
	<b>\$(396,457)</b>

## 2. Defined Contribution Plan

**Plan description and funding requirements.** In the fiscal year 2019, the City created the OPEB Reimbursement Fund to account for the new retiree reimbursement benefit. Only fulltime 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").

Fulltime 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 deter-

mined 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. For the fiscal year ended June 30, 2021, the City's contribution to the plan was \$574,502 (2% of the gross wages).

## F. 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 \$3,890,093 for the fiscal year ended June 30, 2021. Of this amount 117%, or \$4,546,996, 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.

## G. TAX ABATEMENTS

For the year ended June 30, 2021, City's property tax revenues were reduced by \$268,626 and \$469,567 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.

## H. CHANGE IN REPORTING ENTITY

In accordance with the intergovernmental agreement between the City and the Development Authority, the City will transfer funds to the Authority each year for payment of the 2013 and 2016 bonds. Therefore, in accordance with GASB Statement 61, the Authority

will be presented as a blended component unit rather than discretely presented. The result is a restatement of beginning fund balance of non-major governmental funds and beginning net position of governmental activities as follows:

	<i>Governmental Fund Balance</i>
Beginning fund balance, governmental funds	\$92,793,238
Addition of Development Authority as a blended component unit	145,784
Beginning fund balance, governmental funds, as restated	\$92,939,022

	<i>Governmental Activities</i>
Beginning net position, governmental activities	\$284,041,969
Addition of Development Authority as a blended component unit	(747,229)
Beginning net position, governmental activities, as restated	\$283,294,740



# FINANCIAL SECTION

## Required Supplementary Information



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

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$1,400,419	\$1,428,515	\$1,445,365	\$1,505,980	\$1,598,717	\$1,716,370	\$1,968,015	\$1,567,142
Interest on total pension liability	7,356,335	6,719,752	6,188,428	5,740,858	5,433,736	4,819,727	4,288,338	4,005,310
Differences between expected and actual experience	(354,879)	(250,486)	(273,013)	726,104	(1,092,001)	1,281,931	465,014	—
Change of assumptions	(181,066)	415,494	2,229,270	199,517	186,911	178,382	(4,591,299)	—
Benefit payments, including refunds of employee contributions	(3,250,227)	(2,853,765)	(2,347,569)	(1,993,117)	(1,761,551)	(1,463,409)	(1,327,566)	(1,185,315)
Other charges	—	—	—	—	—	177,741	—	—
<b>Net change in total pension liability</b>	<b>4,970,582</b>	<b>5,459,510</b>	<b>7,242,481</b>	<b>6,179,342</b>	<b>4,365,812</b>	<b>6,710,742</b>	<b>802,502</b>	<b>4,387,137</b>
<b>Total pension liability - beginning</b>	<b>95,050,134</b>	<b>89,590,624</b>	<b>82,348,143</b>	<b>76,168,801</b>	<b>71,802,989</b>	<b>65,092,247</b>	<b>64,289,745</b>	<b>59,902,608</b>
<b>Total pension liability - ending (a)</b>	<b>\$100,020,716</b>	<b>\$95,050,134</b>	<b>\$89,590,624</b>	<b>\$82,348,143</b>	<b>\$76,168,801</b>	<b>\$71,802,989</b>	<b>\$65,092,247</b>	<b>\$64,289,745</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$2,779,221	\$2,775,000	\$2,699,997	\$2,625,003	\$2,500,000	\$2,400,000	\$2,300,000	\$2,250,000
Contributions - employee	293,715	312,296	310,689	338,544	347,281	368,356	368,638	371,246
Net investment income (loss)	20,994,663	781,053	3,435,733	4,747,877	6,679,684	(36,548)	1,709,776	7,664,372
Benefit payments, including refunds of member contributions	(3,250,227)	(2,853,765)	(2,347,569)	(1,993,117)	(1,761,551)	(1,463,409)	(1,327,566)	(1,185,315)
Administrative expenses	(81,745)	(102,812)	(81,237)	(87,942)	(309,924)	(135,692)	(161,357)	(47,295)
<b>Net change in plan fiduciary net position</b>	<b>20,735,627</b>	<b>911,772</b>	<b>4,017,613</b>	<b>5,630,365</b>	<b>7,455,490</b>	<b>1,132,707</b>	<b>2,889,491</b>	<b>9,053,008</b>
<b>Plan fiduciary net position - beginning</b>	<b>75,220,864</b>	<b>74,309,092</b>	<b>70,291,479</b>	<b>64,661,114</b>	<b>57,205,624</b>	<b>56,072,917</b>	<b>53,183,426</b>	<b>44,130,418</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$95,956,491</b>	<b>\$75,220,864</b>	<b>\$74,309,092</b>	<b>\$70,291,479</b>	<b>\$64,661,114</b>	<b>\$57,205,624</b>	<b>\$56,072,917</b>	<b>\$53,183,426</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$4,064,225</b>	<b>\$19,829,270</b>	<b>\$15,281,532</b>	<b>\$12,056,664</b>	<b>\$11,507,687</b>	<b>\$14,597,365</b>	<b>\$9,019,330</b>	<b>\$11,106,319</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>95.9%</b>	<b>79.1%</b>	<b>82.9%</b>	<b>85.4%</b>	<b>84.9%</b>	<b>79.7%</b>	<b>86.1%</b>	<b>82.7%</b>
<b>Covered payroll</b>	<b>\$17,250,670</b>	<b>\$17,423,993</b>	<b>\$17,797,422</b>	<b>\$18,562,532</b>	<b>\$19,186,755</b>	<b>\$20,234,162</b>	<b>\$20,306,168</b>	<b>\$20,203,287</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>23.6%</b>	<b>113.8%</b>	<b>85.9%</b>	<b>65.0%</b>	<b>60.0%</b>	<b>72.1%</b>	<b>44.4%</b>	<b>55.0%</b>

**Notes to the Schedule:**

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

CITY OF ALPHARETTA  
REQUIRED SUPPLEMENTARY INFORMATION  
RETIREMENT PLAN  
**SCHEDULE OF CITY CONTRIBUTIONS**

	2021	2020	2019	2018	2017
Actuarially determined contribution	<b>\$2,592,995</b>	\$2,618,856	\$2,668,838	\$2,359,496	\$2,287,519
Contributions in relation to the actuarially determined contribution	<b>2,779,221</b>	2,775,000	2,699,997	2,625,003	2,500,000
Contribution deficiency (excess)	<b>\$(186,226)</b>	\$(156,144)	\$(31,159)	\$(265,507)	\$(212,481)
Covered payroll	<b>\$17,250,670</b>	\$17,423,993	\$17,797,422	\$18,562,532	\$19,186,755
Contributions as a percentage of covered payroll	<b>16.11%</b>	15.93%	15.17%	14.14%	13.03%
	2016	2015	2014	2013	2012
Actuarially determined contribution	\$2,289,533	\$2,003,761	\$2,200,896	\$2,601,891	\$2,553,324
Contributions in relation to the actuarially determined contribution	2,400,000	2,300,000	2,250,000	2,705,967	2,987,389
Contribution deficiency (excess)	\$(110,467)	\$(296,239)	\$(49,104)	\$(104,076)	\$(434,065)
Covered payroll	\$20,234,162	\$20,306,168	\$20,203,287	\$21,623,292	\$22,141,454
Contributions as a percentage of covered payroll	11.86%	11.33%	11.14%	12.51%	13.49%

**Notes to the Schedule:**

(1) Actuarial Assumptions

Valuation Date . . . . .	January 1, 2021
Cost Method . . . . .	Entry Age Normal
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  
REQUIRED SUPPLEMENTARY INFORMATION  
RETIREMENT PLAN  
**SCHEDULE OF PENSION INVESTMENT RETURNS**

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	<b>28.00%</b>	1.03%	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  
REQUIRED SUPPLEMENTARY INFORMATION  
OPEB RETIREMENT PLAN  
**SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS**

	2021	2020	2019	2018
Total OPEB liability				
Service cost	<b>\$70,315</b>	\$91,360	\$84,028	\$56,869
Interest on total OPEB liability	<b>39,261</b>	42,465	38,813	38,402
Differences between expected and actual experience	<b>11,695</b>	(94,539)	(6,715)	(109,895)
Changes of assumptions and other inputs	<b>—</b>	(91,920)	—	158,319
Benefit payments	<b>(34,792)</b>	(21,875)	(9,094)	(7,686)
<b>Net change in total OPEB liability</b>	<b>86,479</b>	(74,509)	107,032	136,009
<b>Total OPEB liability - beginning</b>	<b>1,103,986</b>	1,178,495	1,071,463	935,454
<b>Total OPEB liability - ending (a)</b>	<b>\$1,190,465</b>	\$1,103,986	\$1,178,495	\$1,071,463
<b>Plan fiduciary net position</b>				
Contributions - employer	<b>\$76,589</b>	\$68,015	\$85,000	\$85,200
Net investment income	<b>428,561</b>	22,207	37,843	16,391
Benefit payments	<b>(34,792)</b>	(21,875)	(9,094)	(7,686)
Administrative expenses	<b>(569)</b>	(298)	(3,832)	—
<b>Net change in plan fiduciary net position</b>	<b>469,789</b>	68,049	109,917	93,905
<b>Plan fiduciary net position - beginning</b>	<b>1,402,123</b>	1,334,074	1,224,157	1,130,252
<b>Plan fiduciary net position - ending (b)</b>	<b>\$1,871,912</b>	\$1,402,123	\$1,334,074	\$1,224,157
<b>City's net OPEB liability (asset) - ending (a) - (b)</b>	<b>\$(681,447)</b>	\$(298,137)	\$(155,579)	\$(152,694)
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>157.24%</b>	127.01%	113.20%	114.25%
<b>Covered payroll</b>	<b>\$26,593,414</b>	\$26,255,937	\$21,788,982	\$21,788,982
<b>Net OPEB liability (asset) as a percentage of covered payroll</b>	<b>-2.6%</b>	-1.1%	-0.7%	-0.7%

**Notes to the Schedule:** The schedule will present 10 years of information once it is accumulated.

CITY OF ALPHARETTA  
REQUIRED SUPPLEMENTARY INFORMATION  
OPEB RETIREMENT PLAN  
**SCHEDULE OF CITY CONTRIBUTIONS**

	2021	2020	2019	2018
Actuarially determined contribution	\$ —	\$ —	\$68,015	\$60,889
Contributions in relation to the actuarially determined contribution	<b>76,589</b>	68,015	85,000	85,200
Contribution deficiency (excess)	<b>\$(76,589)</b>	\$(68,015)	\$(16,985)	\$(24,311)
Covered payroll	<b>\$26,593,414</b>	\$26,255,937	\$21,788,982	\$21,788,982
Contributions as a percentage of covered payroll	<b>0.29%</b>	0.26%	0.39%	0.39%

**Notes to the Schedule:**

(1) Actuarial Assumptions

Valuation Date	July 1, 2019
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	3.50%
Projected Salary Increases	2.10% to 4.20%, including 2.5% for inflation
Cost-of-living Adjustment	None
Amortization Method	Level dollar, open
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:	7.50% 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  
REQUIRED SUPPLEMENTARY INFORMATION  
OPEB RETIREMENT PLAN  
**SCHEDULE OF OPEB INVESTMENT RETURNS**

	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expenses for the City's OPEB Plan	<b>29.80%</b>	1.71%	1.68%	1.55%

**Notes to the Schedule:**

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



CITY OF ALPHARETTA  
REQUIRED SUPPLEMENTARY INFORMATION: GENERAL FUND  
**BUDGETARY COMPARISON SCHEDULE – GAAP BASIS**

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
<b>Revenues:</b>				
Property taxes	\$27,242,000	\$27,242,000	\$29,314,431	\$2,072,431
Sales and use taxes	13,479,457	13,479,457	16,984,903	3,505,446
Franchise taxes	6,675,000	6,675,000	6,858,414	183,414
Business taxes	5,717,500	5,956,700	6,198,056	241,356
Other taxes	2,925,250	2,925,250	3,901,833	976,583
Licenses and permits	2,609,750	2,579,750	3,056,142	476,392
Charges for services	3,289,800	3,363,357	4,536,057	1,172,700
Fines and forfeitures	1,806,000	1,806,000	1,392,738	(413,262)
Intergovernmental	113,000	269,000	338,694	69,694
Contributions and donations	116,194	121,930	113,467	(8,463)
Investment earnings	310,000	310,000	104,382	(205,618)
Other revenues	68,169	80,272	102,550	22,278
<b>Total revenues</b>	<b>64,352,120</b>	<b>64,808,716</b>	<b>72,901,667</b>	<b>8,092,951</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
City clerk	280,513	281,635	266,023	15,612
Mayor and council	382,449	382,505	368,717	13,788
Municipal court	996,572	1,042,645	905,796	136,849
Legal	750,000	750,000	762,682	(12,682)
City administrator	1,406,274	1,006,678	1,001,094	5,584
Finance	3,526,347	3,541,567	3,354,718	186,849
Human resources	637,542	647,529	521,820	125,709
Technology services	2,188,994	2,194,661	2,029,606	165,055
Non-departmental	4,277,219	3,987,219	757,676	3,229,543
<b>Total general government</b>	<b>14,445,910</b>	<b>13,834,439</b>	<b>9,968,132</b>	<b>3,866,307</b>
<b>Public safety</b>	<b>29,715,202</b>	<b>30,140,894</b>	<b>28,769,613</b>	<b>1,371,281</b>
<b>Public works</b>	<b>8,969,740</b>	<b>9,046,380</b>	<b>8,536,228</b>	<b>510,152</b>
<b>Community development</b>	<b>3,700,602</b>	<b>4,190,713</b>	<b>3,868,757</b>	<b>321,956</b>
<b>Culture and recreation</b>	<b>9,957,642</b>	<b>10,091,466</b>	<b>8,866,601</b>	<b>1,224,865</b>
<b>Debt service</b>				
Principal	771,432	717,432	717,727	(295)
Interest	160,232	156,032	164,638	(8,606)
<b>Total expenditures</b>	<b>67,720,760</b>	<b>68,177,356</b>	<b>60,891,696</b>	<b>7,285,660</b>
<b>Excess of revenues over expenditures</b>	<b>(3,368,640)</b>	<b>(3,368,640)</b>	<b>12,009,971</b>	<b>15,378,611</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	\$90,000	\$90,000	\$ 123,658	\$ 33,658
Transfers in	2,531,250	2,531,250	1,458,781	(1,072,469)
Transfers out	(4,541,862)	(4,541,862)	(4,541,862)	—
<b>Total other financing sources (uses)</b>	<b>(1,920,612)</b>	<b>(1,920,612)</b>	<b>(2,959,423)</b>	<b>(1,038,811)</b>
<b>Net change in fund balances</b>	<b>(5,289,252)</b>	<b>(5,289,252)</b>	<b>9,050,548</b>	<b>14,339,800</b>
<b>Fund balances, beginning of fiscal year</b>	<b>26,626,051</b>	<b>26,626,051</b>	<b>26,626,051</b>	<b>—</b>
<b>Fund balances, end of fiscal year</b>	<b>\$21,336,799</b>	<b>\$21,336,799</b>	<b>\$35,676,599</b>	<b>\$14,339,800</b>

# 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.

**Development Authority** – This fund is used to account for the activity of the blended component unit. The Authority promotes the public good and general welfare, trade, commerce, industry, general tax base, and the employment opportunities in the City.

## Capital Projects Funds

**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  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2021 – Page 1 of 2

*Special Revenue Funds*

	<i>Hotel Motel</i>	<i>Impact Fee</i>	<i>Confiscated Assets</i>	<i>Grant Operating</i>	<i>E911</i>
<b>ASSETS</b>					
Cash and cash equivalents	\$741,476	\$2,387,782	\$190,128	\$63,075	\$1,261,681
Investments	459,167	1,478,659	12,369	39,060	781,309
Taxes receivable, net	590,241	—	—	—	—
Accounts receivable	—	—	—	—	696,517
Intergovernmental receivable	—	—	—	35,460	—
Total assets	\$1,790,884	\$3,866,441	\$202,497	\$137,595	\$2,739,507

**LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCES**

continued  
on next page →

**LIABILITIES**

Accounts payable	\$ —	\$30,226	\$ —	\$2,541	\$6,322
Retainage payable	—	9,482	—	—	—
Accrued expenditures	258,231	17,018	809	—	103,612
Due to other funds	221,341	—	689	—	—
Total liabilities	479,572	56,726	1,498	2,541	109,934

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue - property taxes	—	—	—	—	—
Unavailable revenue - other	—	—	—	33,946	—
Total deferred inflows of resources	—	—	—	33,946	—

**FUND BALANCES**

Restricted:					
Capital projects	—	3,809,715	—	—	—
Law enforcement	—	—	200,999	—	—
Emergency telephone system activities	—	—	—	—	2,629,573
Tourism	1,311,312	—	—	—	—
Debt service	—	—	—	—	—
Assigned for:					
Grant projects	—	—	—	101,108	—
Economic development	—	—	—	—	—
Stormwater projects	—	—	—	—	—
Total fund balances	1,311,312	3,809,715	200,999	101,108	2,629,573
Total liabilities, deferred inflows of resources, and fund balances	\$1,790,884	\$3,866,441	\$202,497	\$137,595	\$2,739,507

CITY OF ALPHARETTA  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2021 – Page 2 of 2

	<i>Special Revenue Funds</i>	<i>Capital Project Funds</i>		<i>Debt Service Fund</i>	<i>Total Nonmajor Governmental Funds</i>
	<i>Development Authority</i>	<i>Grant Capital Fund</i>	<i>Stormwater Capital Fund</i>		
<b>ASSETS</b>					
Cash and cash equivalents	\$266,177	\$413,277	\$1,093,570	\$524,682	\$6,941,848
Investments	—	34,164	677,205	319,888	3,801,821
Taxes receivable, net	—	—	—	70,412	660,653
Accounts receivable	—	—	—	—	696,517
Intergovernmental receivable	—	420,711	—	—	456,171
Total assets	\$266,177	\$868,152	\$1,770,775	\$914,982	\$12,557,010
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$1,965	\$221,685	\$300,738	\$3,028	\$566,505
Retainage payable	—	57,394	—	—	66,876
Accrued expenditures	—	—	—	—	379,670
Due to other funds	1,091	—	—	—	223,121
Total liabilities	3,056	279,079	300,738	3,028	1,236,172
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	—	—	—	60,445	60,445
Unavailable revenue - other	—	420,711	—	—	454,657
Total deferred inflows of resources	—	420,711	—	60,445	515,102
<b>FUND BALANCES</b>					
Restricted:					
Capital projects	—	—	—	—	3,809,715
Law enforcement	—	—	—	—	200,999
Emergency telephone system activities	—	—	—	—	2,629,573
Tourism	—	—	—	—	1,311,312
Debt service	—	—	—	851,509	851,509
Assigned for:					
Grant projects	—	168,362	—	—	269,470
Economic development	263,121	—	—	—	263,121
Stormwater projects	—	—	1,470,037	—	1,470,037
Total fund balances	263,121	168,362	1,470,037	851,509	10,805,736
Total liabilities, deferred inflows of resources, and fund balances	\$266,177	\$868,152	\$1,770,775	\$914,982	\$12,557,010

CITY OF ALPHARETTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended June 30, 2021 – Page 1 of 2

*Special Revenue Funds*

	<i>Hotel Motel</i>	<i>Impact Fee</i>	<i>Confiscated Assets</i>	<i>Grant Operating</i>	<i>E911</i>
<b>Revenues:</b>					
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Hotel/Motel taxes	3,890,093	—	—	—	—
Impact fees	—	2,098,746	—	—	—
Charges for services	—	—	—	—	3,239,918
Forfeiture income	—	—	265,334	—	—
Intergovernmental	—	—	—	19,414	1,158,389
Contributions	—	—	—	6,230	—
Investment earnings	1,583	2,495	1,092	9,180	756
Other revenues	—	—	—	—	7,621
<b>Total revenues</b>	<b>3,891,676</b>	<b>2,101,241</b>	<b>266,426</b>	<b>34,824</b>	<b>4,406,684</b>
<b>Expenditures:</b>					
Current:					
General government	—	—	—	1,300	—
Public safety	—	12,700	339,737	53,630	3,942,761
Culture and recreation	—	—	—	26,043	—
Community development	1,776,253	—	—	—	—
Public works	—	1,537,131	—	—	—
Capital outlay	—	—	—	—	—
Debt service:					
Principal	540,000	—	—	—	70,735
Interest	771,963	—	—	—	6,041
<b>Total expenditures</b>	<b>3,088,216</b>	<b>1,549,831</b>	<b>339,737</b>	<b>80,973</b>	<b>4,019,537</b>
Excess (deficiency) of revenues over expenditures	803,460	551,410	(73,311)	(46,149)	387,147
<b>Other financing sources (uses):</b>					
Transfers out	(1,458,781)	—	—	—	—
Transfers in	—	—	—	—	—
Proceeds from sale of capital assets	—	—	7,825	—	—
<b>Total other financing sources (uses)</b>	<b>(1,458,781)</b>	<b>—</b>	<b>7,825</b>	<b>—</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>(655,321)</b>	<b>551,410</b>	<b>(65,486)</b>	<b>(46,149)</b>	<b>387,147</b>
<b>Fund balances, beginning of fiscal year</b>	<b>1,966,633</b>	<b>3,258,305</b>	<b>266,485</b>	<b>147,257</b>	<b>2,242,426</b>
<b>Fund balances, end of fiscal year</b>	<b>\$1,311,312</b>	<b>\$3,809,715</b>	<b>\$200,999</b>	<b>\$101,108</b>	<b>\$2,629,573</b>

continued  
on next page →

CITY OF ALPHARETTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2021 – Page 2 of 2

	<i>Special Revenue Funds</i>		<i>Capital Project Funds</i>			<i>Total Nonmajor Governmental Funds</i>
	<i>Development Authority</i>	<i>Grant Capital Fund</i>	<i>Stormwater Capital Fund</i>	<i>Debt Service Fund</i>		
<b>Revenues:</b>						
Property taxes	\$ —	\$ —	\$ —	\$5,146,453		\$5,146,453
Hotel/Motel taxes	—	—	—	—		3,890,093
Impact fees	—	—	—	—		2,098,746
Charges for services	—	—	—	—		3,239,918
Forfeiture income	—	—	—	—		265,334
Intergovernmental	—	2,649,730	751	—		3,828,284
Contributions	—	—	—	—		6,230
Investment earnings	1,196	—	1,222	582		18,106
Other revenues	250,501	—	—	13		258,135
Total revenues	251,697	2,649,730	1,973	5,147,048		18,751,299
<b>Expenditures:</b>						
Current:						
General government	134,360	—	—	6,600		142,260
Public safety	—	—	—	—		4,348,828
Culture and recreation	—	—	—	—		26,043
Community development	—	—	—	—		1,776,253
Public works	—	—	1,432,771	—		2,969,902
Capital outlay	—	2,537,814	—	—		2,537,814
Debt service:						
Principal	—	—	—	2,350,000		2,960,735
Interest	—	—	—	2,587,139		3,365,143
Total expenditures	134,360	2,537,814	1,432,771	4,943,739		18,126,978
Excess (deficiency) of revenues over expenditures	117,337	111,916	(1,430,798)	203,309		624,321
<b>Other financing sources (uses):</b>						
Transfers out	—	—	—	—		(1,458,781)
Transfers in	—	—	1,385,000	—		1,385,000
Proceeds from sale of capital assets	—	—	—	—		7,825
Total other financing sources (uses)	—	—	1,385,000	—		(65,956)
Net change in fund balances	117,337	111,916	(45,798)	203,309		558,365
Fund balances, beginning of fiscal year	145,784	56,446	1,515,835	648,200		10,247,371
Fund balances, end of fiscal year	\$263,121	\$168,362	\$1,470,037	\$851,509		\$10,805,736

## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Hotel/Motel taxes	\$6,750,000	\$6,750,000	\$3,890,093	\$(2,859,907)
Investment earnings	52,338	52,338	1,583	(50,755)
Total revenues	6,802,338	6,802,338	3,891,676	(2,910,662)
<b>Expenditures:</b>				
Current:				
Community development	2,959,125	3,908,364	1,776,253	2,132,111
Debt service:				
Principal	540,000	540,000	540,000	—
Interest	771,963	771,963	771,963	—
Total expenditures	4,271,088	5,220,327	3,088,216	2,132,111
Excess of revenues over expenditures	2,531,250	1,582,011	803,460	(778,551)
<b>Other financing sources (uses):</b>				
Transfers out	(2,531,250)	(2,531,250)	(1,458,781)	1,072,469
Total other financing sources (uses)	(2,531,250)	(2,531,250)	(1,458,781)	1,072,469
Net changes in fund balances	—	(949,239)	(655,321)	293,918
<b>Fund balances, beginning of fiscal year</b>	1,966,633	1,966,633	1,966,633	—
<b>Fund balances, end of fiscal year</b>	\$1,966,633	\$1,017,394	\$1,311,312	\$293,918

## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Impact fees	\$ —	\$745,000	\$2,098,746	\$1,353,746
Investment earnings	—	—	2,495	2,495
Total revenues	—	745,000	2,101,241	1,356,241
<b>Expenditures:</b>				
Current:				
Public safety	—	12,700	12,700	—
Public works	925,000	3,990,605	1,537,131	2,453,474
Total expenditures	925,000	4,003,305	1,549,831	2,453,474
Net changes in fund balances	(925,000)	(3,258,305)	551,410	3,809,715
<b>Fund balances, beginning of fiscal year</b>	3,258,305	3,258,305	3,258,305	—
<b>Fund balances, end of fiscal year</b>	<b>\$2,333,305</b>	<b>\$ —</b>	<b>\$3,809,715</b>	<b>\$3,809,715</b>



## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance with Final Budget</i>
<b>Revenues:</b>				
Forfeiture income	\$160,000	\$265,130	\$265,334	\$204
Investment earnings	—	—	1,092	1,092
Total revenues	160,000	265,130	266,426	1,296
<b>Expenditures:</b>				
Current:				
Public safety	315,282	531,615	339,737	191,878
Total expenditures	315,282	531,615	339,737	191,878
Deficiency of revenues over expenditures	(155,282)	(266,485)	(73,311)	193,174
<b>Other financing sources:</b>				
Proceeds from sale of capital assets	—	—	7,825	7,825
Total other financing sources	—	—	7,825	7,825
Net changes in fund balances	(155,282)	(266,485)	(65,486)	200,999
<b>Fund balances, beginning of fiscal year</b>	266,485	266,485	266,485	—
<b>Fund balances, end of fiscal year</b>	\$111,203	\$ —	\$200,999	\$200,999

## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Intergovernmental	\$ —	\$68,521	\$19,414	\$(49,107)
Contributions	—	6,910	6,230	(680)
Investment earnings	—	8,001	9,180	1,179
Total revenues	—	83,432	34,824	(48,608)
<b>Expenditures:</b>				
Current:				
General government	—	96,453	1,300	95,153
Public safety	—	98,600	53,630	44,970
Culture and recreation	—	35,636	26,043	9,593
Total expenditures	—	230,689	80,973	149,716
Net changes in fund balances	—	(147,257)	(46,149)	101,108
<b>Fund balances, beginning of fiscal year</b>	147,257	147,257	147,257	—
<b>Fund balances, end of fiscal year</b>	\$147,257	\$ —	\$101,108	\$101,108

## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Investment earnings	\$ —	\$ —	\$1,196	\$1,196
Other income	—	397,865	250,501	(147,364)
Total revenues	—	397,865	251,697	(146,168)
<b>Expenditures:</b>				
Current:				
General government	—	397,865	134,360	263,505
Total expenditures	—	397,865	134,360	263,505
Net changes in fund balances	—	—	117,337	117,337
<b>Fund balances, beginning of fiscal year</b>	145,784	145,784	145,784	—
<b>Fund balances, end of fiscal year</b>	\$145,784	\$145,784	\$263,121	\$117,337

## CITY OF ALPHARETTA

**EMERGENCY 911 FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>			<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
<b>Revenues:</b>				
Charges for services	\$3,120,000	\$3,120,000	\$3,239,918	\$119,918
Intergovernmental	1,130,000	1,130,000	1,158,389	28,389
Investment earnings	26,568	26,568	756	(25,812)
Other revenues	—	—	7,621	7,621
Total revenues	4,276,568	4,276,568	4,406,684	130,116
<b>Expenditures:</b>				
Current:				
Public safety	4,199,790	5,542,215	3,942,761	1,599,454
Debt service:				
Principal	70,736	70,736	70,735	1
Interest	6,042	6,042	6,041	1
Total expenditures	4,276,568	5,618,993	4,019,537	1,599,456
Net changes in fund balances	—	(1,342,425)	387,147	1,729,572
<b>Fund balances, beginning of fiscal year</b>	2,242,426	2,242,426	2,242,426	—
<b>Fund balances, end of fiscal year</b>	\$2,242,426	\$900,001	\$2,629,573	\$1,729,572

## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Intergovernmental	\$ —	\$3,070,446	\$2,649,730	\$(420,716)
Total revenues	—	3,070,446	2,649,730	(420,716)
<b>Expenditures:</b>				
Capital outlay	—	2,538,988	2,537,814	1,174
Total expenditures	—	2,538,988	2,537,814	1,174
Net changes in fund balances	—	531,458	1 11,916	(419,542)
<b>Fund balances, beginning of fiscal year</b>	56,446	56,446	56,446	—
<b>Fund balances, end of fiscal year</b>	\$56,446	\$587,904	\$168,362	\$ (419,542)

## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Intergovernmental	\$ —	\$ —	\$751	\$751
Interest	—	—	1,222	1,222
Total revenues	—	—	1,973	1,973
<b>Expenditures:</b>				
Current:				
Public works	1,710,000	2,879,680	1,432,771	1,446,909
Culture and recreation	—	21,155	—	21,155
Total expenditures	1,710,000	2,900,835	1,432,771	1,468,064
Deficiency of revenues over expenditures	(1,710,000)	(2,900,835)	(1,430,798)	1,470,037
Other financing sources:				
Transfers in	1,385,000	1,385,000	1,385,000	—
Total other financing sources	1,385,000	1,385,000	1,385,000	—
Net changes in fund balances	(325,000)	(1,515,835)	(45,798)	1,470,037
<b>Fund balances, beginning of fiscal year</b>	1,515,835	1,515,835	1,515,835	—
<b>Fund balances, end of fiscal year</b>	\$1,190,835	\$ —	\$1,470,037	\$1,470,037

## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Intergovernmental	\$ —	\$13,654,068	\$11,350,820	\$(2,303,248)
Contributions and donations	—	586,034	356,407	(229,627)
Investment earnings	171,748	171,748	5,088	(166,660)
Miscellaneous	—	3,991,180	3,945,003	(46,177)
Total revenues	171,748	18,403,030	15,657,318	(2,745,712)
<b>Expenditures:</b>				
Capital outlay	7,428,610	30,013,892	17,725,288	12,288,604
Debt service:				
Principal	—	100,000	108,464	(8,464)
Total expenditures	7,428,610	30,113,892	17,833,752	12,280,140
Deficiency of revenues over expenditures	(7,256,862)	(11,710,862)	(2,176,434)	9,534,428
<b>Other financing sources:</b>				
Issuance of financed purchases	—	1,311,250	1,311,250	—
Transfers in	3,156,862	3,156,862	3,156,862	—
Total other financing sources	3,156,862	4,468,112	4,468,112	—
Net changes in fund balances	(4,100,000)	(7,242,750)	2,291,678	9,534,428
<b>Fund balances, beginning of fiscal year</b>	7,242,750	7,242,750	7,242,750	—
<b>Fund balances, end of fiscal year</b>	\$3,142,750	\$ —	\$9,534,428	\$9,534,428

## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Sales and use taxes	\$10,400,000	\$10,400,000	\$12,093,551	\$1,693,551
Investment earnings	300,000	300,000	24,502	(275,498)
Total revenues	10,700,000	10,700,000	12,118,053	1,418,053
<b>Expenditures:</b>				
Public works	26,200,000	38,697,505	5,757,227	32,940,278
Total expenditures	26,200,000	38,697,505	5,757,227	32,940,278
Net changes in fund balances	(15,500,000)	(27,997,505)	6,360,826	34,358,331
<b>Fund balances, beginning of fiscal year</b>	27,997,505	27,997,505	27,997,505	—
<b>Fund balances, end of fiscal year</b>	\$12,497,505	\$ —	\$34,358,331	\$34,358,331



## CITY OF ALPHARETTA

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

For the Fiscal Year Ended June 30, 2021

	<i>Budget</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues:</b>				
Property taxes	\$4,953,000	\$4,953,000	\$5,146,453	\$193,453
Investment earnings	—	—	582	582
Other revenues	—	—	13	13
Total revenues	4,953,000	4,953,000	5,147,048	194,048
<b>Expenditures:</b>				
Current:				
General government	15,860	664,059	6,600	657,459
Debt service:				
Principal	2,350,000	2,350,000	2,350,000	—
Interest and fiscal charges	2,587,140	2,587,140	2,587,139	1
Total expenditures	4,953,000	5,601,199	4,943,739	657,460
Net changes in fund balances	—	(648,199)	203,309	851,508
<b>Fund balances, beginning of fiscal year</b>	648,200	648,200	648,200	—
<b>Fund balances, end of fiscal year</b>	\$648,200	\$1	\$851,509	\$ 851,508

CITY OF ALPHARETTA

**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH PROCEEDS FROM TRANSPORTATION**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST)**  
For the Fiscal Year Ended June 30, 2021

Project	Estimated Cost		Expenditures			Project Completion
	Original	Current	Prior	Current	Total	
TSPLOST TIER 1:						
Congestion Relief						
Haynes Bridge Road, Old Milton Parkway, McGinnis Ferry Road, Windward Parkway Business District, and Union Hill	\$32,647,634	\$14,118,054	\$1,637,186	\$1,952,241	\$3,589,427	25.42%
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	33,630,132	6,216,592	1,401,368	7,617,960	22.65%
TSPLOST TIER 2:						
Kimball Bridge Road Operations and Ped/Bike Improvements	4,906,529	1,359,742	285,276	781,550	1,066,826	78.46%
Adaptive Traffic Signals, ITS Milling, Resurfacing	1,500,000	—	—	—	—	0.00%
Sidewalks	1,000,000	3,804,906	—	929,439	929,439	24.43%
Debt Service	1,000,000	—	—	—	—	0.00%
Quick Response Projects	1,000,000	—	—	—	—	0.00%
TSPLOST TIER 3:						
Bridges						
Academy St., Webb Bridge Road, Ga 400 Bridge Improvements, and Kimball Bridge/Ga 400 Improvements	7,293,644	4,886,000	44,800	692,629	737,429	15.09%
Commuter Bike Corridor	500,000	—	—	—	—	0.00%
Ga 400 Bottlenecks	1,650,000	—	—	—	—	0.00%
TOTAL TSPLOST						
	\$72,153,836	\$57,798,834	\$8,183,854	\$5,757,227	\$13,941,081	

CITY OF ALPHARETTA  
**COMBINING STATEMENT OF NET POSITION**  
INTERNAL SERVICE FUNDS  
June 30, 2021

<b>ASSETS</b>	<i>Governmental Activities - Internal Service Funds</i>		
	<i>Risk Management Fund</i>	<i>Medical Insurance Fund</i>	<i>Total</i>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$1,232,858	\$597,153	\$1,830,011
Accounts receivables	2,098	214,670	216,768
Investments	763,460	237,725	1,001,185
Total assets	1,998,416	1,049,548	3,047,964
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	33,335	—	33,335
Claims payable, due within one year	381,920	1,088,921	1,470,841
Total current liabilities	415,255	1,088,921	1,504,176
<b>NON-CURRENT LIABILITIES:</b>			
Claims payable, due in more than one year	411,255	—	411,255
Total non-current liabilities	411,255	—	411,255
Total liabilities	826,510	1,088,921	1,915,431
<b>NET POSITION (DEFICIT)</b>			
Unrestricted	1,171,906	(39,373)	1,132,533
Total net position	\$1,171,906	\$(39,373)	\$1,132,533

CITY OF ALPHARETTA  
**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2021

	<i>Governmental Activities - Internal Service Funds</i>		
	<i>Risk Management Fund</i>	<i>Medical Insurance Fund</i>	<i>Total</i>
<b>OPERATING REVENUES</b>			
Charges for services:			
Charges for service	\$1,513,611	\$7,908,337	\$9,421,948
Miscellaneous revenue	33,611	—	33,611
Total operating revenues	1,547,222	7,908,337	9,455,559
<b>OPERATING EXPENSES</b>			
Administration	85,452	—	85,452
Claims and judgements	693,981	6,125,879	6,819,860
Premiums	741,895	1,825,087	2,566,982
Total operating expenses	1,521,328	7,950,966	9,472,294
Operating income	25,894	(42,629)	(16,735)
<b>NON-OPERATING REVENUES</b>			
Investment earnings	1,198	807	2,005
Total non-operating revenues	1,198	807	2,005
Change in net position	27,092	(41,822)	(14,730)
<b>NET POSITION, beginning of year</b>	1,144,814	2,449	1,147,263
<b>NET POSITION (DEFICIT), end of year</b>	\$1,171,906	\$(39,373)	\$1,132,533

CITY OF ALPHARETTA  
**COMBINING STATEMENT OF CASH FLOWS**  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2021

	<i>Governmental Activities - Internal Service Funds</i>		
	<i>Risk Management Fund</i>	<i>Medical Insurance Fund</i>	<i>Total</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$1,545,124	\$8,002,405	\$9,547,529
Payments to vendors/suppliers	(733,147)	(1,825,087)	(2,558,234)
Payments on claims	(818,682)	(6,094,801)	(6,913,483)
Net cash provided by (used in) operating activities	(6,705)	82,517	75,812
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of investments	(220,298)	—	(220,298)
Purchase of investments	—	(130,822)	(130,822)
Interest and dividends received	1,198	807	2,005
Net cash used in investing activities	(219,100)	(130,015)	(349,115)
Decrease in cash and cash equivalents	(225,805)	(47,498)	(273,303)
<b>Cash and cash equivalents, beginning of year</b>	1,458,663	644,651	2,103,314
<b>Cash and cash equivalents, end of year</b>	\$1,232,858	\$597,153	\$1,830,011
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$25,894	\$(42,629)	\$(16,735)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
(Increase) decrease in due from other funds	(2,098)	94,068	91,970
Increase in accounts payable	8,748	—	8,748
Increase (decrease) in claims payable	(39,249)	31,078	(8,171)
Net cash provided by (used in) operating activities	\$(6,705)	\$82,517	\$75,812

CITY OF ALPHARETTA  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
 FIDUCIARY FUNDS  
 June 30, 2021

<b>ASSETS</b>	<i>Pension Plan</i>	<i>OPEB Plan</i>	<i>OPEB Retirement Reimbursement Plan</i>	<i>Total</i>
Cash	\$2,565	\$ —	\$ —	\$2,565
Accounts receivable	288,127	6,007	12,615	306,749
Investments:				
Money Market Funds	898,094	56,331	93,454	1,047,879
U.S. Treasuries	5,898,390	125,343	262,002	6,285,735
Corporate and Foreign Agencies	20,628,151	460,341	967,288	22,055,780
Common Equity Securities	62,590,808	1,250,733	2,631,823	66,473,364
Preferred Equity Securities	114,812	2,430	5,134	122,376
Equity Mutual Funds	978,820	—	—	978,820
Exchange Traded Funds	4,805,532	94,959	199,323	5,099,814
Total assets	96,205,299	1,996,144	4,171,639	102,373,082
<b>LIABILITIES</b>				
Accounts payable	248,808	124,232	78,923	451,963
Total liabilities	248,808	124,232	78,923	451,963
<b>NET POSITION</b>				
Restricted for:				
Pensions	95,956,491	—	—	95,956,491
Postemployment benefits other than pensions	—	1,871,912	4,092,716	5,964,628
Net position restricted for retiree benefits	\$95,956,491	\$1,871,912	\$4,092,716	\$101,921,119

CITY OF ALPHARETTA

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

**FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2021

	<i>Pension Plan</i>	<i>OPEB Plan</i>	<i>OPEB Retirement Reimbursement Plan</i>	<i>Total</i>
<b>ADDITIONS</b>				
Contributions:				
Employee contributions	\$293,715	\$ —	\$ —	\$293,715
Employer contributions	2,779,221	76,589	574,502	3,430,312
Total contributions	3,072,936	76,589	574,502	3,724,027
Investment income:				
Net appreciation of fair value of investments	19,559,290	398,926	812,560	20,770,776
Interest and dividends	1,916,853	37,817	77,876	2,032,546
Less investment expense	(483,458)	(8,751)	(16,779)	(508,988)
Net investment income	20,992,685	427,992	873,657	22,294,334
Total additions	24,065,621	504,581	1,448,159	26,018,361
<b>DEDUCTIONS</b>				
Benefit payments	3,250,227	34,792	56,852	3,341,871
Administrative expenses	79,767	—	2,123	81,890
Total deductions	3,329,994	34,792	58,975	3,423,761
Change in net position	20,735,627	469,789	1,389,184	22,594,600
<b>NET POSITION RESTRICTED FOR RETIREE BENEFITS</b>				
Beginning of year	75,220,864	1,402,123	2,703,532	79,326,519
End of year	\$95,956,491	\$1,871,912	\$4,092,716	\$101,921,119



# STATISTICAL SECTION





This part of the City of Alpharetta’s annual comprehensive 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.

*Contents*

*Pages*

**Financial Trends . . . . .**

**99–105**

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 . . . . .**

**106–108**

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

**Debt Capacity . . . . .**

**109–110**

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 . . . . .**

**111**

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 . . . . .**

**112–114**

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  
**NET POSITION BY COMPONENT**  
 LAST TEN FISCAL YEARS  
 (Accrual Basis of Accounting)

	2021	2020	2019	2018	2017 <sup>2</sup>
<i>Governmental activities</i>					
Net investment in capital assets	<b>\$227,123,239</b>	\$223,789,948	\$214,287,654	\$207,591,819	\$156,743,582
Restricted	<b>44,481,028</b>	40,012,955	31,734,150	21,779,964	60,101,289
Unrestricted	<b>37,721,528</b>	20,239,066	24,935,364	26,815,118	31,781,332
Total governmental activities net position	<b>\$309,325,795</b>	\$284,041,969	\$270,957,168	\$256,186,901	\$248,626,203
<i>Business-type activities</i>					
Unrestricted	<b>\$802,291</b>	\$1,147,524	\$1,206,592	\$1,186,192	\$1,133,212
Total business-type activities net position	<b>\$802,291</b>	\$1,147,524	\$1,206,592	\$1,186,192	\$1,133,212
<i>Primary government</i>					
Net investment in capital assets	<b>\$227,123,239</b>	\$223,789,948	\$214,287,654	\$207,591,819	\$156,743,582
Restricted	<b>44,481,028</b>	40,012,955	31,734,150	21,779,964	60,101,289
Unrestricted	<b>38,523,819</b>	21,386,590	26,141,956	28,001,310	32,914,544
Total primary government net position	<b>\$310,128,086</b>	\$285,189,493	\$272,163,760	\$257,373,093	\$249,759,415
	2016	2015	2014 <sup>1</sup>	2013	2012
<i>Governmental activities</i>					
Net investment in capital assets	\$215,676,760	\$201,023,973	\$201,359,025	\$203,216,963	\$210,559,491
Restricted	9,761,642	7,791,738	9,614,036	8,063,704	6,669,541
Unrestricted	21,343,378	19,004,765	17,825,182	29,004,650	28,447,427
Total governmental activities net position	\$246,781,780	\$227,820,476	\$228,798,243	\$240,285,317	\$245,676,459
<i>Business-type activities</i>					
Unrestricted	\$1,123,990	\$967,766	\$1,013,492	\$1,026,865	\$1,016,648
Total business-type activities net position	\$1,123,990	\$967,766	\$1,013,492	\$1,026,865	\$1,016,648
<i>Primary government</i>					
Net investment in capital assets	\$215,676,760	\$201,023,973	\$201,359,025	\$203,216,963	\$210,559,491
Restricted	9,761,642	7,791,738	9,614,036	8,063,704	6,669,541
Unrestricted	22,467,368	19,972,531	18,838,674	30,031,515	29,464,075
Total primary government net position	\$247,905,770	\$228,788,242	\$229,811,735	\$241,312,182	\$246,693,107

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.

CITY OF ALPHARETTA  
**CHANGES IN NET POSITION**  
 LAST TEN FISCAL YEARS  
 Accrual Basis of Accounting – Page 1 of 2

Expenses	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities <sup>1</sup> :										
General government	\$14,102,831	\$12,897,560	\$15,780,792	\$21,454,576	\$29,135,914	\$11,509,627	\$12,065,471	\$11,463,544	\$12,321,146	\$10,825,565
Public safety	33,800,622	45,004,360	33,611,899	32,400,805	30,123,186	30,252,024	32,637,732	27,912,188	26,435,109	25,811,403
Public works	36,021,581	17,502,024	21,553,723	10,681,676	14,533,961	19,358,138	17,529,801	14,035,094	17,291,919	13,955,690
Community development	6,927,901	7,480,557	7,319,083	6,553,596	5,772,585	5,416,361	5,183,616	4,774,226	8,668,317	3,901,289
Culture and recreation	585,966	10,995,696	10,465,655	14,990,020	10,686,154	9,191,257	8,111,598	7,834,329	7,139,273	7,324,834
Interest on long-term debt	2,782,224	3,931,148	3,583,252	3,995,843	3,835,898	1,556,382	1,606,823	1,807,273	1,860,527	1,766,432
Total governmental activities expenses	94,221,125	97,811,345	92,314,404	90,076,516	94,087,698	77,283,789	77,135,041	67,826,654	73,716,291	63,585,213
Business-type activities:										
Solid Waste	4,749,994	4,319,502	4,226,955	3,818,643	3,274,907	3,077,407	3,264,095	3,213,392	3,197,191	3,144,127
Total business-type activities expenses	4,749,994	4,319,502	4,226,955	3,818,643	3,274,907	3,077,407	3,264,095	3,213,392	3,197,191	3,144,127
Total primary government expenses	\$98,971,119	\$102,130,847	\$96,541,359	\$93,895,159	\$97,362,605	\$80,361,196	\$80,399,136	\$71,040,046	\$76,913,482	\$66,729,340
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	700,631	\$75,708	\$98,287	\$131,490	\$128,321	\$3,614,607	\$3,318,538	\$2,843,024	\$2,967,937	\$3,262,882
Public safety	7,552,607	6,807,102	7,779,202	6,948,160	7,253,818	4,811,153	5,752,584	5,138,078	5,156,890	5,011,033
Public works	—	—	—	—	—	32,726	32,726	88,191	36,268	12,304
Community development	5,727,862	4,627,300	5,628,275	4,921,134	6,121,104	4,765,125	3,628,850	2,725,927	1,577,213	2,301,293
Culture and recreation	2,040,963	2,553,164	2,559,400	2,283,361	2,158,072	2,248,077	1,820,871	1,709,555	2,023,639	2,019,465
Operating grants and contributions	4,406,840	673,654	658,226	918,641	576,130	591,849	636,727	397,870	398,524	82,200
Capital grants and contributions <sup>2</sup>	15,034,235	11,110,983	3,422,011	4,300,025	10,320,847	17,803,410	3,299,374	1,662,642	4,733,378	14,284,321
Total governmental activities program revenues	35,463,138	25,847,911	20,145,401	19,502,811	26,558,292	33,866,947	18,489,670	14,565,287	16,893,849	26,973,498
Business-type activities:										
Charges for service:										
Solid waste	4,403,138	4,207,802	4,188,117	3,851,806	3,275,135	3,225,033	3,215,238	3,194,769	3,204,318	3,160,503
Total business-type activities program revenues	4,403,138	4,207,802	4,188,117	3,851,806	3,275,135	3,225,033	3,215,238	3,194,769	3,204,318	3,160,503
Total primary government program revenues	\$39,866,276	\$30,055,713	\$24,333,518	\$23,354,617	\$29,833,427	\$37,091,980	\$21,704,908	\$17,760,056	\$20,098,167	\$30,134,001
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$(58,757,987)	\$(71,963,434)	\$(72,169,003)	\$(70,573,705)	\$(67,529,406)	\$(43,416,842)	\$(58,645,371)	\$(53,261,367)	\$(56,822,442)	\$(36,611,715)
Business-type activities	(346,856)	(111,700)	(38,838)	33,163	228	147,626	(48,857)	(18,623)	7,127	16,376
Total primary government net expense	\$(59,104,843)	\$(72,075,134)	\$(72,207,841)	\$(70,540,542)	\$(67,529,178)	\$(43,269,216)	\$(58,694,228)	\$(53,279,990)	\$(56,815,315)	\$(36,595,339)

continued

1. The changes in expenses are primarily due to capital expenditure variances from year to year.

2. 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.

CITY OF ALPHARETTA  
**CHANGES IN NET POSITION**  
 LAST TEN FISCAL YEARS  
 Accrual Basis of Accounting – Page 2 of 2

*continued*

<b>General Revenues and Other Changes In Net Position</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Governmental activities:										
Property taxes	\$34,693,764	\$32,927,048	\$31,569,551	\$27,953,119	\$27,218,360	\$25,833,303	\$24,216,991	\$23,681,167	\$23,055,884	\$21,451,396
Sales taxes	29,078,454	27,059,918	28,112,776	26,669,576	14,943,853	14,953,985	14,757,780	13,575,938	12,173,275	12,239,330
Franchise taxes	6,858,414	6,880,108	6,787,133	6,177,460	6,357,342	6,630,390	6,682,041	6,235,684	6,346,008	6,430,151
Hotel/Motel occupancy tax	3,890,093	6,672,097	9,051,333	7,665,868	9,566,630	6,391,857	4,637,950	4,137,790	3,859,498	3,364,193
Business taxes	6,198,056	5,975,012	5,555,835	5,387,059	5,160,501	4,981,704	4,425,286	4,227,363	4,072,729	3,912,564
Other taxes	3,901,833	3,209,346	3,321,352	3,129,297	3,092,041	3,003,685	2,767,730	2,243,736	2,318,455	2,244,577
Unrestricted investment earnings	168,428	2,015,281	2,541,290	1,152,024	560,590	201,044	75,916	124,173	97,018	87,739
Gain on sale of capital assets	—	309,425	—	—	2,656,725	351,990	103,910	—	—	—
Miscellaneous	—	—	—	—	—	30,188	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
Total governmental activities	84,789,042	85,048,235	86,939,270	78,134,403	69,556,042	62,378,146	57,667,604	54,225,851	51,922,867	49,729,950
Business-type activities:										
Unrestricted investment earnings	1,623	52,632	59,238	19,817	8,994	8,598	3,131	5,250	3,090	4,480
Miscellaneous	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
Total business-type activities	1,623	52,632	59,238	19,817	8,994	8,598	3,131	5,250	3,090	4,480
Total primary government	\$84,790,665	\$85,100,867	\$86,998,508	\$78,154,220	\$69,565,036	\$62,386,744	\$57,670,735	\$54,231,101	\$51,925,957	\$49,734,430
<b>Change in Net Position</b>										
Governmental activities	\$26,031,055	\$13,084,801	\$14,770,267	\$7,560,698	\$2,026,636	\$18,961,304	\$(977,767)	\$964,484	\$(4,899,575)	\$13,118,235
Business-type activities	(345,233)	(59,068)	20,400	52,980	9,222	156,224	(45,726)	(13,373)	10,217	20,856
Total primary government	\$25,685,822	\$13,025,733	\$14,790,667	\$7,613,678	\$2,035,858	\$19,117,528	\$(1,023,493)	\$951,111	\$(4,889,358)	\$13,139,091

CITY OF ALPHARETTA  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
 LAST TEN FISCAL YEARS  
 (Accrual Basis of Accounting)

<i>Fiscal Year</i>	<i>Property Tax</i>	<i>Sales Tax</i>	<i>Franchise Tax</i>	<i>Hotel/Motel Occupancy Tax</i>	<i>Business Taxes</i>	<i>Other Taxes</i>	<i>Total</i>
2012	\$21,451,396	\$12,239,330	\$6,430,151	\$3,364,193	\$3,912,564	\$2,033,759	\$50,392,857
2013	23,055,884	12,173,275	6,346,008	3,859,498	4,072,729	2,244,577	49,642,211
2014	23,681,167	13,575,938	6,235,684	4,137,790	4,227,363	2,318,455	51,825,849
2015	24,216,991	14,757,780	6,682,041	4,637,950	4,425,286	2,243,736	54,101,678
2016	25,833,303	14,953,985	6,630,390	6,391,857	4,981,704	2,767,730	57,487,778
2017	27,218,360	14,943,853	6,357,342	9,566,630	5,160,501	3,003,685	61,794,924
2018	27,953,119	26,669,576	6,177,460	7,665,868	5,387,059	3,092,041	66,338,727
2019	31,569,551	28,112,776	6,787,133	9,051,333	5,555,835	3,129,297	84,037,149
2020	32,927,048	27,059,918	6,880,108	6,672,097	5,975,012	3,209,346	82,723,529
<b>2021</b>	<b>34,693,764</b>	<b>29,078,454</b>	<b>6,858,414</b>	<b>3,890,093</b>	<b>6,198,056</b>	<b>3,901,833</b>	<b>84,620,614</b>

CITY OF ALPHARETTA  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

	2021	2020	2019	2018	2017
General fund					
Assigned:					
Book revenue	\$ —	\$ —	\$ —	\$ —	\$17,973
Subsequent budget appropriations	5,836,799	5,289,252	5,537,018	6,100,065	8,842,313
Unassigned	29,839,800	21,336,799	22,289,252	18,537,018	19,600,065
Total general fund	\$35,676,599	\$26,626,051	\$27,826,270	\$24,637,083	\$28,460,351
All other governmental funds					
Restricted:					
Capital projects	\$43,612,453	\$52,425,466	\$57,996,237	\$53,096,354	\$60,610,599
Law enforcement	200,999	266,485	494,638	323,177	1,460,509
Emergency telephone services	2,629,573	2,242,426	1,808,567	1,851,911	1,827,068
Tourism	1,311,312	1,966,633	2,697,154	1,770,515	1,505,262
Debt service	851,509	648,200	1,223,954	1,032,049	1,250,405
Promotion of tourism	—	—	—	—	—
Assigned:					
Grant projects	269,470	203,703	393,439	260,549	38,982
Economic development	263,121	—	—	—	—
Capital projects	10,685,162	8,414,274	10,613,617	14,294,222	15,130,110
Unassigned	—	—	—	—	(197,470)
Total all other governmental funds	\$59,823,599	\$66,167,187	\$75,227,606	\$72,628,777	\$81,625,465

	2016	2015	2014	2013	2012
General fund					
Assigned					
Book revenue	\$17,973	\$17,973	\$ —	\$ —	\$ —
Subsequent budget appropriations	6,049,857	5,018,236	4,105,260	5,684,667	4,661,795
Unassigned	21,222,540	18,549,859	16,768,236	15,266,611	16,668,503
Total general fund	\$27,290,370	\$23,586,068	\$20,873,496	\$20,951,278	\$21,330,298
All other governmental funds					
Restricted:					
Capital projects	\$27,175,844	\$2,986,088	\$14,896,779	\$28,411,579	\$31,250,773
Law enforcement	1,752,596	1,974,755	2,099,710	2,116,404	1,716,204
Emergency telephone services	2,122,857	2,150,699	3,971,699	3,325,910	2,486,266
Tourism	950,567	—	—	—	—
Debt service	814,051	845,511	913,165	745,672	327,547
Promotion of tourism	—	—	—	11,114	11,081
Assigned:					
Grant projects	39,857	364,190	698,318	325,292	85,510
Economic development	—	—	—	—	—
Capital projects	6,114,004	5,667,535	6,747,056	6,415,189	5,001,690
Unassigned	(2,286,335)	—	—	—	(1,188,792)
Total all other governmental funds	\$36,683,441	\$13,988,778	\$29,326,727	\$41,351,160	\$39,690,279

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

CITY OF ALPHARETTA  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
 LAST TEN FISCAL YEARS

Modified Accrual Basis of Accounting – Page 1 of 2

	2021	2020	2019	2018	2017
<b>Revenues</b>					
Property taxes	\$34,460,884	\$32,987,329	\$31,514,266	\$27,920,695	\$27,262,172
Sales tax	29,078,454	26,893,744	28,112,776	26,669,576	17,412,634
Other taxes	20,848,396	22,736,563	24,715,653	22,359,684	21,707,749
Licenses and permits	3,056,142	3,268,383	4,198,814	3,403,611	4,222,432
Intergovernmental	15,517,798	6,224,666	4,711,704	3,774,694	12,733,728
Contributions and donations	476,104	346,781	451,910	467,484	953,912
Charges for services	7,775,975	6,610,279	7,280,653	6,317,352	6,364,262
Impact fees	2,098,746	866,093	960,432	1,346,589	1,449,478
Fines and forfeitures	1,658,072	1,891,476	2,229,991	2,054,812	2,463,790
Investment earnings	168,428	2,015,281	2,541,290	1,152,024	560,590
Miscellaneous	4,305,688	177,702	149,788	167,268	196,279
Total revenues	119,444,687	104,018,297	106,867,277	95,633,789	95,327,026
<b>Expenditures</b>					
General government	10,110,392	10,472,664	10,042,217	16,560,677	27,000,660
Public safety	33,118,441	32,918,201	31,684,766	31,843,942	28,912,695
Public works	17,263,357	15,249,332	12,275,846	9,939,770	8,820,932
Community development	5,645,010	7,302,285	7,210,012	6,539,525	5,738,401
Culture and recreation	8,892,644	9,455,863	9,921,813	21,102,795	13,248,613
Capital outlay	35,979,693	31,618,916	22,551,277	15,696,812	19,496,900
Intergovernmental	—	—	—	—	—
Debt service:					
Principal	3,786,926	3,912,526	3,903,709	3,727,824	3,597,331
Interest	3,529,781	3,906,807	3,622,560	3,700,476	3,378,768
Other charges	—	—	—	—	361,301
Total expenditures	118,326,244	114,836,594	101,212,200	109,111,821	110,555,601
Excess (deficiency) of revenues over (under) expenditures	1,118,443	(10,818,297)	5,655,077	(13,478,032)	(15,228,575)
<b>Other financing sources (uses)</b>					
Transfers in	6,000,643	14,818,304	15,415,517	16,897,064	13,218,136
Transfers out	(6,000,643)	(14,818,304)	(15,415,517)	(16,897,064)	(13,218,136)
General obligation bond proceeds	—	17,775,000	—	—	50,855,000
Premium on bond issuance	—	5,501,675	—	—	1,527,686
Payments to refunding escrow	—	(23,886,801)	—	—	—
Financed purchases	1,311,250	235,805	—	504,024	3,695,447
Issuance of intergovernmental payable	—	—	—	—	—
Sale of capital assets	131,483	931,980	132,939	154,052	5,262,447
Total other financing sources (uses)	1,442,733	557,659	132,939	658,076	61,340,580
Net change in fund balances	\$2,561,176	\$(10,260,638)	\$5,788,016	\$(12,819,956)	\$46,112,005
<b>Debt service as a percentage of noncapital expenditures</b>					
	8.1%	8.7%	7.4%	6.2%	6.3%
Total debt service expenditures	7,316,707	7,819,333	7,526,269	7,428,300	6,976,099
Total non-capital expenditures	90,574,213	90,045,947	101,212,200	119,325,254	110,555,601

continued  
on next page →

CITY OF ALPHARETTA  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
 LAST TEN FISCAL YEARS

Modified Accrual Basis of Accounting – Page 2 of 2

	2016	2015	2014	2013	2012
<b>Revenues</b>					
Property taxes	\$25,841,451	\$24,274,577	\$23,696,658	\$23,127,131	\$23,226,420
Sales tax	14,953,985	14,757,780	13,575,938	12,173,275	12,239,330
Other taxes	21,007,620	18,520,227	16,837,353	16,596,690	15,951,485
Licenses and permits	3,814,821	2,912,433	2,400,059	1,859,213	2,201,211
Intergovernmental	8,870,676	3,570,796	2,691,949	8,104,863	5,412,258
Contributions and donations	793,450	171,226	536,309	116,510	25,277
Charges for services	6,788,274	6,502,793	5,563,630	5,136,187	5,184,606
Impact fees	1,425,667	529,004	337,108	158,038	468,657
Fines and forfeitures	2,453,134	3,537,448	2,865,931	3,356,903	3,930,119
Investment earnings	201,044	75,916	124,173	97,018	87,739
Miscellaneous	200,484	305,071	222,412	357,667	225,280
<b>Total revenues</b>	<b>86,350,606</b>	<b>75,157,271</b>	<b>68,851,520</b>	<b>71,083,495</b>	<b>68,952,382</b>
<b>Expenditures</b>					
General government	10,222,722	10,182,488	9,900,168	9,235,058	8,859,577
Public safety	28,735,794	30,830,566	26,448,052	25,074,754	24,696,668
Public works	7,288,023	7,008,688	6,819,823	6,700,695	6,580,587
Community development	5,356,302	5,127,170	4,742,837	4,340,018	3,934,018
Culture and recreation	8,129,640	6,670,048	6,248,603	6,128,106	6,140,771
Capital outlay	22,500,926	23,759,144	23,061,757	15,166,479	17,732,749
Intergovernmental	—	20,000	40,000	4,130,000	—
Debt service:					
Principal	2,964,225	2,772,528	2,609,414	4,576,564	6,348,904
Interest	1,476,940	1,574,813	1,638,871	1,966,171	1,370,126
Other charges	—	—	170,000	—	400,334
<b>Total expenditures</b>	<b>86,674,572</b>	<b>87,945,445</b>	<b>81,679,525</b>	<b>77,317,845</b>	<b>76,063,734</b>
Excess (deficiency) of revenues over (under) expenditures	(323,966)	(12,788,174)	(12,828,005)	(6,234,350)	(7,111,352)
<b>Other financing sources (uses)</b>					
Transfers in	12,184,381	9,325,180	9,750,177	8,994,917	10,291,074
Transfers out	(12,184,381)	(9,325,180)	(9,750,177)	(8,994,917)	(10,683,574)
General obligation bond proceeds	—	—	17,695,000	—	29,000,000
Premium on bond issuance	—	—	—	—	1,001,322
Payments to refunding escrow	—	—	(17,518,423)	—	—
Financed purchases	709,742	—	—	3,290,981	487,153
Issuance of intergovernmental payable	24,720,000	—	—	4,130,000	—
Sale of capital assets	1,293,189	162,797	549,213	95,230	133,690
<b>Total other financing sources (uses)</b>	<b>26,722,931</b>	<b>162,797</b>	<b>725,790</b>	<b>7,516,211</b>	<b>30,229,665</b>
<b>Net change in fund balances</b>	<b>\$26,398,965</b>	<b>\$(12,625,377)</b>	<b>\$(12,102,215)</b>	<b>\$1,281,861</b>	<b>\$23,118,313</b>
Debt service as a percentage of noncapital expenditures	5.1%	4.9%	5.2%	8.5%	10.1%
Total debt service expenditures	4,441,165	4,347,341	4,248,285	6,542,735	7,719,030
Total non-capital expenditures	86,674,572	87,945,445	81,679,525	77,317,845	76,063,734



CITY OF ALPHARETTA  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

<i>Fiscal Year</i>	<i>Property Tax</i>	<i>Sales Tax</i>	<i>Franchise Tax</i>	<i>Motor Vehicle Tax</i>	<i>Alcoholic Beverage Tax</i>	<i>Other Taxes</i>	<i>Total</i>
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
2020	32,987,329	26,893,744	6,880,108	124,551	2,199,245	13,532,659	82,617,636
<b>2021</b>	<b>34,460,884</b>	<b>29,078,454</b>	<b>6,858,414</b>	<b>102,545</b>	<b>2,339,660</b>	<b>11,547,777</b>	<b>84,387,734</b>

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

CITY OF ALPHARETTA  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE**  
**ALL TAXABLE PROPERTY**  
 LAST TEN FISCAL YEARS

<i>Fiscal Year</i>	<i>Real Property</i>		<i>Personal Property</i>		<i>Less: Tax Exempt Real Property</i>	<i>Total Taxable Assessed Value</i>	<i>Total Direct Tax Rate</i>	<i>Estimated Actual Taxable Value</i>	<i>Assessed Value as a Percentage of Actual Value</i>
	<i>Residential</i>	<i>Commercial</i>	<i>Motor Vehicles</i>	<i>Other</i>					
2012	\$1,900,633,180	\$2,603,970,058	\$198,495,280	\$29,308	\$541,498,910	\$4,161,628,916	5.75	\$11,757,819,565	40.00%
2013	1,899,875,770	2,558,697,811	201,312,700	10,760	533,072,610	4,126,824,431	5.75	11,649,742,603	40.00%
2014	1,859,569,100	2,526,630,701	218,557,340	10,760	527,564,070	4,077,203,831	5.75	11,511,919,753	40.00%
2015	1,924,974,730	2,513,543,524	186,312,400	23,862	529,904,910	4,094,949,606	5.75	11,562,136,290	40.00%
2016	2,169,172,670	2,755,306,162	130,611,730	29,923	523,053,335	4,532,067,150	5.75	12,637,801,213	40.00%
2017	2,238,392,880	2,907,419,873	91,948,620	64,228	642,812,340	4,595,013,261	5.75	13,094,564,003	40.00%
2018	2,274,153,290	3,058,277,943	62,542,690	662,682	640,291,164	4,755,345,441	5.75	13,489,091,513	40.00%
2019	2,831,212,300	3,067,760,757	44,032,240	161,090	567,088,190	5,376,078,197	5.75	14,857,915,968	40.00%
2020	3,044,152,260	3,269,109,969	33,599,820	—	926,375,778	5,766,798,069	5.75	15,934,655,123	40.00%
<b>2021</b>	<b>3,242,898,630</b>	<b>3,328,479,833</b>	<b>26,148,000</b>	<b>101,306</b>	<b>1,087,813,540</b>	<b>5,509,814,229</b>	<b>5.75</b>	<b>16,494,069,423</b>	<b>40.00%</b>

Source: Georgia Department of Revenue, Property Tax Division

Notes:

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

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

Real property values include tax-exempt property.

CITY OF ALPHARETTA  
**PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS**  
 (PER \$1,000 OF ASSESSED VALUE)  
 LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	City of Alpharetta			Fulton County			School District			State	Direct & Overlapping Rates
		General Obligation			General Obligation			General Obligation				
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
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
2020	2019	4.820	0.930	5.750	9.899	0.220	10.119	17.796	0.000	17.796	0.000	33.665
2021	2020	4.935	0.815	5.750	9.776	0.220	9.996	17.796	0.000	17.796	0.000	33.542

Source: Georgia Department of Revenue, Property Tax Division

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

CITY OF ALPHARETTA  
**SALES TAX RATES - ALL OVERLAPPING GOVERNMENTS**  
 LAST TEN FISCAL YEARS

Fiscal Year	State of Georgia	Local Option Sales Tax	Metropolitan Atlanta Regional Transportation	Fulton County Board of Education	Transportation Special Purpose Local Option Sales Tax	Total Overlapping Rates
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	0.00	7.00
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
2020	4.00	1.00	1.00	1.00	0.75	7.75
<b>2021</b>	<b>4.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.75</b>	<b>7.75</b>

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  
**PRINCIPAL PROPERTY TAXPAYERS**  
 CURRENT AND NINE YEARS AGO

Taxpayer	2021			2012		
	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	1.29 %	\$30,456,480	1	1.19%
32000 Gardner Drive Apartments	65,502,500	2	1.19	16,101,990	3	0.63
F7 NWO LLC	63,074,200	3	1.14	—	—	—
Sanctuary Acquisitions West LLC	58,049,960	4	1.05	—	—	—
Avalon	57,400,000	5	1.04	—	—	—
Lakeside at Milton Park LLC	37,335,000	6	0.68	—	—	—
BRI 1870 North Point LLC	34,656,880	7	0.63	—	—	—
NPMC Retail LLC	32,667,800	8	0.59	—	—	—
PPF Amlı Mansell Road LLC	30,652,800	9	0.56	—	—	—
BOF GA Royal Center	30,620,400	10	0.56	—	—	—
HBO & CO of GA	—	—	—	18,137,590	2	0.71
AT & T Resource Mgmt Corp	—	—	—	14,606,710	4	0.57
Allianz Life Insurance	—	—	—	14,265,680	5	0.56
Digital Equipment Corp	—	—	—	11,310,720	6	0.44
State Farm Mutual Inc.	—	—	—	10,013,800	7	0.39
CP Venture Two LLC	—	—	—	9,491,610	8	0.37
Imperatum Georgia Corp	—	—	—	9,318,080	9	0.36
Highwoods Forsyth LTD Partnership	—	—	—	9,169,840	10	0.36
<b>Totals</b>	<b>\$481,105,620</b>		<b>8.73 %</b>	<b>\$142,872,500</b>		<b>5.58%</b>

Source: Fulton County Board of Assessors

CITY OF ALPHARETTA  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Pct. of Levy		Amount	Pct. of Levy
2012	2011	\$22,020,800	\$21,691,376	98.50 %	\$310,835	\$22,002,211	99.92%
2013	2012	21,542,122	21,113,760	98.01	406,242	21,520,002	99.90
2014	2013	21,419,762	21,144,336	98.71	245,893	21,390,229	99.86
2015	2014	22,169,757	22,009,987	99.28	135,456	22,145,443	99.89
2016	2015	24,397,030	23,810,905	97.60	562,172	24,373,077	99.90
2017	2016	25,769,052	25,141,619	97.57	586,387	25,728,006	99.84
2018	2017	26,479,723	26,254,863	99.15	225,191	26,480,054	99.85
2019	2018	30,302,967	30,064,201	99.21	364,304	30,236,300	99.78
2020	2019	30,732,258	30,370,825	98.82	5,065	30,370,825	98.84
<b>2021</b>	<b>2020</b>	<b>31,791,341</b>	<b>31,417,169</b>	<b>98.82</b>	<b>—</b>	<b>31,417,169</b>	<b>98.82</b>

Source: Fulton County Tax Commissioner's Office

CITY OF ALPHARETTA  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities				
	General Obligation Bonds	Capital Leases	Notes Payable	Fund Balance Restricted to Debt Service	Revenue Bonds	Total Primary Government	Percentage of Est. Actual Taxable Value of Property	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2012	\$4 9,280,000	\$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
2020	84,270,023	3,271,886	27,340,000	(675,820)	—	114,206,089	0.72	3.23	1,699
2021 <sup>2</sup>	108,674,204	3,881,210	—	(911,954)	—	111,643,460	0.68	2.93	1,710

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.

2. The Development Authority became a blended component unit in FY2021, and therefore the notes payable from the City to the Development Authority were removed and the Development Authority's General Obligation debt was added to governmental activities totals.

CITY OF ALPHARETTA  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
 LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
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
2020	83,594,203	0.52	1,244
<b>2021</b>	<b>108,674,204</b>	<b>0.66</b>	<b>1,651</b>

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

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

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

CITY OF ALPHARETTA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2021

	<i>Net General Obligation Bonded Debt Outstanding</i>	<i>Percentage Applicable to City of Alpharetta<sup>1</sup></i>	<i>Amount Applicable to City of Alpharetta</i>
Overlapping General Obligation Debt:			
Fulton County, Georgia	\$234,407,917	7.1%	\$16,642,962
Fulton County Board of Education	11,495,000	16.2%	1,862,190
Subtotal, overlapping debt	245,902,917		18,505,152
City of Alpharetta direct debt	112,555,414	100.0%	112,555,414
Total direct and overlapping debt	<b>\$358,458,331</b>		<b>\$131,060,566</b>

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

## LEGAL DEBT MARGIN INFORMATION

### LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	<b>\$659,762,777</b>	\$637,386,205	\$594,316,639	\$539,563,661	\$523,782,560	\$505,512,049	\$462,485,482	\$460,476,790	\$465,989,704	\$470,312,783
Total net debt applicable to limit	<b>107,762,250</b>	83,621,823	87,015,565	90,056,565	92,558,764	43,270,142	45,562,966	47,655,000	48,007,538	48,952,453
Legal debt margin	<b>\$552,000,527</b>	\$553,764,382	\$507,301,074	\$449,507,096	\$431,223,796	\$462,241,907	\$416,922,516	\$412,821,790	\$417,982,166	\$421,360,330
Total net debt applicable to the limit as a percentage of debt limit	<b>16%</b>	13%	15%	17%	18%	9%	10%	10%	10%	10%

#### LEGAL DEBT MARGIN CALCULATION FOR CURRENT FISCAL YEAR

Assessed value	\$5,509,814,229
Add back: exempt real property	1,087,813,540
Total assessed value	6,597,627,769
Debt limit (10% of total assessed value)	659,762,777
Debt applicable to limit:	
General obligation bonds	108,674,204
Less: Amount set aside for repayment of general obligation debt	(911,954)
Total net debt applicable to limit	107,762,250
Legal debt margin	\$552,000,527

CITY OF ALPHARETTA  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 LAST TEN FISCAL YEARS

<i>Fiscal Year</i>	<i>Population<sup>1</sup></i>	<i>Personal Income</i>	<i>Per Capita Personal Income<sup>2</sup></i>	<i>Median Age<sup>3</sup></i>	<i>Education Levels in Years of Formal Schooling<sup>4</sup></i>	<i>School Enrollment<sup>4</sup></i>	<i>Unemployment Rate<sup>2</sup></i>
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
2020	67,208	3,530,839,488	52,536	37.6	16.0	12,078	11.8
<b>2021</b>	<b>65,818</b>	<b>3,842,257,386</b>	<b>58,377</b>	<b>37.6</b>	<b>16.0</b>	<b>12,727</b>	<b>2.1</b>

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 Years 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  
**PRINCIPAL EMPLOYERS**  
 CURRENT YEAR AND NINE YEARS AGO  
 as of December 31

<i>Employer</i>	<i>2021</i>			<i>2012</i>		
	<i>Employees</i>	<i>Rank</i>	<i>% of Total City Employment</i>	<i>Employees</i>	<i>Rank</i>	<i>% of Total City Employment</i>
Fiserv	<b>2,088</b>	<b>1</b>	<b>2.12%</b>	—	—	—
ADP Inc.	<b>2,053</b>	<b>2</b>	<b>2.09</b>	1,463	2	1.74%
Equifax Inc. Information Services	<b>1,669</b>	<b>3</b>	<b>1.70</b>	—	—	—
Lexis Nexis Risk Solutions	<b>1,349</b>	<b>4</b>	<b>1.37</b>	1,289	3	1.54
Verizon	<b>1,340</b>	<b>5</b>	<b>1.36</b>	823	7	0.98
Ernst & Young U.S. LLP	<b>1,062</b>	<b>6</b>	<b>1.08</b>	—	—	—
Global Payments	<b>1,000</b>	<b>7</b>	<b>1.02</b>	—	—	—
Jackson Healthcare	<b>906</b>	<b>8</b>	<b>0.92</b>	—	—	—
UPS Supply Chain Solutions	<b>861</b>	<b>9</b>	<b>0.88</b>	941	5	1.12
Hewlett Packard Enterprise Co.	<b>738</b>	<b>10</b>	<b>0.75</b>	906	6	1.08
McKesson	—	—	—	2,050	1	2.44
Comcast of Georgia	—	—	—	1,000	4	1.19
E*Trade Financial	—	—	—	765	8	0.91
Cox Communications	—	—	—	726	9	0.87
Red Prairie Corp.	—	—	—	672	10	0.80
	<b>13,066</b>		<b>13.30%</b>	10,635		12.66%

Source: City of Alpharetta Community Development Department

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

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	6.0	7.0	8.0	10.0	10.0	11.0	11.0	14.0	14.0	11.0
Finance	22.5	22.5	22.5	22.5	22.5	22.5	25.0	22.5	25.0	26.0
Human Resources	3.0	3.0	3.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Municipal Court	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Information Technology	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Community Development	32.0	30.0	28.0	26.0	26.0	23.0	23.0	23.0	20.0	20.0
Public Safety	258.5	258.5	253.0	253.0	251.0	246.5	246.0	246.0	240.0	240.0
Public Works	52.0	52.0	52.0	52.0	52.0	55.0	59.0	59.0	62.0	62.0
Culture and Recreation	51.0	51.0	51.0	51.0	51.0	51.0	54.0	51.0	51.0	51.0
<b>Total</b>	<b>453.0</b>	<b>452.0</b>	<b>444.5</b>	<b>444.5</b>	<b>442.5</b>	<b>439.0</b>	<b>449.0</b>	<b>446.5</b>	<b>443.0</b>	<b>441.0</b>

Full-time positions are counted as "1". Part-time positions are counted as "0.5".

Unfunded positions were removed from the authorized FTE count starting in fiscal year 2013.

Source: City of Alpharetta Budget Office

CITY OF ALPHARETTA  
**OPERATING INDICATORS BY FUNCTION**  
 LAST TEN FISCAL YEARS

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Ordinances approved	32	29	14	19	14	22	14	13	10	13
Special events held	38***	67***	116	115	119	115	127	104	95	90
Court cases heard	10,019	11,186	11,749	11,320	14,400	14,938	10,996	13,791	17,498*	18,946*
Bond rating	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aa1-AAA	Aa1-AAA
Software applications supported	136	137	136	103	99	123	115	124	157	164
Grants managed	9	9	9	10	39	32	35	42	44	40
Police										
Calls for service	17,516	19,007	21,181	80,773	80,105	68,484	71,302	77,967	77,156	70,711
Part 1 crimes reported	N/A**	N/A**	N/A**	1,563	1,515	1,626	1,577	1,655	1,627	1,797
Traffic citations issued	8,871	10,775	17,817	17,176	20,764	14,375	22,316	26,478	24,316	22,517
Fire										
Incident responses	6,429	6,810	8,976	7,219	7,037	6,515	6,374	6,305	5,984	5,268
Average response time	6:36	6:14	6:47	4:29	3:04	6:06	6:10	3:29	3:40	6:18
Fire safety programs conducted	106***	261	315	616	401	257	149	159	146	176
Inspections conducted	7082***	9,020	10,958	12,333	10,215	9,494	8,914	7,253	7,048	7,215
Highways and streets										
Traffic signals timed	125	125	124	126	126	57	56	49	54	51
Average days to repair pothole	1	1	1	1	1	2	1	1	1	1
Stormwater plans reviewed	121	136	144	160	162	128	122	106	163	133
Community development										
New building permits issued	5,024	998	5,717	5,902	5,333	4,816	5,018	3,892	3,287	2,995
Culture and recreation										
Park acres maintained	392	392	360	360	360	320	320	312	312	312
Greenway acres maintained	254	250	250	250	250	250	250	206	206	206
Annual program registrants	52,668	15,811***	52,085	52,823	41,025	38,400	41,450	37,310	36,191	26,366

Source: Various City departments

\* Revised count due to improvement in court case management system

\*\* Indicators are no longer available

\*\*\* Decline due to COVID-19 restrictions



CITY OF ALPHARETTA  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 LAST TEN FISCAL YEARS

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	2	2	1	1	1	1	1	1	1	1
Patrol units and support vehicles	176	182	171	168	172	158	158	158	155	135
Police motorcycles	9	7	6	6	6	8	8	8	8	8
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)*	225	224	227	225	225	223	225	214	214	214
Streets - unpaved (miles)	1	1	1	2	2	2	2	1	1	1
Sidewalk (miles)	229	229	223	223	220	220	220	214	212	211
Drainage - piped (miles)	126	121	121	121	128	128	128	99	99	100
Drainage - open (miles)*	54	58	58	57	58	57	58	35	35	40
Culture and recreation										
Parks - active and passive	28	19	16	16	16	15	15	15	15	14
Park acreage	866	862	832	832	832	800	797	764	764	764
Greenway and walking trails (miles)	20	17	17	17	17	17	17	12	12	12
Adaptive athletic fields	1	1	1	1	1	1	1	1	1	1
Athletic fields	32	28	28	28	28	28	28	28	29	28
Equestrian facilities	1	1	1	1	1	1	1	1	1	1
Skating rinks**	2	1	2	2	2	2	2	2	2	2
Swimming pools	2	2	2	2	1	1	1	1	1	1
Tennis courts***	15	17	17	17	17	17	17	17	17	17
Recreation buildings	27	27	26	26	26	21	20	20	20	20
Playgrounds	10	10	8	8	8	8	8	8	8	8
Picnic shelters/restrooms	37	37	34	34	34	24	24	24	24	24
Pickleball courts***	6	—	—	—	—	—	—	—	—	—

Sources: Various government departments

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

\* Change due to update of GIS records

\*\*Previously stated as hockey rinks but are no-longer used for hockey

\*\*\*Tennis courts were converted into Pickleball courts

# NOTES

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# NOTES

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2 Park Plaza  
Alpharetta, GA 30009