

Debt Administration. At June 30, 2001, the City had four general obligation bond issues outstanding in the amount of \$53,640,000. The City currently has a rating of AA from Standard & Poor's Corporation and of Aa2 from Moody's Investors Service for the issuance of debt on the general obligation bond issues. Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10 percent of total assessed value of real and personal property. As of June 30, 2001, the City's net general obligation bonded debt of \$57,036,249 was well below the legal limit of \$233,798,932 and debt per capita equaled \$1,610.22.

Cash Management. Cash temporarily idle during the year was invested in demand deposits and certificates of deposit, as well as money market investment accounts. All investments are generally made with the intention to hold to maturity. The City earned interest revenue of \$2,307,536 on all governmental and expendable trust investments for the year ended June 30, 2001.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held by the City's agent, in the City's name, or by the City's agent. Investments held by the City during the year and at June 30, 2001, are classified in the notes to the financial statements as defined by the Governmental Accounting Standards Board.

Risk Management. The City maintains sufficient insurance coverage to replace property in the event of fire, theft, etc., and provide for umbrella liability and workman's compensation coverage. In 1989, the City instituted an Accident Review and Safety Committee Board encompassing all City departments. Each accident and workman's compensation claim, as well as safety suggestions, are reviewed by this Board. There were no catastrophic claims during the year.

In conjunction with its implementation of the Accident Review and Safety Board, the City instituted a policy requiring all new City employees and all workers' compensation claimants to submit to a drug test. This policy is supplemented by an "Employee Assistance Program" which is designed to help drug dependent employees treat their problems. The combination of these policies has helped to reduce significantly the number of work-related accidents and costs.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Grant Thornton, LLP, was selected by the City Council. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Government Auditing Standards issued by the Comptroller General of the United States, as well as the requirements of the Federal Single Audit Act of 1984 and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

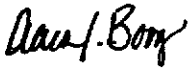
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alpharetta for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. The City received its first Certificate for the fiscal year ended June 30, 1989.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the City's Finance Department staff. Each member of the staff has my sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Aaron J. Bovos".

Aaron J. Bovos
Director of Finance

CITY OF ALPHARETTA
LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2001

CHARLES E. MARTIN, JR.
Mayor

Council

Arthur Letchas – Mayor Pro Tem
Sandra B. Johnson
Jim Paine

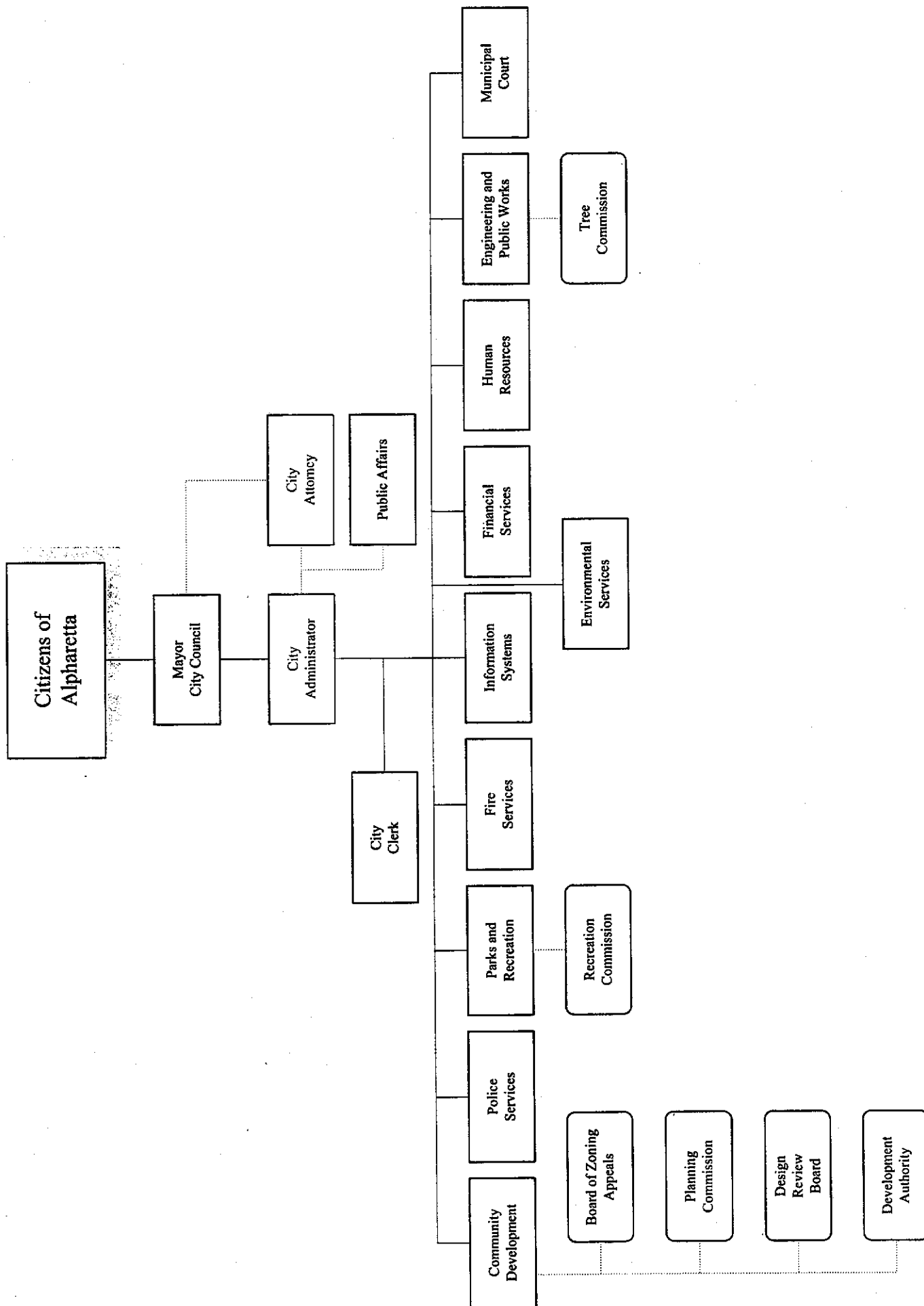
Jim Matoney
Debbie Gibson
Brandon Beach

Robert J. Regus
City Administrator

Professional Staff

Bates, William
Bovos, Aaron J.
Forester, Shannon
Moskaluk, John
Mullis, Robert
Perry, Mike
Rainwater, Sue
Sahlin, Elizabeth
Thomas, Harold
West, Dee
Wheeler, Diana

Fire Chief
Director of Finance
Human Resources Director
Engineering & Public Works Dir.
Director of Information Systems
Parks & Recreation Director
City Clerk
Court Services
Interim Police Chief
Environmental Services Director
Community Development Director



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, 2000

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



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

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FINANCIAL SECTION

Report of Independent Certified Public Accountants

Honorable Mayor and
Members of City Council
City of Alpharetta, Georgia

We have audited the accompanying general purpose financial statements of the City of Alpharetta, Georgia, as of June 30, 2001, and for the year then ended. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Alpharetta, Georgia, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplemental information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Alpharetta, Georgia. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The information included in the statistical section is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements. This information was not subjected to the audit procedures applied in the audit of the general purpose financial statements. Accordingly, we do not express an opinion on such information.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 19, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of, and should be read in conjunction with, our report on the financial statements.

Atlanta, Georgia
October 19, 2001

Grant Thornton LLP

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CITY OF ALPHARETTA, GEORGIA

GENERAL PURPOSE FINANCIAL STATEMENTS

(Combined Statements - Overview)

The following five combined financial statements, along with the Notes to the Financial Statements, present an overview of the City's financial positions and changes in proprietary fund financial position and cash flows for the year then ended.

Individual Funds and account groups utilized by the City are grouped on these statements into four categories.

Governmental Fund Types

These funds (General, Special Revenue, Debt Service and Capital Projects) are those through which most governmental functions are typically financed. The governmental fund measurement focus is on "financial flow," the accounting for sources and uses of available spendable resources, not on net income determination.

Proprietary Fund Types

These funds (Enterprise and Internal Service Funds) are used to account for the City's ongoing activities which are similar to those found in the private sector. The proprietary fund measurement focus is on "capital maintenance" as in private industry, with the emphasis on net income determination.

Fiduciary Fund Types

These funds (Trust and Agency Funds) are used to account for assets held on behalf of outside parties. Expendable Trust funds have the same measurement focus as governmental funds. Agency funds are used to account for assets held by the government as an agent for others.

Account Groups

Account groups are used to establish accounting control for general fixed assets and unmatured principal of general long-term debt. Because these assets and liabilities are long-term they are neither spendable resources nor require current appropriation. They are therefore accounted for separate from governmental fund types.



CITY OF ALPHARETTA, GEORGIA

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2001

(With Comparative Totals for 2000)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups			Primary Government Total (Memorandum Only)		Component Unit	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service		Trust	General		Long-Term Debt	2001		2000
									Fixed Assets					
ASSETS:														
Cash and Cash Equivalents	\$ 160,614	\$ 287,819	\$ 41,166	\$ 2,748,412	\$ 1,158,430	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 4,454,441	\$ 5,765,155	\$ -	
Investments	10,272,579	3,581,667	911,238	21,188,959	1,025,469	1,242,798	9,710	-	-	-	38,233,420	36,621,475	-	
Receivables (net of allowances for uncollectibles):														
Taxes	2,136,700	-	408,361	-	-	-	-	-	-	-	2,545,081	2,763,550	-	
Accounts	57,828	352,582	-	-	841,082	-	-	-	-	-	1,251,282	1,792,017	-	
Due from Other Funds	2,308	-	-	-	-	-	-	-	-	-	2,308	316,440	-	
Direct Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lease Receivable	-	-	-	-	97,045	-	-	-	-	-	253,913	235,868	-	
Inventories	156,868	-	-	-	-	-	-	-	-	-	10,724	7,972	-	
Prepaid Items	10,724	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets (net, where applicable, of accumulated depreciation)	-	-	-	-	4,787,231	-	-	58,298,736	-	-	63,086,967	58,730,400	-	
OTHER DEBITS:														
Amount Available for retirement of General Long-Term Debt	-	-	-	-	-	-	-	-	498,095	498,095	758,598	-	-	
Amount to be provided for retirement of General Long-Term Debt	-	-	-	-	-	-	-	-	58,538,154	56,538,154	58,451,057	-	-	
Total Assets and Other Debits	\$ 12,797,421	\$ 4,222,068	\$ 1,360,765	\$ 23,936,371	\$ 7,908,257	\$ 1,302,798	\$ 9,710	\$ 58,298,736	\$ 57,036,249	\$ 166,874,375	\$ 165,442,532	\$ 8,642,250	\$ 8,642,250	

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CITY OF ALPHARETTA, GEORGIA

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2001

(With Comparative Totals for 2000)

	Governmental Fund Types					Proprietary Fund Types		Fiduciary Fund Types	Account Groups			Primary Government Total (Memorandum Only)		Component Unit
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust	General Fixed Assets	General Long-Term Debt	2001	2000			
LIABILITIES														
Accounts Payable	\$ 971,087	\$ 613,399	\$ 1,332	\$ 1,369,185	\$ 821,501	\$ 225,242	\$ -	\$ -	\$ -	\$ 4,001,746	\$ 3,381,348	\$ -	-	-
Accrued Salaries	285,649	10,567	-	-	9,034	-	-	-	-	285,250	252,189	-	-	-
Compensated Absences Payable	321,984	10,207	-	-	38,351	-	-	-	775,975	1,146,517	761,341	-	-	-
Interest Payable	-	-	483,687	-	15,966	-	-	-	-	499,653	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	2,308	-	-	2,308	316,440	-	-	-
Deferred Revenue	889,557	-	377,651	-	-	-	-	-	-	1,267,208	1,345,948	-	-	-
Customer Deposits	-	-	-	-	113,859	-	-	-	-	113,859	56,108	-	-	-
Lease Purchase Contracts	-	-	-	-	12,627	-	-	-	912,524	925,151	1,324,844	-	-	-
Note Payable	-	-	-	-	-	-	-	-	1,707,750	1,749,000	1,749,000	-	-	-
Revenue Bonds Payable	-	-	-	-	2,160,000	-	-	-	-	2,160,000	2,320,000	-	-	8,642,250
General Obligation Bonds Payable	-	-	-	-	-	-	-	-	53,640,000	53,640,000	55,900,000	-	-	-
Total Liabilities	2,448,277	634,173	862,670	1,369,185	3,171,338	225,242	2,308	-	57,036,249	65,749,442	67,007,218	-	-	8,642,250
EQUITY AND OTHER CREDITS:														
Investment in General Fixed Assets	-	-	-	-	-	-	-	58,299,736	-	58,299,736	54,080,163	-	-	-
Contributed Capital	-	-	-	-	2,380,117	-	-	-	-	2,380,117	2,380,117	-	-	-
Retained Earnings:														
Reserved:	-	-	-	-	175,730	-	-	-	-	175,730	379,782	-	-	-
Unreserved:	-	-	-	-	2,182,072	1,077,556	-	-	-	3,259,628	1,749,417	-	-	-
Fund Balances:														
Reserved:	435,748	2,474,929	498,095	4,265,629	-	-	7,402	-	-	7,681,803	10,746,271	-	-	-
Designated	5,387,835	-	-	18,301,557	-	-	-	-	-	23,699,392	25,485,270	-	-	-
Undesignated	4,515,561	1,112,966	-	-	-	-	-	-	-	5,628,527	3,614,294	-	-	-
Total Equity and Other Credits	10,349,144	3,587,895	498,095	22,567,186	4,737,919	1,077,556	7,402	58,299,736	-	101,124,933	98,435,314	-	-	-
Total Liabilities, Equity and Other Credits	\$ 12,797,421	\$ 4,222,068	\$ 1,360,765	\$ 23,936,371	\$ 7,909,257	\$ 1,302,798	\$ 9,710	\$ 58,299,736	\$ 57,036,249	\$ 166,874,375	\$ 165,442,532	\$ 8,642,250		

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

CITY OF ALPHARETTA, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 Year Ended June 30, 2001
 (With Comparative Totals for 2000)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		2001	2000
Revenues:							
Property Taxes	\$ 11,029,650	\$ -	\$ 5,628,264	\$ -	-	\$ 16,657,914	\$ 16,538,295
Other Taxes	10,771,690	2,458,270	-	-	-	13,229,960	10,176,359
Licenses and Permits	2,198,676	-	-	-	-	2,198,676	2,587,950
Intergovernmental	575,542	-	-	382,769	-	958,311	418,308
Charges for Services	2,383,864	1,038,203	-	-	-	3,422,067	4,078,572
Fines and Forfeitures	461,096	7,790	-	-	-	468,886	462,580
Impact Fees	-	1,258,504	-	-	-	1,258,504	2,861,705
Interest	563,548	159,502	111,238	1,472,687	561	2,307,536	2,249,268
Other	156,404	179,394	39,111	52,155	-	427,064	500,863
Total Revenues	28,140,470	5,101,663	5,778,613	1,907,611	561	40,928,918	39,873,900
Expenditures:							
Current:							
General Government	5,337,427	2,630,148	-	-	-	7,967,575	7,075,001
Public Safety	9,184,848	903,369	-	-	-	10,088,217	7,468,974
Engineering & Public Works	3,730,234	-	-	-	-	3,730,234	4,407,066
Environmental Services	329,794	-	-	-	-	329,794	240,963
Parks and Recreation	4,375,821	-	-	-	-	4,375,821	3,606,710
Other	-	-	-	-	-	-	5,158
Capital Outlay	-	-	-	11,043,110	-	11,043,110	11,301,944
Debt Service:							
Principal	-	-	2,535,711	19,787	-	2,555,498	2,532,019
Interest and Fiscal Charges	-	-	3,503,405	4,192	-	3,507,597	3,098,360
Total Expenditures	22,958,124	3,533,517	6,039,116	11,067,089	-	43,597,846	39,736,195
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 5,182,346	\$ 1,568,146	\$ (260,503)	\$ (9,159,478)	561	\$ (2,668,928)	\$ 137,705

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
Year Ended June 30, 2001
(With Comparative Totals for 2000)

	Governmental Fund Types				Fiduciary Fund Types	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Cemetery Expendable Trust	2001	2000
Other Financing Sources (Uses):							
Operating Transfers In	\$ -	\$ -	\$ -	\$ 2,960,349	\$ -	\$ 2,960,349	\$ 7,231,960
Operating Transfers Out	(3,390,149)	-	-	-	-	(3,390,149)	(7,231,960)
Sale of Assets	2,526	-	-	-	-	2,526	82,238
Capital Lease Proceeds	-	-	-	260,089	-	260,089	312,724
Total Financing Sources (Uses)	<u>(3,387,623)</u>	<u>-</u>	<u>-</u>	<u>3,220,438</u>	<u>-</u>	<u>(167,185)</u>	<u>394,962</u>
Excess (Deficiency) of Revenues and Other Sources							
Over (Under) Expenditures and Other Uses	1,794,723	1,568,146	(260,503)	(5,939,040)	561	(2,836,113)	532,668
Fund Balance, July 1	8,554,421	2,019,749	758,598	28,506,226	6,841	39,845,835	39,313,167
Fund Balances, June 30	<u>\$ 10,349,144</u>	<u>\$ 3,587,895</u>	<u>\$ 498,095</u>	<u>\$ 22,567,186</u>	<u>\$ 7,402</u>	<u>\$ 37,009,722</u>	<u>\$ 39,845,835</u>

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

CITY OF ALPHARETTA, GEORGIA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
For the fiscal year June 30, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$ 9,411,787	\$ 11,029,650	\$ 1,617,863	\$ -	\$ -	\$ -
Other Taxes	9,019,571	10,771,690	1,752,119	2,250,000	2,458,270	208,270
Licenses and Permits	2,575,000	2,198,676	(376,324)	-	-	-
Intergovernmental	381,000	575,542	194,542	-	-	-
Charges for Services	2,701,872	2,383,864	(318,008)	793,675	1,038,203	244,528
Fines and Forfeitures	294,587	461,096	166,509	5,000	7,790	2,790
Impact Fees	-	-	-	1,604,696	1,258,504	(346,192)
Interest	400,000	563,548	163,548	95,223	159,464	64,241
Other	5,000	156,404	151,404	-	13	13
Total Revenues	24,788,817	28,140,470	3,351,653	4,748,594	4,922,244	173,650
Expenditures:						
Current:						
General Government:						
City Administrator	730,553	808,351	(77,798)	-	-	-
Mayor and Council	237,268	209,829	27,439	-	-	-
Legal Services	325,000	354,526	(29,526)	-	-	-
Municipal Court	276,187	276,419	(232)	-	-	-
Financial Services	812,064	797,266	14,798	-	-	-
Management Information Services	915,210	914,420	790	-	-	-
Community Development	1,473,861	1,406,785	67,076	-	-	-
Human Resources	743,091	457,571	285,520	-	-	-
Non-Departmental	294,729	112,260	182,469	4,018,541	2,692,330	1,326,211
Total General Government	5,807,963	5,337,427	470,536	4,018,541	2,692,330	1,326,211
Public Safety:						
Fire & Rescue Services	4,732,802	4,608,123	124,679	1,151,306	841,187	310,119
Police Services	4,508,719	4,576,725	(68,006)	-	-	-
Total Public Safety	9,241,521	9,184,848	56,673	1,151,306	841,187	310,119
Engineering & Public Works	4,126,334	3,730,234	396,100	-	-	-
Environmental Services	554,203	329,794	224,409	-	-	-
Parks and Recreation	4,675,363	4,375,821	299,542	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	24,405,384	22,958,124	1,222,851	5,169,847	3,533,517	1,636,330
Excess (Deficiency) of Revenues Over Expenditures	383,433	5,182,346	4,798,913	(421,253)	1,388,727	1,809,980
Other Financing Sources (Uses):						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(3,390,149)	(3,390,149)	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-	-
Sale of Assets	-	2,526	2,526	-	-	-
Total Other Financing Sources (Uses)	(3,390,149)	(3,387,623)	2,526	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,006,716)	1,794,723	4,801,439	(421,253)	1,388,727	1,809,980
Fund Balance, July 1	8,554,421	8,554,421	-	2,019,749	2,019,749	-
Fund Balance, June 30	\$ 5,547,705	\$ 10,349,144	\$ 4,801,439	\$ 1,598,496	\$ 3,408,476	\$ 1,809,980

(CONTINUED)

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

CITY OF ALPHARETTA, GEORGIA

Special Revenue Funds

Special Revenue Funds are used to account for revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Hotel - Motel Fund

Established to account for the Occupancy Tax collected by the City from area hotels and motels, and distributed based upon State Statute. The revenues associated with this tax are legally restricted to specific purposes.

Community Greenspace Fund

This fund was established pursuant to the City's participation in the statewide Community Greenspace Program. Revenues are derived directly from the State and restricted to capital expenses relating to Passive Greenspace.

Emergency 911 Fund

Established to account for funds received from users of the Emergency 911 System. The funds are to be used for expenditures necessary to maintain the System within the City.

Impact Fees

Established to account for fees assessed upon Development Activity. The fees shall be collected to pay for system improvements as detailed in the City's Impact Fee ordinance.

Drug Enforcement Agency Fund

Established to account for funds received from the Drug Enforcement Agency for shared revenues resulting from confiscation of property from drug offender's arrest. The revenues are restricted to law enforcement and cannot be used to supplant the normal operating budget of the Police Department.

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CITY OF ALPHARETTA, GEORGIA

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2001

(With Comparative Totals for Year Ended June 30, 2000)

Assets	Hotel Motel	Common Greenspace	Emergency 911	Impact Fee	Drug Enforcement	Totals	
						2001	2000
Cash and Cash Equivalents	\$ 106,323	\$ 4,419	\$ 20,105	\$ 20,515	\$ 138,457	\$ 287,819	\$ 225,309
Investments	251,170	175,000	930,439	2,225,058	-	3,581,667	1,458,104
Accounts Receivable	204,744	-	95,658	52,180	-	352,582	364,459
Prepaid Items	-	-	-	-	-	-	317
Total Assets	\$ 562,237	\$ 179,419	\$ 1,046,202	\$ 2,297,753	\$ 138,457	\$ 4,222,068	\$ 2,048,189
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	\$ 551,515	\$ -	\$ 11,570	\$ 3,562	\$ 46,752	\$ 613,399	\$ 9,194
Accrued Salaries	-	-	10,567	-	-	10,567	5,918
Compensated Absences Payable	-	-	10,207	-	-	10,207	2,801
Due to Other Funds	-	-	-	-	-	-	10,527
Total Liabilities	551,515	-	32,344	3,562	46,752	634,173	28,440
Fund Balances:							
Reserved:							
Reserved for Prepaid Items	-	-	-	-	-	-	317
Reserved for Encumbrances	-	-	-	175,061	-	175,061	14,200
Reserved for Public Safety	-	-	1,319	-	-	1,319	513,101
Reserved for Capital and Community Improvement Projects	-	179,419	-	2,119,130	-	2,298,549	623,808
Unreserved and Undesignated	10,722	-	1,012,539	-	89,705	1,112,966	868,323
Total Fund Balance	10,722	179,419	1,013,858	2,294,191	89,705	3,587,895	2,019,749
Total Liabilities and Fund Balance	\$ 562,237	\$ 179,419	\$ 1,046,202	\$ 2,297,753	\$ 138,457	\$ 4,222,068	\$ 2,048,189

CITY OF ALPHARETTA, GEORGIA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCEFor the Year Ended June 30, 2001
(With Comparative Totals for Fiscal Year Ended June 30, 2000)

	Hotel Motel	Common Greenspace	Emergency 911	Impact Fee	Drug Enforcement	Totals	
						2001	2000
Revenues:							
Impact Fees	\$ -	\$ -	\$ -	\$ 1,258,504	\$ -	\$ 1,258,504	\$ 2,861,705
Hotel/Motel Taxes	2,458,270	-	-	-	-	2,458,270	-
Charges for Services	-	-	1,038,203	-	-	1,038,203	772,065
Forfeiture Income	-	-	-	-	7,790	7,790	49,126
Interest Income	10,722	38	46,091	95,534	7,117	159,502	49,468
Other	-	179,381	13	-	-	179,394	79
Total Revenues	2,468,992	179,419	1,084,307	1,354,038	14,907	5,101,663	3,732,443
Expenditures:							
General Government	-	-	-	171,878	-	171,878	-
Public Safety	-	-	841,187	-	62,182	903,369	-
Other	2,458,270	-	-	-	-	2,458,270	633,460
Total Expenditures	2,458,270	-	841,187	171,878	62,182	3,533,517	633,460
Excess of Revenue Over Expenditures	10,722	179,419	243,120	1,182,160	(47,275)	1,568,146	3,098,983
Other Financing Sources (Uses):							
Operating Transfer In	-	-	-	-	-	-	84,960
Operating Transfer Out	-	-	-	-	-	-	(2,974,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(2,889,040)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	10,722	179,419	243,120	1,182,160	(47,275)	1,568,146	209,943
Fund Balance, July 1	-	-	770,738	1,112,031	136,980	2,019,749	1,809,806
Fund Balance, June 30	\$ 10,722	\$ 179,419	\$ 1,013,858	\$ 2,294,191	\$ 89,705	\$ 3,587,895	\$ 2,019,749

CITY OF ALPHARETTA, GEORGIA

HOTEL MOTEL
SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended June 30, 2001

	2001		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Hotel/Motel Tax	\$ 2,250,000	\$ 2,458,270	\$ 208,270
Interest	-	10,722	10,722
Total Revenues	<u>2,250,000</u>	<u>2,468,992</u>	<u>218,992</u>
Expenditures:			
Tourism	<u>2,250,000</u>	<u>2,458,270</u>	<u>(208,270)</u>
Total Expenditures	<u>2,250,000</u>	<u>2,458,270</u>	<u>(208,270)</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>10,722</u>	<u>10,722</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 10,722</u>	<u>\$ 10,722</u>

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CITY OF ALPHARETTA, GEORGIA

EMERGENCY 911
SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 20,105	\$ 80,430
Investments	930,439	646,329
Accounts Receivable	95,658	72,102
Prepaid Items	-	317
Total Assets	\$ 1,046,202	\$ 799,178
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 11,570	\$ 9,194
Accrued Salaries	10,567	5,918
Compensated Absences Payable	10,207	2,801
Due to Other Funds	-	10,527
Total Liabilities	32,344	28,440
Fund Balance:		
Reserved:		
Reserved for Prepaid Items:	-	317
Reserved for Public Safety	1,319	-
Reserved for Capital Projects:	-	24,878
Unreserved and Undesignated:	1,012,539	745,543
Total Fund Balance	1,013,858	770,738
Total Liabilities and Fund Balance	\$ 1,046,202	\$ 799,178

CITY OF ALPHARETTA, GEORGIA

EMERGENCY 911
SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUALFor the year Ended June 30, 2001
(With Comparative Actual Amounts for Year Ended June 30, 2000)

	2001		Variance	2000
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Charge for Services	\$ 793,675	\$ 1,038,203	\$ 244,528	\$ 772,065
Interest Income	5,000	46,091	41,091	8,782
Other	-	13	13	79
Total Revenues	<u>798,675</u>	<u>1,084,307</u>	<u>285,632</u>	<u>780,926</u>
Expenditures:				
Public Safety	<u>1,151,306</u>	<u>841,187</u>	<u>310,119</u>	<u>519,393</u>
Total Expenditures	<u>1,151,306</u>	<u>841,187</u>	<u>310,119</u>	<u>519,393</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(352,631)	243,120	595,751	261,533
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	84,960
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(352,631)	243,120	595,751	346,493
Fund Balance, July 1	<u>770,738</u>	<u>770,738</u>	-	<u>424,245</u>
Fund Balance, June 30	<u>\$ 418,107</u>	<u>\$ 1,013,858</u>	<u>\$ 595,751</u>	<u>\$ 770,738</u>

CITY OF ALPHARETTA, GEORGIA

IMPACT FEE
SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 20,515	\$ 7,899
Investments	2,225,058	811,775
Accounts Receivable	52,180	292,357
Total Assets	\$ 2,297,753	\$ 1,112,031
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 3,562	\$ -
Total Liabilities	3,562	-
Fund Balance:		
Reserved:		
Reserved for Encumbrances	175,061	-
Reserved for Capital and Community Improvement Projects	2,119,130	1,112,031
Total Fund Balance	2,294,191	1,112,031
Total Liabilities and Fund Balance	\$ 2,297,753	\$ 1,112,031

CITY OF ALPHARETTA, GEORGIA

IMPACT FEE
SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUALFor the Year Ended June 30, 2001
(With Comparative Actual Amounts for Year Ended June 30, 2000)

	2001		Variance	2000
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Impact Fees	\$ 1,604,696	\$ 1,258,504	\$ (346,192)	\$ 2,861,705
Interest Income	85,723	95,534	9,811	34,146
Total Revenues	1,690,419	1,354,038	(336,381)	2,895,851
Expenditures:				
General Government	1,690,419	171,878	1,518,541	88,119
Excess of Revenues Over Expenditures	-	1,182,160	1,182,160	2,807,732
Other Financing Source (Uses):				
Operating Transfers Out	-	-	-	(2,974,000)
Total Other Financing Sources (Uses)	-	-	-	(2,974,000)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	1,182,160	1,182,160	(166,268)
Fund Balance, July 1	1,112,031	1,112,031	-	1,278,299
Fund Balance, June 30	\$ 1,112,031	\$ 2,294,191	\$ 1,182,160	\$ 1,112,031

CITY OF ALPHARETTA, GEORGIA
 DRUG ENFORCEMENT AGENCY
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 136,457	\$ 136,980
Total Assets	\$ 136,457	\$ 136,980
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 46,752	\$ -
Fund Balance:		
Reserved:		
Reserved for Encumbrances	-	14,200
Unreserved:		
Unreserved and Undesignated	89,705	122,780
Total Fund Balance	89,705	136,980
Total Liabilities and Fund Balance	\$ 136,457	\$ 136,980

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CITY OF ALPHARETTA, GEORGIA

DRUG ENFORCEMENT AGENCY
SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUALFor the Year Ended June 30, 2001
(With Comparative Actual Amounts for Year Ended June 30, 2000)

	2001		Variance	2000
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Forfeiture Income	\$ 5,000	\$ 7,790	\$ 2,790	\$ 49,126
Interest	4,500	7,117	2,617	6,540
Total Revenues	9,500	14,907	5,407	55,666
Expenditures:				
Public Safety	78,122	62,182	15,940	25,948
Total Expenditures	78,122	62,182	15,940	25,948
Excess of Revenues Over (Under) Expenditures	(68,622)	(47,275)	21,347	29,718
Fund Balance, July 1	136,980	136,980	-	107,262
Fund Balance, June 30	\$ 68,358	\$ 89,705	\$ 21,347	\$ 136,980

CITY OF ALPHARETTA, GEORGIA

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of interest and principal on general debt of the City.



CITY OF ALPHARETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 41,166	\$ 45,974
Investments	911,238	522,475
Receivables (Net of allowances for uncollectibles):		
Taxes	<u>408,361</u>	<u>574,185</u>
Total Assets	<u>\$ 1,360,765</u>	<u>\$ 1,142,634</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 1,332	\$ 397
Accrued Interest	483,687	-
Deferred Revenue	<u>377,651</u>	<u>383,639</u>
Total Liabilities	<u>862,670</u>	<u>384,036</u>
Fund Balance:		
Reserved:		
Reserved for Debt Service	<u>498,095</u>	<u>758,598</u>
Total Liabilities and Fund Balance	<u>\$ 1,360,765</u>	<u>\$ 1,142,634</u>

CITY OF ALPHARETTA, GEORGIA

DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended June 30, 2001

(With Comparative Actual Amounts for Year Ended June 30, 2000)

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues:				
General Property Taxes	\$ 5,647,500	5,628,264	\$ (19,236)	\$ 6,642,209
Interest Income	2,500	111,238	108,738	2,882
Other Revenue	-	39,111	39,111	-
Total Revenues	<u>5,650,000</u>	<u>5,778,613</u>	<u>128,613</u>	<u>6,645,091</u>
Expenditures:				
Bond Principal	1,972,251	1,901,250	71,001	1,890,000
Lease Purchase Principal	634,461	634,461	0	837,002
Interest	3,027,287	3,500,287	(473,000)	3,094,708
Administrative Charges	16,001	3,118	12,883	2,891
Total Expenditures	<u>5,650,000</u>	<u>6,039,116</u>	<u>(389,116)</u>	<u>5,624,601</u>
Excess of Revenues Over (Under) Expenditures	-	(260,503)	(260,503)	1,020,490
Residual Equity Transfer	-	-	-	102,057
Fund Balance, July 1	<u>758,598</u>	<u>758,598</u>	-	<u>(363,949)</u>
Fund Balance, June 30	<u>\$ 758,598</u>	<u>\$ 498,095</u>	<u>\$ (260,503)</u>	<u>\$ 758,598</u>

CITY OF ALPHARETTA, GEORGIA

Trust Funds

Expendable Trust Funds

Trust funds are used to account for assets held by the City in a trustee capacity.

Cemetery Fund

Established to account for monies received as contributions for the maintenance of Resthaven Cemetery located within the City limits.



CITY OF ALPHARETTA, GEORGIA
CEMETERY EXPENDABLE TRUST FUND
COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Investments	\$ <u>9,710</u>	\$ <u>9,149</u>
Total Assets	\$ <u>9,710</u>	\$ <u>9,149</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Due to Other Funds	\$ <u>2,308</u>	\$ <u>2,308</u>
Total Liabilities	<u>2,308</u>	<u>2,308</u>
Fund Balance:		
Reserved For Cemetery Maintenance	<u>7,402</u>	<u>6,841</u>
Total Liabilities and Fund Balance	\$ <u>9,710</u>	\$ <u>9,149</u>

CITY OF ALPHARETTA, GEORGIA

CEMETERY EXPENDABLE TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2001

(With Comparative Actual Amounts for Year Ended June 30, 2000)

	<u>2001</u>			<u>2000</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
<u>Revenues:</u>				
Interest Income	\$ <u>475</u>	\$ <u>561</u>	\$ <u>86</u>	\$ <u>531</u>
<u>Expenditures:</u>				
Administration	<u>475</u>	<u>-</u>	<u>475</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	561	561	531
Fund Balance, July 1	<u>6,841</u>	<u>6,841</u>	<u>-</u>	<u>6,310</u>
Fund Balance, June 30	\$ <u><u>6,841</u></u>	\$ <u><u>7,402</u></u>	\$ <u><u>561</u></u>	\$ <u><u>6,841</u></u>

CITY OF ALPHARETTA, GEORGIA

Account Groups

General Fixed Assets

The General Fixed Assets Account Group - established to account for the cost of all fixed assets of the City that are used in the performance of general government functions which are not accounted for in the Enterprise Funds.



CITY OF ALPHARETTA, GEORGIA

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE

June 30, 2001 and 2000

GENERAL FIXED ASSETS	<u>2001</u>	<u>2000</u>
Land	\$ 16,723,526	\$ 14,116,873
Buildings	23,213,763	20,144,716
Improvements Other than Buildings	7,254,657	6,278,140
Equipment	11,107,790	11,383,282
Construction in Progress	-	2,157,152
TOTAL GENERAL FIXED ASSETS	\$ <u>58,299,736</u>	\$ <u>54,080,163</u>
INVESTMENTS IN GENERAL FIXED ASSETS BY SOURCE		
General Fund	\$ 13,970,227	\$ 11,008,243
Special Revenue	163,415	1,802,040
Other Governmental Funds	<u>44,166,094</u>	<u>41,269,880</u>
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	\$ <u>58,299,736</u>	\$ <u>54,080,163</u>

CITY OF ALPHARETTA, GEORGIA
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY

June 30, 2001

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment</u>	<u>Total</u>
General Government	\$ <u>4,184,150</u>	\$ <u>462,741</u>	\$ <u>285,634</u>	\$ <u>1,030,983</u>	\$ <u>5,963,508</u>
Public Safety:					
Police	<u>94,844</u>	<u>4,092,276</u>	<u>1,620</u>	<u>3,491,827</u>	<u>7,680,567</u>
Fire	<u>323,566</u>	<u>5,191,309</u>	<u>-</u>	<u>3,459,403</u>	<u>8,974,278</u>
Total Public Safety	<u>418,410</u>	<u>9,283,585</u>	<u>1,620</u>	<u>6,951,230</u>	<u>16,654,845</u>
Engineering and Public Works	<u>1,765,199</u>	<u>1,543,114</u>	<u>42,369</u>	<u>1,830,596</u>	<u>5,181,278</u>
Culture and Recreation	<u>10,355,767</u>	<u>11,924,323</u>	<u>6,925,034</u>	<u>1,294,981</u>	<u>30,500,105</u>
Total General Fixed Assets	\$ <u><u>16,723,526</u></u>	\$ <u><u>23,213,763</u></u>	\$ <u><u>7,254,657</u></u>	\$ <u><u>11,107,790</u></u>	\$ <u><u>58,299,736</u></u>

CITY OF ALPHARETTA, GEORGIA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY

Year Ended June 30, 2001

<u>Function and Activity</u>	<u>General Fixed Assets July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets June 30, 2001</u>
General Government	\$ <u>4,067,525</u>	\$ <u>2,381,484</u>	\$ <u>485,501</u>	\$ <u>5,963,508</u>
Public Safety:				
Police	7,479,095	1,362,016	1,160,544	7,680,567
Fire	9,078,214	214,506	318,442	8,974,278
Total Public Safety	<u>16,557,309</u>	<u>1,576,522</u>	<u>1,478,986</u>	<u>16,654,845</u>
Public Works	5,701,366	914,017	1,434,105	5,181,278
Culture and Recreation	<u>27,753,963</u>	<u>2,820,423</u>	<u>74,281</u>	<u>30,500,105</u>
Total General Fixed Assets	\$ <u>54,080,163</u>	\$ <u>7,692,446</u>	\$ <u>3,472,873</u>	\$ <u>58,299,736</u>

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CITY OF ALPHARETTA, GEORGIA

Statistical Tables and Other Schedules (unaudited)

Statistical Tables and Other Schedules are included to provide detailed data on the physical, economic, social and political characteristics of the City. They are intended to provide the user with a broader and more complete understanding of the City and its financial affairs than is possible from the basic financial statements and supporting schedules included in the Financial Section.

CITY OF ALPHARETTA, GEORGIA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Parks and Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1992	\$2,341,000	\$ 2,441,000	\$1,700,000	\$ 710,000	\$ 937,000	\$ 559,000	\$ 8,688,000
1993	\$1,630,000	\$ 2,365,000	\$2,071,000	\$1,048,000	\$ 7,251,000	\$ 1,556,000	\$15,921,000
1994	\$1,844,335	\$ 3,570,339	\$2,308,835	\$ 751,971	\$11,876,904	\$ 1,761,177	\$22,113,561
1995	\$2,063,666	\$ 3,578,408	\$2,159,273	\$ 777,441	\$11,846,965	\$ 2,389,844	\$22,815,597
1996	\$3,635,028	\$ 3,919,339	\$2,633,179	\$1,396,786	\$12,994,484	\$ 4,064,515	\$28,643,331
1997	\$4,043,454	\$ 4,660,338	\$2,909,342	\$1,828,203	\$13,956,389	\$ 4,203,158	\$31,600,884
1998	\$4,439,433	\$ 5,637,308	\$3,418,931	\$2,417,753	\$21,402,865	\$ 4,849,130	\$42,165,420
1999	\$6,294,353	\$ 6,475,452	\$4,341,789	\$2,957,415	\$10,529,284	\$ 5,929,787	\$36,528,080
2000	\$7,321,122	\$ 7,468,974	\$4,407,066	\$3,606,710	\$11,301,944	\$ 5,630,379	\$39,736,195
2001	\$8,297,369	\$10,088,217	\$3,730,234	\$4,375,821	\$11,043,110	\$ 6,063,095	\$43,597,846

(1) Includes all Governmental and Expendable Trust Funds

CITY OF ALPHARETTA, GEORGIA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	Taxes	Fines & Forfeitures	License & Permits	Inter- Governmental Revenues	Charges for Services	Other Revenues	Total
1992	\$ 6,459,000	\$ 410,000	\$ 1,832,000	\$ 40,000	\$ 1,886,000	\$ 399,000	\$11,026,000
1993	\$ 8,799,000	\$ 309,000	\$ 896,000	\$ 800,000	\$ 1,930,000	\$ 322,000	\$13,056,000
1994	\$ 9,644,563	\$ 345,421	\$ 1,265,813	\$5,228,567	\$ 2,307,673	\$ 1,175,086	\$19,967,123
1995	\$10,496,376	\$ 276,492	\$ 1,784,086	\$3,479,200	\$ 2,739,723	\$ 1,110,036	\$19,885,913
1996	\$12,186,001	\$ 386,395	\$ 2,863,751	\$1,625,981	\$ 2,978,090	\$ 2,281,067	\$22,321,285
1997	\$14,096,743	\$ 549,031	\$ 3,517,099	\$1,536,074	\$ 4,259,704	\$ 3,728,079	\$27,686,730
1998	\$16,291,593	\$ 453,961	\$ 3,754,742	\$2,785,768	\$ 2,790,772	\$ 7,487,053	\$33,563,889
1999	\$19,658,847	\$ 522,299	\$ 2,647,561	\$3,270,186	\$ 3,460,718	\$ 5,005,259	\$34,564,870
2000	\$26,714,654	\$ 462,580	\$ 2,587,950	\$ 418,308	\$ 4,078,572	\$ 5,611,336	\$39,873,400
2001	\$29,887,874	\$ 468,886	\$ 2,198,676	\$ 958,311	\$ 3,422,067	\$ 4,253,193	\$41,189,007

(1) Includes all Governmental and Expendable Trust Funds

CITY OF ALPHARETTA, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Tax as Percent of Current Levy
1991	\$ 3,142,000	\$ 3,093,000	98.44	\$ 95,000	\$ 3,188,000	101.46	\$ 212,000	6.75
1992	\$ 3,802,000	\$ 3,470,000	91.27	\$ 16,000	\$ 3,486,000	91.69	\$ 528,000	13.89
1993	\$ 5,350,000	\$ 5,204,000	97.27	\$ 139,000	\$ 5,343,000	99.87	\$ 535,000	10.00
1994	\$ 5,770,465	\$ 5,558,418	96.33	\$ (19,867)	\$ 5,538,551	95.98	\$ 464,755	8.05
1995	\$ 5,873,310	\$ 5,887,314	100.24	\$ (14,370)	\$ 5,872,944	99.99	\$ 315,740	5.38
1996	\$ 7,406,512	\$ 6,602,693	89.15	\$ 165,344	\$ 6,768,037	91.38	\$ 270,078	3.65
1997	\$ 8,328,413	\$ 7,651,942	91.88	\$ 304,599	\$ 7,956,541	95.53	\$ 231,402	2.78
1998	\$ 10,006,902	\$ 8,852,299	88.46	\$ 231,402	\$ 9,083,701	90.77	-	0.00
1999	\$ 13,340,657	\$ 10,623,686	79.63	\$ (25,243)	\$ 10,598,443	79.44	\$ 470,810	3.53
2000	\$ 15,331,556	\$ 16,238,289	105.91	\$ 300,006	\$ 16,538,295	107.87	\$ 1,380,459	9.00
2001	\$ 16,352,307	\$ 15,317,961	93.67	\$ 1,339,953	\$ 16,657,914	101.87	\$ 980,964	6.00

CITY OF ALPHARETTA, GEORGIA
 ASSESSED AND ESTIMATED ACTUAL VALUE
 OF PROPERTY (1)

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessment Ratio</u>
1992	1991	\$ 427,000,000	\$ 1,068,102,000	40
1993	1992	\$ 447,000,000	\$ 1,117,000,000	40
1994	1993	\$ 532,000,000	\$ 1,330,000,000	40
1995	1994	\$ 586,826,325	\$ 1,467,065,813	40
1996	1995	\$ 1,058,719,267	\$ 2,646,798,168	40
1997	1996	\$ 1,276,077,960	\$ 3,190,194,900	40
1998	1997	\$ 1,689,980,294	\$ 4,224,950,735	40
1999	1998	\$ 1,877,138,494	\$ 4,692,846,235	40
2000	1999	\$ 2,075,165,895	\$ 5,187,914,737	40
2001	2000	\$ 2,337,989,324	\$ 5,844,973,310	40

(1) Assessed values are established by the Fulton County Assessment Board on January 1 of each year at 40% of actual value.

SOURCE: Fulton County Tax Assessors Office

CITY OF ALPHARETTA, GEORGIA
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Assessed Value)

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City of Alpharetta</u>	<u>County Bonds And Operating Funds</u>	<u>Special District</u>	<u>Schools</u>	<u>State Levy</u>	<u>Total*</u>
1992	1991	8.90	16.81	5.58	25.15	0.25	56.69
1993	1992	10.56	14.51	4.76	25.15	0.25	55.23
1994	1993	8.38	14.01	4.76	21.26	0.25	48.66
1995	1994	7.88	14.01	4.76	21.26	0.25	48.16
1996	1995	7.88	14.01	4.76	21.26	0.25	48.16
1997	1996	7.88	14.01	4.76	21.26	0.25	48.16
1998	1997	7.88	14.01	4.76	21.26	0.25	48.16
1999	1998	7.88	14.01	4.76	21.26	0.25	48.16
2000	1999	7.88	13.69	4.76	15.76	0.25	42.34
2001	2000	7.88	14	4.76	20.15	0.25	46.73

* Reflects net amount less state required roll-back.

Source: Fulton County Tax Assessors Office.

CITY OF ALPHARETTA, GEORGIA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

Fiscal Year	Population * (Year End)	Real Estate Assessed Value	Gross Bonded Debt	Less debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1992	15,000	\$ 427,000,000	\$ 22,000,000	\$ 44,000	\$ 21,956,000	0.05	\$1,463.73
1993	15,000	\$ 446,000,000	\$ 22,310,000	\$ 146,433	\$ 22,163,567	0.05	\$1,477.57
1994	17,000	\$ 532,000,000	\$ 21,890,000	\$ 161,354	\$ 21,728,646	0.04	\$1,278.16
1995	20,915	\$ 586,826,325	\$ 38,215,000	\$ 62,326	\$ 38,152,674	0.07	\$1,824.18
1996	22,504	\$ 1,058,719,267	\$ 36,845,000	\$ 68,361	\$ 36,776,639	0.03	\$1,634.23
1997	23,246	\$ 1,276,077,960	\$ 35,405,000	\$ 311,843	\$ 35,093,157	0.03	\$1,509.64
1998	24,536	\$ 1,689,980,294	\$ 58,785,000	\$ 380,753	\$ 58,404,247	0.03	\$2,380.35
1999	30,000	\$ 1,877,138,494	\$ 57,190,000	\$ (305,900)	\$ 57,495,900	0.03	\$1,916.53
2000	30,000	\$ 2,075,165,895	\$ 57,249,000	\$ 758,598	\$ 56,490,402	0.03	\$1,883.01
2001	35,112	\$ 2,337,989,324	\$ 57,036,249	\$ 498,095	\$ 56,538,154	0.02	\$1,610.22

NOTE: Includes all Long-term General Obligation Debt

Source:

* 2000 thru 2001 based upon estimates by the City of Alpharetta Community Development Department

* 1986 thru 1988 and 1991 thru 1999 based on estimates by The Atlanta Regional Commission.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF ALPHARETTA, GEORGIA

June 30, 2001

Prepared by:

Authority of City Council
City of Alpharetta

Robert J. Regus, City Administrator
Aaron J. Bovos, Director of Finance

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CITY OF ALPHARETTA, GEORGIA
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CITY OF ALPHARETTA, GEORGIA
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INTRODUCTORY SECTION

Public Involvement/Communication

At the end of fiscal year 2001, the City held an election to seek voter approval for a bond referendum. This referendum designated for Recreation - Parks and Transportation. With a vote of 756 to 624, for recreation, and 762 to 611 for transportation, both questions on this referendum failed. As equally concerning was the average 8.61% of registered voter turnout.

As a result, City Council is exploring ways in which citizen communication and contact can be expanded in order to produce an understanding by both parties of future goals. A Citizen's Report will be prepared and distributed in accordance with this measure. Potential future projects also include a comprehensive survey, attendance at alternative meetings (homeowners associations, specific organizations, etc.), as well as the ability to provide information through direct mailings.

Land Acquisition

During fiscal year 2001, \$1.5 million was allocated in the Capital Project Fund to acquire land. One parcel adjacent to currently owned City property in the downtown area was acquired prior to the fiscal year end, with the second piece being acquired shortly after year end. Future use of this land is uncertain, but possibilities include park land or a downtown parking facility.

Paperless Initiative

The City Council rooms were updated during fiscal year 2001 to assist with the paperless initiative. The Mayor and Council were provided with laptops in order to electronically follow agendas and review backup documentation. In addition, closed circuit televisions were installed and connected to a computer/visual aid system enabling presenters to display information not only to Council, but also to the members of the audience.

For the future. The City continually updates its strategic plan for future growth, the most current year of which channels into the current year's operating budget. This long range planning allows City officials to commence planning for improvements in sufficient time to assure adequate financing and preparation.

Strategic Planning

City Council appropriated \$100,000 to complete a comprehensive strategic plan which would provide detailed cohesiveness between City departments. Currently strategic plans exist for Recreation, Community Development, Transportation, etc. The future goals of the Council are to provide a more visionary thought to planning on an enterprise-wide basis, thus the need to prepare such a plan was imminent. This project was not completed as of June 30, 2001, and it is estimated to take significant time in order to complete the necessary tasks to make this a successful project.

Information Systems

With continually improving technology, organizations including the City of Alpharetta need to maintain the ability to improve internal infrastructure relating to information management. In addition, these tools, such as the internet, can be used to provide citizens with optimal service, usually without City employee assistance. Goals for expansion within this area include the customer internet services, department to department data sharing, data storage/archiving, and review of existing systems for efficiency.

OSHA Compliance

Pending Georgia legislation may require governmental entities to fully comply with OSHA guidelines and regulations. The City is currently held to the same standards as any private company with respect to liability and operations; however, technical OSHA compliance is not required under state law. In the event the legislation passes, a significant impact will occur with respect to full compliance with these regulations.

FINANCIAL INFORMATION

The Accounting System. The City maintains seven fund types: General Fund, Special Revenue, Capital Projects, Debt Service, Enterprise, Internal Service, and Trust and Agency. The description of these fund types can be found in the Notes to the Financial Statements.

The accompanying financial statements and statistical tables were prepared in conformance with generally accepted accounting principles (GAAP), and with standards set forth by:

- 1) The Governmental Accounting Standards Board (GASB).
- 2) The American Institute of Certified Public Accountants and its Committee on Governmental Accounting and Auditing.
- 3) The Government Finance Officers Association of the United States and Canada (GFOA).

Internal Controls. The City of Alpharetta management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. We believe the City's system of internal accounting controls is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

Budget Controls. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of all funds are included in the annual appropriated budget. Effective budgetary control is achieved through general obligation bond provisions and impact fees for the debt service fund. Project-length financial plans are adopted for the bond construction and capital projects funds. Budgetary control is achieved in the special revenue fund and expendable trust fund by limiting expenditures to revenues received. The level of legal budgetary control (that is, the level at which expenditures may not exceed revenues) is established at the department level for the General Fund and at the fund level for all other funds.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions. The Governmental Funds include the General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds. The following schedule presents a summary for the fiscal year ended June 30, 2001, and the amount and percentages of change in relation to prior year revenues.

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

The government has the following fund types and account groups:

Governmental Funds

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales tax collected and held by the state at year-end on behalf of the City is also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditures-driven grants are recognized as revenue then the qualifying expenditures have been incurred and all other grant requirements have been met. All governmental funds have legally adopted annual budgets.

Governmental funds include the following fund types:

General Fund - This 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.

Special Revenue Fund - These funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

Debt Service Fund - This fund accounts for the servicing of general long-term debt not being financed by proprietary funds.

Capital Project Fund - These funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates. The City is authorized to invest idle cash from operating accounts for the purpose of increasing income through investment activities. State statutes authorize the City to invest in obligations of the U.S. Treasury, repurchase agreements, and commercial paper. It is the policy of the City to include certificates of deposit as investments. For the purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Investments are recorded at fair value.

D. Inventories and Prepaid Items

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption and are charged as expenditures when used. Amounts paid to vendors for services that will benefit future periods are recorded as prepaid items.

E. Fixed Assets

Fixed assets are recorded at historical cost, or estimated historical cost if historical cost is not available. Donated fixed assets are valued at their estimated fair market value at the date of donation. No depreciation is provided on general fixed assets. The City does not record the cost or estimated cost of public domain (infrastructure) fixed assets. Depreciation on property, plant and equipment in the Proprietary Fund is provided by the straight-line method over the following estimated useful lives:

Buildings and structures	40 years
Improvements other than buildings	40-60 years
Machinery and equipment	5-40 years

F. Revenue Recognition for Enterprise Fund

Revenue is recognized when the related services are provided to customers. Accordingly, unbilled service revenue is accrued in the enterprise fund.

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds such as expenditures or transfers of resources of services, debt or construction. These receivables and payables are not eliminated and are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations.

I. Total Columns on Combined Statements - Overview

Columns on the accompanying combined financial statements captioned "Memorandum Only" indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. Property Taxes

Property taxes are levied as of January 1 on property values assessed as of the same date. The property taxes attach as an enforceable lien also on January 1. Tax notices are mailed on or about October 1 and are payable 60 days from billing date, at which time the tax becomes delinquent and penalties and interest are assessed. The City bills and collects its own property taxes.

K. Local Option Sales Taxes

The City receives a percentage of a 1% local option sales tax levied on all retail sales made within Fulton County. The proceeds of such tax collected each year are used to reduce, on a dollar-for-dollar basis, an equivalent amount of property taxes, which would otherwise be required to be levied in the subsequent year.

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

B. Receivables

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service</u>
Taxes:		
Property taxes	\$ 639,878	\$ 383,401
Other taxes	832,953	30,711
Alcoholic beverage taxes	86,347	-
Local option sales tax	549,459	-
Motor vehicle intangible tax	<u>36,809</u>	<u>-</u>
	2,145,446	414,112
Less: Allowances for uncollectibles	<u>(8,746)</u>	<u>(5,751)</u>
	<u>\$ 2,136,700</u>	<u>\$ 408,361</u>

C. Fixed Assets

A summary of changes in General Fixed Assets follows:

	<u>Balance July 1, 2000</u>	<u>Additions (Deletions)</u>	<u>Balance June 30, 2001</u>
Land	\$ 14,116,873	\$ 2,606,653	\$ 16,723,526
Buildings	20,144,716	3,069,047	23,213,763
Improvements other than building	6,278,140	976,517	7,254,657
Equipment	11,383,282	(275,492)	11,107,790
Construction progress	<u>2,157,152</u>	<u>(2,157,152)</u>	<u>-</u>
Total	<u>\$ 54,080,163</u>	<u>\$ 4,219,573</u>	<u>\$ 58,299,736</u>

A summary of Enterprise Fund fixed assets at June 30, 2001 follows:

	<u>Water System</u>
Improvements other than buildings	\$ 6,340,765
Equipment	<u>270,800</u>
Total	6,611,565
Less accumulated depreciation	<u>(1,824,334)</u>
Net fixed assets	<u>\$ 4,787,231</u>

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

D. Fund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2001 are as follows:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Trust & Agency - Cemetery Trust	\$ <u>2,308</u>

E. Long-Term Debt

1. Changes in Long-Term Debt

The following schedule reflects the changes in long-term debt as shown in the General Long-Term Debt Account Group for the year ended June 30, 2001:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2001</u>
1998 General Obligation Bonds	\$ 24,900,000	\$ -	\$ (75,000)	\$ 24,825,000
1998 Georgia State/Development Authority Note Payable	1,749,000	-	(41,250)	1,707,750
1995-A General Obligation Bonds	14,520,000	-	(575,000)	13,945,000
1995-B General Obligation Bonds	1,835,000	-	(260,000)	1,575,000
1992 General Obligation Bonds	14,245,000	-	(950,000)	13,295,000
Obligations Under Capital Leases	1,306,516	260,089	(654,081)	912,524
Compensated Absences Payable	<u>654,139</u>	<u>121,836</u>	<u>-</u>	<u>775,975</u>
	<u>\$ 59,209,655</u>	<u>\$ 381,925</u>	<u>\$ (2,555,331)</u>	<u>\$ 57,036,249</u>

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

E. Long-Term Debt - Continued

6. Notes Payable - Continued

The annual requirements to amortize the Development Authority note as of June 30, 2001 are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 66,000	\$ 73,258	\$ 139,258
2003	68,475	70,753	139,228
2004	70,950	68,121	139,071
2005	74,250	65,344	139,594
2006	76,725	62,419	139,144
Thereafter	<u>1,351,350</u>	<u>447,190</u>	<u>1,798,540</u>
Total	<u>\$1,707,750</u>	<u>\$ 787,085</u>	<u>\$ 2,494,835</u>

F. Reserved and Designated Fund Balances

Reserved and designated fund balances in the various funds are as follows:

<u>Reserved for</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Trust & Agency</u>
Inventory	\$ 156,868	\$ -	\$ -	\$ -	\$ -
Prepaid items	10,724	-	-	-	-
Encumbrances	268,156	175,061	-	4,265,629	-
Capital and community improvement projects	-	2,298,549	-	-	-
Public safety	-	1,319	-	-	-
Debt Service	-	-	498,095	-	-
Cemetery maintenance	-	-	-	-	<u>7,402</u>
Total	<u>\$ 435,748</u>	<u>\$ 2,474,929</u>	<u>\$ 498,095</u>	<u>\$ 4,265,629</u>	<u>\$ 7,402</u>

<u>Designated for</u>	<u>General</u>	<u>Capital Projects</u>
Operations	\$5,397,835	\$ -
Fleet management	-	101,980
Capital projects	-	<u>18,199,577</u>
Total	<u>\$5,397,835</u>	<u>\$ 18,301,557</u>

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

F. Reserved and Designated Fund Balances - Continued

Reserved for Inventory - An account used to segregate a portion of fund balance to indicate that inventory does not represent available, spendable resources even though it is a component of assets.

Reserved for Prepaid Items - An account to segregate a portion of fund balance to indicate that prepaid items do not represent available, spendable resources even though it is a component of current assets.

Reserved for Encumbrances - An account used to segregate a portion of fund balance for expenditures upon vendor performance.

Reserved for Capital and Community Projects - An account used to segregate fund balance for impact fees legally reserved for public safety, parks and recreation, and road capital projects.

Reserved for Debt Service - An account used to segregate fund balance for debt service resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

Reserved for Cemetery Maintenance - An account used to segregate fund balance for maintenance of the cemetery.

Designated for Operations - An account used to designate a portion of the fund balance equal to 60 days operations based on budget for the General Fund and the Debt Service Fund.

Designated for Fleet Management - An account used to designate a portion of fund balance for future vehicle purchases, new and replacement.

Designated for Capital Projects - An account used to designate a portion of fund balance for future capital projects.

G. Prior Period Adjustment

In the prior year, the City expensed insurance premiums which benefited future periods in the Risk Management Fund. Accordingly, prepaid expenses and retained earnings were understated by \$281,236 in the Internal Service Fund. Financial statements for 2000 have been restated for the change.

CITY OF ALPHARETTA, GEORGIA

General Fund

The General Fund is used to account for all of the general revenues of the City not specifically levied or collected for other City funds, and for the expenditures related to the rendering of general services by the City. The General Fund is used to account for all resources not required to be accounted for in another fund.



CITY OF ALPHARETTA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Years Ended June 30, 2001 and 2000

	2001	2000
Revenues:		
Property Taxes	\$ 11,029,650	\$ 9,896,086
Other Taxes	10,771,690	10,176,359
Licenses and Permits	2,198,676	2,587,950
Intergovernmental	575,542	417,931
Charges for Services	2,383,864	3,306,507
Fines and Forfeitures	461,096	413,454
Interest	563,548	903,052
Other	156,404	189,334
Total Revenues	<u>28,140,470</u>	<u>27,890,673</u>
Expenditures:		
Current:		
General Government:		
City Administrator	808,351	598,404
Mayor and Council	209,829	129,669
Legal Services	354,526	390,498
Municipal Court	276,419	261,309
Financial Services	797,266	568,185
Management Information Services	914,420	813,513
Community Development	1,406,785	1,228,820
Human Resources	457,571	351,126
Non-Departmental	112,260	2,645,359
Total General Government	<u>5,337,427</u>	<u>6,986,883</u>
Public Safety:		
Fire & Rescue Services	4,608,123	3,374,995
Police Services	4,576,725	3,548,637
Total Public Safety	<u>9,184,848</u>	<u>6,923,632</u>
Engineering & Public Works	3,730,234	4,407,066
Environmental Services	329,794	240,963
Parks and Recreation	4,375,821	3,606,710
Total Expenditures	<u>22,958,124</u>	<u>22,165,254</u>
Excess of Revenues		
Over Expenditures	5,182,346	5,725,419
Other Financing Sources (Uses):		
Sale of Assets	2,526	82,238
Operating Transfers Out	<u>(3,390,149)</u>	<u>(4,257,960)</u>
Total Other Financing Sources (Uses)	<u>(3,387,623)</u>	<u>(4,175,722)</u>
Excess of Revenues and Other Sources		
Over Expenditures and Other Uses	1,794,723	1,549,697
Fund Balance, July 1	<u>8,554,421</u>	<u>7,004,724</u>
Fund Balance, June 30	<u>\$ 10,349,144</u>	<u>\$ 8,554,421</u>

CITY OF ALPHARETTA, GEORGIA

CAPITAL PROJECT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCEFor the Year Ended June 30, 2001
(With Comparative Totals for Fiscal Year Ended June 30, 2000)

	General Capital Projects	Fleet Management	Bond II Construction	Bond III Construction	Totals	
					2001	2000
Revenues:						
Intergovernmental	\$ 382,769	\$ -	\$ -	\$ -	\$ 382,769	\$ 377
Interest Income	588,811	28,190	10,783	844,903	1,472,687	1,293,335
Other	30,550	21,605	-	-	52,155	311,450
Total Revenues	<u>1,002,130</u>	<u>49,795</u>	<u>10,783</u>	<u>844,903</u>	<u>1,907,611</u>	<u>1,605,162</u>
Expenditures:						
Other	-	-	-	-	-	5,158
Capital Outlay	5,068,687	878,221	663,282	4,432,920	11,043,110	11,301,943
Debt Service						
Principal	-	19,787	-	-	19,787	5,017
Interest	-	4,192	-	-	4,192	761
Total Expenditures	<u>5,068,687</u>	<u>902,200</u>	<u>663,282</u>	<u>4,432,920</u>	<u>11,067,089</u>	<u>11,312,879</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,066,557)</u>	<u>(852,405)</u>	<u>(652,499)</u>	<u>(3,588,017)</u>	<u>(9,159,478)</u>	<u>(9,707,717)</u>
Other Financing Sources (Uses):						
Operating Transfers In	2,787,000	173,349	-	-	2,960,349	7,147,000
Capital Lease Proceeds	-	260,089	-	-	260,089	312,724
Total Other Financing Sources (Uses)	<u>2,787,000</u>	<u>433,438</u>	<u>-</u>	<u>-</u>	<u>3,220,438</u>	<u>7,459,724</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(1,279,557)</u>	<u>(418,967)</u>	<u>(652,499)</u>	<u>(3,588,017)</u>	<u>(5,939,040)</u>	<u>(2,247,993)</u>
Residual Equity Transfer	-	-	295,028	(295,028)	-	(102,057)
Fund Balance, July 1	<u>10,967,800</u>	<u>520,947</u>	<u>284,737</u>	<u>16,732,742</u>	<u>28,506,226</u>	<u>30,856,276</u>
Fund Balance, June 30	<u>\$ 9,688,243</u>	<u>\$ 101,980</u>	<u>\$ (72,734)</u>	<u>\$ 12,849,697</u>	<u>\$ 22,567,186</u>	<u>\$ 28,506,226</u>

CITY OF ALPHARETTA, GEORGIA
GENERAL CAPITAL PROJECTS
CAPITAL PROJECT FUND
COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 706,216	\$ 488,972
Investments	9,335,840	10,578,686
Accounts Receivable (net of allowances for uncollectibles)	<u>-</u>	<u>169,210</u>
Total Assets	\$ <u>10,042,056</u>	\$ <u>11,236,868</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ <u>353,813</u>	\$ <u>269,068</u>
Total Liabilities	<u>353,813</u>	<u>269,068</u>
Fund Balance:		
Reserved:		
Reserved for Encumbrances	1,476,117	2,425,866
Reserved for Capital Projects	<u>8,212,126</u>	<u>8,541,934</u>
Total Fund Balance	<u>9,688,243</u>	<u>10,967,800</u>
Total Liabilities and Fund Balance	\$ <u>10,042,056</u>	\$ <u>11,236,868</u>

CITY OF ALPHARETTA, GEORGIA

FLEET MANAGEMENT FUND
CAPITAL PROJECT FUND

COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 2,929	\$ 26,937
Investments	<u>101,960</u>	<u>494,934</u>
Total Assets	<u>\$ 104,889</u>	<u>\$ 521,871</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ <u>2,909</u>	\$ <u>924</u>
Total Liabilities	<u>2,909</u>	<u>924</u>
Fund Balance:		
Reserved:		
Reserved for Encumbrances	-	470,753
Unreserved:		
Designated for Fleet Management	<u>101,980</u>	<u>50,194</u>
Total Fund Balance	<u>101,980</u>	<u>520,947</u>
Total Liabilities and Fund Balance	<u>\$ 104,889</u>	<u>\$ 521,871</u>

CITY OF ALPHARETTA, GEORGIA

BOND II CONSTRUCTION
CAPITAL PROJECT FUNDSCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2001

	Total Project Estimate	Actual to June 30, 2001		
		Reported In Prior Years	Current Year	Total
Revenues:				
Interest Income	\$ 1,528,805	\$ 1,982,808	\$ 10,783	\$ 1,993,591
Other	2,000,000	3,319,781	-	3,319,781
Total Revenues	3,528,805	5,302,589	10,783	5,313,372
Expenditures:				
Capital Outlay	20,183,540	21,683,776	663,282	22,347,058
Debt Service - Cost of Bond Issuance	345,265	334,076	-	334,076
Total Expenditures	20,528,805	22,017,852	663,282	22,681,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,000,000)	(16,715,263)	(652,499)	(17,367,762)
Other Financing Sources:				
General Obligation Bond Proceeds	17,000,000	17,000,000	-	17,000,000
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	284,737	(652,499)	(367,762)
Residual Equity Transfer			295,028	295,028
Fund Balance, July 1		-	284,737	-
Fund Balance, June 30		\$ 284,737	\$ (72,734)	\$ (72,734)

CITY OF ALPHARETTA, GEORGIA

BOND III CONSTRUCTION
CAPITAL PROJECT FUND

COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Cash	\$ 2,037,259	\$ 3,642,113
Investments	<u>11,752,159</u>	<u>14,087,939</u>
Total Assets	<u>\$ 13,789,418</u>	<u>\$ 17,730,052</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ <u>939,721</u>	\$ <u>997,310</u>
Total Liabilities	<u>939,721</u>	<u>997,310</u>
Fund Balance:		
Reserved for Encumbrances	2,789,512	5,325,976
Unreserved, Designated for Capital Projects	<u>10,060,185</u>	<u>11,406,766</u>
Total Fund Balance	<u>12,849,697</u>	<u>16,732,742</u>
Total Liabilities and Fund Balance	<u>\$ 13,789,418</u>	<u>\$ 17,730,052</u>

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CITY OF ALPHARETTA, GEORGIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2001

			Totals	
	Water	Solid Waste	2001	2000
Cash Flows From Operating Activities:				
Operating Income (Loss)	\$ 5,494	\$ (89,853)	\$ (84,359)	\$ 291,155
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Loss on Disposal of Fixed Assets	73,754	-	73,754	-
Depreciation Expense	281,206	-	281,206	200,837
(Increase) Decrease in Accounts Receivable	192,208	(252,807)	(60,599)	117,584
Decrease in Inventories	27,644	-	27,644	(37,283)
Decrease in Due From Other Funds	-	-	-	17
Increase (Decrease) in Accounts Payable	239,546	130,614	370,160	(432)
Increase in Deposits Payable	66,698	-	66,698	22,156
Increase in Accrued Liabilities	11,938	-	11,938	3,575
Increase (Decrease) in Due to Other Funds	(10,660)	-	(10,660)	8,006
Total Adjustments	882,334	(122,193)	760,141	314,460
Net Cash Provided By Operating Activities	887,828	(212,046)	675,782	605,615
Cash Flows from Capital and Related Financing Activities:				
Interest Paid	(118,140)	-	(118,140)	(106,497)
Acquisition and Construction of Fixed Assets	(491,954)	-	(491,954)	(100,235)
Proceeds from Capital Lease	-	-	-	18,328
Principal Payment - Capital Loan Promissory Notes	(165,701)	-	(165,701)	(154,701)
Operating transfer in	-	429,800	429,800	-
Net Cash Used In Capital and Related Financing Activities	(775,795)	429,800	(345,995)	(343,105)
Cash Flows from Investing Activities:				
Interest Received	94,469	7,935	102,404	65,250
Sale of Investments	1,045,722	-	1,045,722	860,716
Purchase of Investments	(822,808)	(202,661)	(1,025,469)	(1,045,722)
Net Cash Provided by (Used In) Investing Activities	317,383	(194,726)	122,657	(119,756)
Net Increase (Decrease) in Cash	429,416	23,028	452,444	142,754
Cash, July 1	705,986	-	705,986	563,232
Cash, June 30	\$ 1,135,402	\$ 23,028	\$ 1,158,430	\$ 705,986

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

CITY OF ALPHARETTA, GEORGIA
WATER SYSTEM ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2001 and 2000

ASSETS

	<u>2001</u>	<u>2000</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,135,402	\$ 705,986
Investments	822,808	1,045,722
Accounts Receivable (Net of Allowance for Uncollectibles)	588,275	780,483
Inventory, at Cost	97,045	124,689
Total Currents Assets	<u>2,643,530</u>	<u>2,656,880</u>
Property and Equipment at Cost Less Accumulated Depreciation	<u>4,787,231</u>	<u>4,650,237</u>
Total Fixed Assets	<u>4,787,231</u>	<u>4,650,237</u>
Total Assets	<u>\$ 7,430,761</u>	<u>\$ 7,307,117</u>

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	\$ 690,887	\$ 467,307
Accrued Salaries	9,034	7,079
Accrued Interest	15,966	-
Compensated Absences Payable	13,028	3,045
Capital Lease Payable - Current Portion	12,627	18,328
Revenue Bonds - Current Portion	165,000	160,000
Due to Other Funds	-	10,660
Total Current Liabilities	<u>906,542</u>	<u>666,419</u>
Noncurrent Liabilities		
Customer Deposits	113,859	56,108
Compensated Absences Less Current Portion	25,323	16,376
Revenue Bonds	1,995,000	2,160,000
Total Noncurrent Liabilities	<u>2,134,182</u>	<u>2,232,484</u>
Total Liabilities	<u>3,040,724</u>	<u>2,898,903</u>
Equity		
Contributed Capital	2,380,117	2,380,117
Retained Earnings-Restricted	175,730	379,782
Retained Earnings - Unrestricted	1,834,190	1,648,315
Total Equity	<u>4,390,037</u>	<u>4,408,214</u>
Total Liabilities and Equity	<u>\$ 7,430,761</u>	<u>\$ 7,307,117</u>

CITY OF ALPHARETTA, GEORGIA

RISK MANAGEMENT FUND
INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 60,000	\$ 101,506
Investments	1,242,798	-
Prepaid Insurance	-	281,236
Due From Other Funds	-	314,132
Total Assets	<u>\$ 1,302,798</u>	<u>\$ 696,874</u>
<u>Liabilities and Equity</u>		
Liabilities:		
Accounts Payable	\$ 225,242	\$ 314,536
Total Liabilities	<u>225,242</u>	<u>314,536</u>
Equity:		
Retained Earnings - Unreserved	<u>1,077,556</u>	<u>382,338</u>
Total Retained Earnings	<u>1,077,556</u>	<u>382,338</u>
Total Liabilities and Equity	<u>\$ 1,302,798</u>	<u>\$ 696,874</u>

CITY OF ALPHARETTA, GEORGIA

RISK MANAGEMENT FUND
INTERNAL SERVICE FUND

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2001
(With Comparative Actual Amounts for Year Ended June 30, 2000)

	<u>2001</u>	<u>2000</u>
Operating Revenues:	\$ <u>2,998,925</u>	\$ <u>1,983,721</u>
Operating Expenses:		
Operating	53,270	249,008
Benefits and Claims	<u>2,616,464</u>	<u>1,688,642</u>
Total Operating Expenses	<u>2,669,734</u>	<u>1,937,650</u>
Operating Income	329,191	46,071
Non-operating Revenues (Expenses):		
Interest Income	50,309	32
Insurance Proceeds	<u>315,718</u>	<u>-</u>
Total Non-operating Revenues (Expenses)	<u>366,027</u>	<u>32</u>
Net Income	695,218	46,103
Retained Earnings, July 1 (As Restated)	<u>382,338</u>	<u>336,235</u>
Retained Earnings, June 30	\$ <u><u>1,077,556</u></u>	\$ <u><u>382,338</u></u>

CITY OF ALPHARETTA, GEORGIA
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL OBLIGATION BONDED DEBT TO
 TOTAL GENERAL GOVERNMENTAL EXPENDITURES

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Charges for Services</u>
1992	\$ 155,000	\$ 404,000	\$ 559,000	\$ 8,688,000	6.43
1993	\$ 205,000	\$ 1,350,903	\$1,555,903	\$15,920,704	9.77
1994	\$ 420,000	\$ 1,341,177	\$1,761,177	\$22,113,561	7.96
1995	\$ 660,000	\$ 1,323,428	\$1,983,428	\$22,815,597	8.69
1996	\$ 1,370,000	\$ 2,123,829	\$3,493,829	\$28,643,331	12.20
1997	\$ 1,440,000	\$ 2,085,139	\$3,525,139	\$31,600,884	11.16
1998	\$ 1,520,000	\$ 2,006,378	\$3,526,378	\$42,165,420	8.36
1999	\$ 1,595,000	\$ 3,249,055	\$4,844,055	\$36,528,080	13.26
2000	\$ 1,690,000	\$ 3,007,494	\$4,697,494	\$39,736,195	11.82
2001	\$ 1,901,250	\$ 3,440,501	\$5,341,751	\$43,597,846	12.25

Note: Includes all Governmental Funds

Source: City Financial Services Department

CITY OF ALPHARETTA

PRINCIPAL TAXPAYERS

June 30, 2001

Taxpayer	Type of Tax	Taxes Levied	Assessed Valuation	Percent to Total Assessed Value
IBM Credit Corporation	PP	\$ 229,539	\$ 30,695,250	1.31 %
GGP North Point, Inc.	RE	217,545	29,091,320	1.24 %
American Honda Motor Co.	PP	212,820	28,459,480	1.22 %
E*Trade Group, Inc.	PP	145,388	19,442,040	0.83 %
Gardner Drive LLC	RE	143,297	19,162,470	0.82 %
AT & T	RE	136,325	18,230,160	0.78 %
HBO & Co. of GA	RE	135,633	18,137,590	0.78 %
AT & T	PP	134,125	17,935,970	0.77 %
IBM Corporation	PP	116,785	15,617,150	0.67 %
Sanctuary Park Realty Holding	RE	107,201	14,335,490	0.61 %
Total		\$ <u>630,069</u>	\$ <u>84,256,360</u>	<u>3.60 %</u>
Total Assessed Values for All Taxpayers			\$ <u><u>2,337,989,324</u></u>	

Type of Tax

PP - Personal Property

RE - Real Estate

Source: City Financial Services Department

CITY OF ALPHARETTA, GEORGIA
MISCELLANEOUS AND DEMOGRAPHIC STATISTICS
June 30, 2001

Date of Incorporation: 1858

Date First Charter Adopted: 1858

Date Present Charter Adopted: July 1, 1981

Form of Government: Mayor and City Council

Population: (Source: City of Alpharetta Community Development Departme 35,406 (estimate)

Fulton County Population (including City): 759,367 (approximate)

Median Age 33.3

Median Income \$93,234

Area: (Source: City Community Development Department) 22 square miles

Total Number of City Employees 355

Bond Rating: Moody's Investor Service Aa2
Standard & Poor's AA

Miles of Streets: (Source: City Engineering & Public Works Department)
Streets - Paved 260 miles
Streets - Unpaved 2 miles

Miles of Sewer:
Sanitary None - Service provided by County
Drainage - Piped 35 miles
Drainage - Open 143 miles

Fire Protection: (Source: City Fire Department)
Number of Stations 5
Number of Employees 78
Insurance Services Office (ISO) Fire Classification 3

Major Employers: (Source: North Fulton Chamber of Commerce)

	Number of Employees
AT & T	2,600
Northern Telecom	2,000
McKeeson-HBOC	1,722
Lucent Technologies	1,119
MCI	1,000

CITY OF ALPHARETTA, GEORGIA
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<u>Revenue Source</u>	<u>FY 2001 Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>Percent of Increase (Decrease)</u>
Property Taxes	\$16,657,914	40.43 %	\$ 138,855	28.98 %
Other Taxes	13,229,960	32.12	3,053,601	637.32
Licenses and Permits	2,198,676	5.34	(389,274)	(81.25)
Intergovernmental	958,311	2.33	540,003	112.70
Charges for Services	3,422,067	8.31	(656,505)	(137.02)
Fines and Forfeitures	468,886	1.14	6,280	1.31
Impact Fees	1,258,504	3.06	(1,603,201)	(334.61)
Interest	2,307,536	5.60	(796,919)	(166.33)
Other	427,064	1.67	186,290	38.88
Total	<u>\$40,928,918</u>	<u>100.00 %</u>	<u>\$ 479,130</u>	

The most significant increase in actual continued revenue sources was derived from Other Taxes. This category includes revenue from several sources, Franchise, Hotel/Motel, Alcoholic Beverage, and Business Taxes are all examples. The significant increase in this category is due to several factors, the first being the passage on July 1, 2000 of an increased occupancy tax remitted from hotels/motels. The equivalent of one penny per dollar, this tax is distributed according to state statute to the Alpharetta Convention & Visitors Bureau, the Alpharetta Business Community, Inc. and the remainder to the City. In addition to the increase in tax rate, two new hotels were built providing for additional revenue sources. Intergovernmental Revenue provided the second highest growth category, with \$540,003 in additional revenue over the prior year. The increase in this category resulted from the re-working of an agreement between the City and Fulton County for fire protection services in an unincorporated area.

The decrease in revenue earned in Impact Fees and Licenses and Permits is due substantially to the sewer moratorium placed by the State of Georgia on Fulton County. Current sewer taps are not allowed due to the excess sewage being pumped into the treatment facility, and the inability of that facility to process the sewer received. In addition, the City has the potential for build-out in many areas.

The following schedule presents a summary of General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Fund expenditures for the fiscal year ended June 30, 2001, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>FY 2001 Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>Percent Of Increase (Decrease)</u>
Current:				
General Government	\$ 7,967,575	18.28 %	\$ 892,574	27.83 %
Public Safety	10,088,217	23.14	2,619,243	81.66
Engineering, Public Works, Environmental Services	4,060,028	9.31	(347,038)	(10.82)
Parks & Recreation	4,375,821	10.04	769,111	23.98
Other	-	-	(245,622)	(7.66)
Capital Outlay	11,043,110	25.33	258,834	8.07
Debt Service:				
General Obligation Bonds	5,343,310	12.26	(642,924)	(20.04)
Capital Leases	719,785	1.64	(210,208)	(6.55)
Total	<u>\$ 43,597,846</u>	<u>100.00 %</u>	<u>\$ 3,207,593</u>	

In comparison with fiscal year 2000, the City realized the most significant increase of expenditures in Public Safety. Consistent with last year's increase of 49.33%, Public Safety's increase of 81.66% is due largely to the filing of vacant positions. Under previous administrations these divisions would have a significant number of unfilled positions. Currently, vacancies are filled in a timely manner. Additional expenses within this category were incurred with the building of a new police administration building.

Capital Projects Fund. Proceeds of general obligation bond issues are accounted for in the Bond II and Bond III Construction Funds. Completed capital improvement projects and capital improvement projects in progress are accounted for in the general fixed assets account group. All capital projects in excess of \$25,000 are accounted for in the General Capital Project Fund. Sources of revenue are interfund transfers.

Enterprise Fund. The City's enterprise operation is comprised of the Water and Solid Waste Systems. Several of the City's prior major initiatives directly relate to the Water System. These improvements, such as the installation of six miles of water mains, have provided its users with expanded services. To provide the necessary resources for the repayment of debt to make these improvements, the City approved an increase in water rates which took effect in fiscal year 1990. This increase, plus charges generated through increased usage and tap fees from new customers, provided the Water System with needed additional resources. The Water System is essentially self-supporting by virtue of its user fee collections.

In 1999 the City issued Water Revenue Bonds in the amount of \$2,470,000 for the purpose of refunding prior notes to the Georgia Environmental Facilities Authority. The bond bears an interest rate of 4.435% and is payable in bi-annual installments until fiscal year 2011.

Water and Solid Waste operating revenues and expenses are presented below for the past two years.

	FY 2001 <u>Amount</u>	FY 2000 <u>Amount</u>	Amount of Increase (Decrease)	Percent Of Increase (Decrease)
<u>Revenues:</u>				
Water Revenue	\$2,034,308	\$1,989,599	(\$202,190)	(11.31%)
Sewer Revenue	2,056,074	1,685,135	370,939	18.41
Solid Waste Revenue	<u>1,434,537</u>	<u>-</u>	<u>1,434,537</u>	<u>-</u>
Total Operating Revenue	\$5,524,919	\$3,674,734	\$1,603,286	7.10%
<u>Operating Expenses:</u>				
Personal Services	\$407,446	\$426,440	\$(18,994)	44.60 %
Purchased Services	1,808,063	66,736	1,741,327	2,248.99
Materials and Supplies	3,049,568	2,649,003	400,565	9.83
Depreciation	281,206	200,837	80,369	40.01
Other	<u>62,995</u>	<u>40,563</u>	<u>22,432</u>	<u>29.49</u>
Total Operating Expenses	\$5,609,278	\$3,383,579	\$2,225,699	2,372.92%
Operating Income (Loss)	(\$84,359)	\$291,155	(\$375,514)	

The above figures represent both the Water and Solid Waste Enterprise Funds. New to fiscal year 2001, the Solid Waste Fund activities were previously reported within the General Fund. Significant increases in both the expenditures and revenues are apparent as a result of the creation of this new fund. In particular, all of the increase in purchased services reflects the City's contract with private companies to provide garbage, recycling, and yard waste removal from residential properties. It is important to note that in fiscal year 2001, an operating shortfall occurred. Due primarily to the subsidy required in the Solid Waste Fund, this shortfall should be greatly diminished in future years.

CITY OF ALPHARETTA, GEORGIA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
For the fiscal year June 30, 2001

Debt Service Fund			Capital Project Funds			Expendable Trust Fund		
Budget	Actual	Variance Favorable/ (Unfavorable)	Budget	Actual (Budget Basis)	Variance Favorable/ (Unfavorable)	Budget	Actual	Variance Favorable/ (Unfavorable)
\$ 5,647,500	\$ 5,628,264	\$ (19,236)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	148,000	382,769	234,769	-	-	-
-	-	-	-	-	-	-	-	-
2,500	111,238	108,738	168,311	617,001	448,690	475	561	86
-	39,111	39,111	-	52,155	52,155	-	-	-
<u>5,650,000</u>	<u>5,778,613</u>	<u>128,613</u>	<u>316,311</u>	<u>1,051,925</u>	<u>735,614</u>	<u>475</u>	<u>561</u>	<u>86</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	475	-	(475)
-	-	-	-	-	-	<u>475</u>	<u>-</u>	<u>(475)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	13,898,045	5,946,908	7,951,137	-	-	-
-	-	-	-	23,979	(23,979)	-	-	-
<u>5,650,000</u>	<u>6,039,116</u>	<u>(389,116)</u>	-	-	-	-	-	-
<u>5,650,000</u>	<u>6,039,116</u>	<u>(389,116)</u>	<u>13,898,045</u>	<u>5,970,887</u>	<u>7,927,158</u>	<u>475</u>	<u>-</u>	<u>(475)</u>
-	(260,503)	(260,503)	(13,581,734)	(4,918,962)	8,662,772	-	561	561
-	-	-	2,960,349	2,960,349	-	-	-	-
-	-	-	-	260,089	260,089	-	-	-
-	-	-	<u>2,960,349</u>	<u>3,220,438</u>	<u>260,089</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	(260,503)	(260,503)	(10,621,385)	(1,698,524)	8,922,861	-	561	561
<u>758,598</u>	<u>758,598</u>	<u>-</u>	<u>11,488,747</u>	<u>11,488,747</u>	<u>-</u>	<u>6,841</u>	<u>6,841</u>	<u>-</u>
\$ <u>758,598</u>	\$ <u>498,095</u>	\$ <u>(260,503)</u>	\$ <u>867,362</u>	\$ <u>9,790,223</u>	\$ <u>8,922,861</u>	\$ <u>6,841</u>	\$ <u>7,402</u>	\$ <u>561</u>

CITY OF ALPHARETTA, GEORGIA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT

Year Ended June 30, 2001

	Enterprise	Internal Service	Total (Memorandum Only)	Component Unit Development Authority of Alpharetta
Cash Flows From Operating Activities:				
Operating Income (Loss)	\$ (84,359)	\$ 329,191	\$ 244,832	\$ -
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Loss on Disposal of Fixed Assets	73,754	-	73,754	-
Depreciation Expense	281,206	-	281,206	-
(Increase) in Accounts Receivable	(60,599)	-	(60,599)	-
Decrease in Inventories	27,644	-	27,644	-
Decrease in Due From Other Funds	-	314,132	314,132	-
Decrease in Prepaid Items	-	281,236	281,236	-
Increase (Decrease) in Accounts Payable	370,160	(89,294)	280,866	-
Increase in Deposits Payable	66,698	-	66,698	-
Increase in Accrued Liabilities	11,938	-	11,938	-
(Decrease) in Due to Other Funds	(10,660)	-	(10,660)	-
Total Adjustments	760,141	506,074	1,266,215	-
Net Cash Provided By Operating Activities	675,782	835,265	1,511,047	-
Cash Flows from Capital and Related Financing Activities:				
Interest Paid	(118,140)	-	(118,140)	(380,720)
Acquisition and Construction of Fixed Assets	(491,954)	-	(491,954)	-
Principal Payment - Capital Loan Promissory Notes	(165,701)	-	(165,701)	-
Operating transfer in	429,800	-	429,800	-
Net Cash Used In Capital and Related Financing Activities	(345,995)	-	(345,995)	(380,720)
Cash Flows from Investing Activities:				
Interest Received	102,404	50,309	152,713	(380,720)
Insurance Proceeds	-	315,718	315,718	-
Sale of Investments	1,045,722	-	1,045,722	-
Purchase of Investments	(1,025,469)	(1,242,798)	(2,268,267)	-
Net Cash Provided by (Used In) Investing Activities	122,657	(876,771)	(754,114)	(380,720)
Net Increase (Decrease) in Cash	452,444	(41,506)	410,938	-
Cash, July 1	705,986	101,506	807,492	-
Cash, June 30	\$ 1,158,430	\$ 60,000	\$ 1,218,430	\$ -

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

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the government fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of the enterprise fund is recorded as an expense and liability of the fund as the benefits accrue to employees. In accordance with governmental accounting standards, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

M. Long-Term Obligations

The City reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

N. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restriction. Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or their funds.

O. Reclassifications

Certain reclassifications have been made to the 2000 financial statements to conform with the 2001 presentation.

CITY OF ALPHARETTA, GEORGIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 2 - 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 for the Common Greenspace Special revenue fund and those capital project funds (Bond II and Bond III Funds), which adopt project-length budgets and except for the proceeds from capital leases and the related capital outlay, which are not budgeted. All annual appropriations lapse at fiscal year-end.

Starting in January of each year, all City departments and agencies submit requests for appropriations to the Director of Finance so that a budget may be prepared. The Budget Review committee reviews budget requests, justifications and recommendations after their submittal. The Mayor, City Administrator and Director of Finance present a Recommended Budget for the fiscal year beginning July 1 to the City Council, which includes the recommended expenditures and estimated revenues to finance these expenditures. A public hearing is held and the Mayor and City Council legally adopt the budget at the regular June meetings. Georgia law requires a balanced budget.

The appropriated budget is prepared by fund except for the General Fund, which is prepared, by fund and department. The City's department heads may make transfers of appropriations within a department with the approval of the City Administrator and the Director of Finance. Transfers of appropriations between departments or amounts which would increase or decrease total department appropriations require City Council approval. The legal level of budgetary control is at the fund level for all funds except the General Fund, which is at the department level with the above provisions. Budgetary amounts shown on the budget-to-actual comparison in the accompanying financial statements are stated as revised per the budget resolution dated and adopted January 15, 2001 in the amount of \$145,000. Budgets for the proprietary funds are adopted for management control purposes only. Accordingly, budgets for the Enterprise Fund are not reported herein.

B. Budget/GAAP Reconciliation

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

The following schedule reconciles the amounts of the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance:

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

B. Budget/GAAP Reconciliation

	<u>Capital Projects</u>	<u>Special Revenue</u>
Fund balances (budget)	\$ 9,790,223	\$ 3,408,476
Timing difference (project-length budgets)	12,776,963	-
Fund balances (unbudgeted funds)	-	179,419
Fund balances (GAAP)	<u>\$ 22,567,186</u>	<u>\$ 3,587,895</u>

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2001, expenditures exceeded appropriations for the following funds:

Hotel/Motel Fund	\$ 208,270
Debt Service Fund	\$ 389,116
Fleet Management Fund	\$ 458,580

D. Deficit Fund Equity

The Bond II construction fund had a deficit fund balance of \$72,734 as of June 20, 2001. Management expects to eliminate the fund balance by transferring funds from the Bond III construction fund.

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits

At June 30, 2001, the carrying amount of the City's deposits was \$4,454,441 and the related bank balances totaled \$5,284,138. The bank balances differ from the carrying amounts due to outstanding checks and deposits. The City's deposits are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are covered by Federal Depository Insurance or by collateral held by the city or its agent in the City's name. Category 2 includes cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes uncollateralized bank deposits or deposits collateralized by securities held by the pledging financial institution or by its trust department or agent, but not in the City's name.

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

E. Long-Term Debt - Continued

2. General Obligation Bonds

The annual requirements to amortize all General Obligation Bonds outstanding as of June 30, 2001 are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 2,455,000	\$ 2,821,186	\$ 5,276,186
2003	3,110,000	2,695,159	5,805,159
2004	3,575,000	2,540,188	6,115,188
2005	4,080,000	2,361,790	6,441,790
2006	4,645,000	2,157,541	6,802,541
Thereafter	<u>35,775,000</u>	<u>6,763,655</u>	<u>42,538,655</u>
Total	<u>\$ 53,640,000</u>	<u>\$ 19,339,519</u>	<u>\$ 72,979,519</u>

3. Water Revenue Bonds

Water Revenue Bonds issued May 1, 1999 in the amount of \$2,470,000 bearing an interest rate of 4.435% payable on May 1 and November 1; maturing through fiscal year 2011. \$2,160,000 was outstanding at June 30, 2001. These bonds are collateralized by all revenues of the City's water system.

The annual requirements to amortize all revenue bonds outstanding as of June 30, 2001 are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total Revenue Bonds</u>
2002	\$ 165,000	\$ 94,022	\$ 259,022
2003	170,000	86,593	256,593
2004	180,000	78,943	258,943
2005	190,000	70,849	260,849
2006	195,000	62,423	257,423
Thereafter	<u>1,260,000</u>	<u>175,071</u>	<u>1,435,071</u>
Total	<u>\$ 2,160,000</u>	<u>\$ 567,091</u>	<u>\$ 2,727,901</u>

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

E. Long-Term Debt - Continued

4. Capital Lease Obligations

In March, 1997 the City entered into a capital lease for the principal sum of \$1,450,000 for the purchase of a 7.00 acres site, including an office/warehouse building containing 30,000 gross square feet, to be used as an operating complex for engineering & public works. Its term is six years and is payable monthly in the amount of \$23,352 at an annual interest rate of 5.00%. The assets acquired are utilized in the City's general operations and are presented in the General Fixed Assets Account Group.

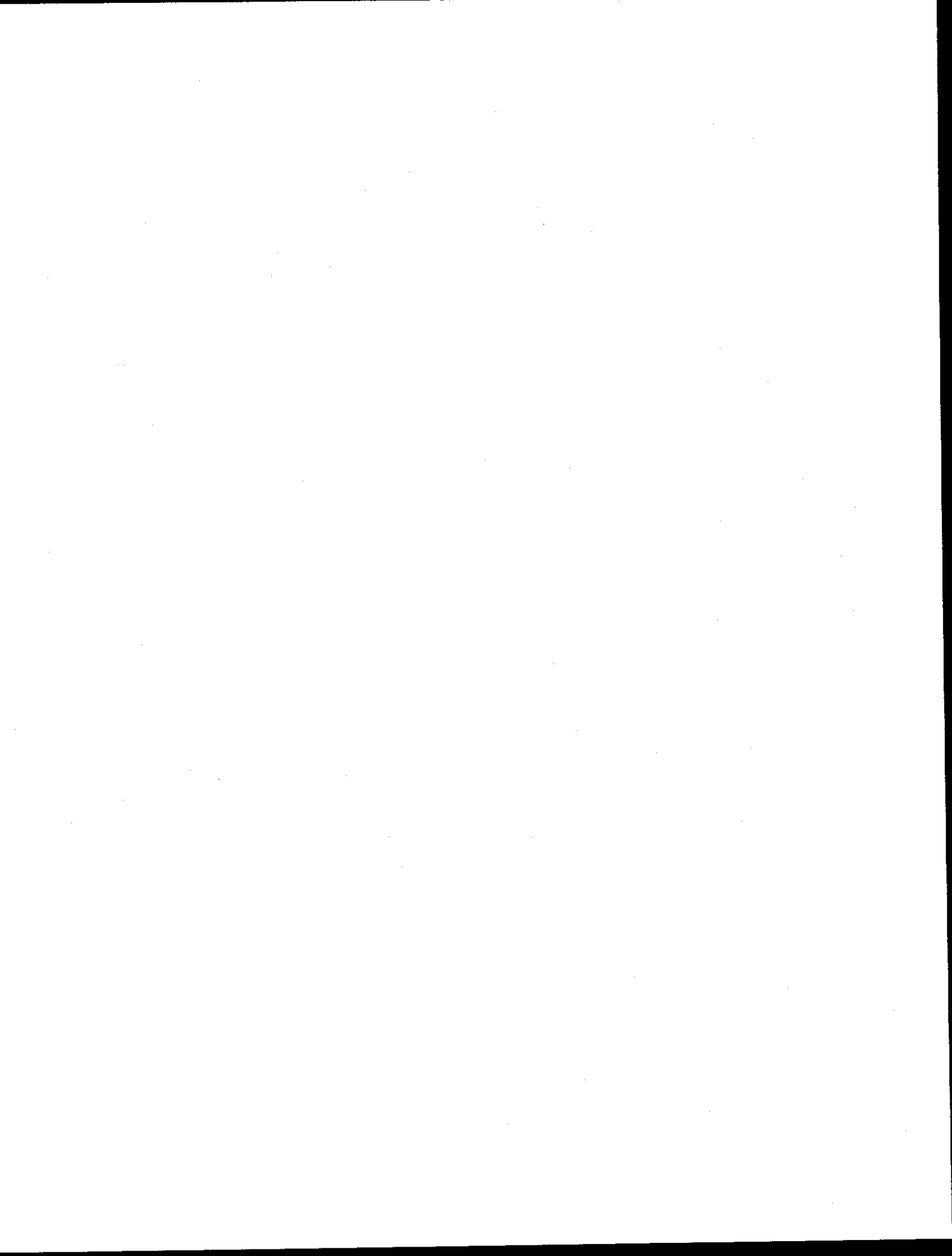
Future lease payments under the above capital lease are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 263,857	\$ 16,369	\$ 280,226
2003	<u>183,363</u>	<u>3,455</u>	<u>186,818</u>
Total	\$ <u>447,220</u>	\$ <u>19,824</u>	\$ <u>467,044</u>

During fiscal year 2000, the City entered into several capital leases for the principal sum of \$260,089 for the purchase of twelve vehicles and trucks. The term is three years on each and they are payable monthly in the total amount of \$9,490 at annual interest rates from 5.53% to 6.03%. The majority of the assets acquired are utilized in the City's general operations and are presented in the General Fixed Assets Account Group. The remaining assets are utilized in the City's Water Fund.

Future lease payments for all vehicle capital leases for those assets presented in the General Fixed Assets Account Group are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 213,354	\$ 21,865	\$ 235,219
2003	189,951	9,731	199,682
2004	<u>61,999</u>	<u>1,593</u>	<u>63,592</u>
Total	\$ <u>465,304</u>	\$ <u>33,189</u>	\$ <u>498,493</u>



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CITY OF ALPHARETTA, GEORGIA

BOND II CONSTRUCTION
CAPITAL PROJECT FUND

COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ <u>8</u>	\$ <u>347,420</u>
Total Assets	\$ <u>8</u>	\$ <u>347,420</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ <u>72,742</u>	\$ <u>62,683</u>
Total Liabilities	<u>72,742</u>	<u>62,683</u>
Fund Balance:		
Unreserved, Designated for Capital Projects	<u>(72,734)</u>	<u>284,737</u>
Total Liabilities and Fund Balance	\$ <u>8</u>	\$ <u>347,420</u>

CITY OF ALPHARETTA, GEORGIA

BOND III CONSTRUCTION
CAPITAL PROJECT FUNDSCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2001

	Total Project Estimate	Actual to June 30, 2001		
		Reported In Prior Years	Current Year	Total
Revenues:				
Interest Income	\$ 1,245,000	\$ 2,706,655	\$ 844,903	\$ 3,551,558
Total Revenues	1,245,000	2,706,655	844,903	3,551,558
Expenditures:				
Capital Outlay	25,647,000	11,093,516	4,432,920	15,526,436
Debt Service - Cost of Bond Issuance	498,000	330,369	-	330,369
Total Expenditures	26,145,000	11,423,885	4,432,920	15,856,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,900,000)	(8,717,230)	(3,588,017)	(12,305,247)
Other Financing Source (Uses):				
General Obligation Bond Proceeds	24,900,000	25,449,972	-	25,449,972
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	16,732,742	(3,588,017)	13,144,725
Residual Equity Transfer		-	(295,028)	(295,028)
Fund Balance, July 1		-	16,732,742	-
Fund Balance, June 30		\$ 16,732,742	\$ 12,849,697	\$ 12,849,697



CITY OF ALPHARETTA, GEORGIA
WATER SYSTEM ENTERPRISE FUND
STATEMENT OF CASH FLOWS

Year Ended June 30, 2001
(With Comparative Amounts for June 30, 2000)

	<u>2001</u>	<u>2000</u>
Cash Flows From Operating Activities:		
Operating Income	\$ 5,494	\$ 291,155
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation Expense	281,206	200,837
Loss on Disposal of Fixed Assets	73,754	-
Decrease in Accounts Receivable	192,208	117,584
(Increase) Decrease in Inventories	27,644	(37,283)
Decrease in Due from Other Funds	-	17
Increase (Decrease) in Accounts Payable	239,546	(432)
Increase in Deposits Payable	66,698	22,156
Increase in Accrued Liabilities	11,938	3,575
Increase (Decrease) in Due to Other Funds	(10,660)	8,006
Total Adjustments	<u>882,334</u>	<u>314,460</u>
Net Cash Provided By Operating Activities	<u>887,828</u>	<u>605,615</u>
Cash Flows from Capital and Related Financing Activities:		
Interest Paid	(118,140)	(106,497)
Acquisition and Construction of Fixed Assets	(491,954)	(100,235)
Proceeds from Capital Lease	-	18,328
Principal Payment - Capital Loan and Promissory Notes	<u>(165,701)</u>	<u>(154,701)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(775,795)</u>	<u>(343,105)</u>
Cash Flows from Investing Activities:		
Interest Received	94,469	65,250
Sale of Investments	1,045,722	860,716
Purchase of Investments	<u>(822,808)</u>	<u>(1,045,722)</u>
Net Cash Provided (Used) by Investing Activities	<u>317,383</u>	<u>(119,756)</u>
Net Increase in Cash	429,416	142,754
Cash, July 1	<u>705,986</u>	<u>563,232</u>
Cash, June 30	<u>\$ 1,135,402</u>	<u>\$ 705,986</u>

CITY OF ALPHARETTA, GEORGIA

Internal Service Fund

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

Risk Management Fund

This fund is used to account for property, liability, worker's compensation, life and health insurance benefits provided to City departments, City employees and participating dependents.

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CITY OF ALPHARETTA, GEORGIA

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Alpharetta

GEORGIA



October 19, 2001

MAYOR

Chuck Martin

COUNCIL

Brandon L. Beach

Debbie Gibson

Sandra B. Johnson

Arthur Letchas

Jim Matoney

Jim Paine

CITY ADMINISTRATOR

Robert J. Regus

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To the Honorable Mayor, City Council
and Citizens of the City of Alpharetta:

We are pleased to present the Comprehensive Annual Financial Report of the City of Alpharetta, Georgia (City) for the fiscal year ended June 30, 2001. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the City's organizational chart, a list of principal officials and a copy of the GFOA Certificate of Achievement in Financial Reporting for 2000. The financial section includes the general-purpose financial statements, notes and the combining and individual fund and account group financial statements and schedules, as well as the report of the independent public accountants. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of State and Local Governments*. Information related to this single audit, including a schedule of federal financial assistance, the independent auditor's reports on internal controls and compliance with applicable laws and regulations are available in a separately issued report. No findings, questioned costs, or material defects were identified through this single audit.

This report includes all funds and account groups of the City for which City Council has fiduciary, budgetary and legislative control, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services. These services include police and fire protection; municipal court; sanitation services; recreational activities and cultural events; building inspection and code enforcement; water; and road maintenance.

Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Development Authority of Alpharetta is reported as a discretely presented component unit.

ECONOMIC CONDITION AND OUTLOOK

In 1995 Alpharetta began a growth and development boom that carried through the end of the millennium and into 2000. During this period, nearly 70,000 new jobs were created and more than 30,000 building permits were issued for projects valued in excess of \$2 billion. This momentous level of activity also propelled Alpharetta into the national spotlight, with feature stories in *USA Today* and *Yahoo! Internet Life* magazine.

Between 1990 and 2000 Alpharetta's population increased by 168% according to the 2000 Census, which recorded a population of 34,854 for the community. Estimates through the third quarter of 2001 indicate the population now stands at 35,406 and projections foretell that number will exceed 50,000 by the year 2010. The majority of this population growth has been spurred by "executive migration," so it should come as no surprise that the median housing value in the city is \$256,900 and average household income is \$93,234. The median age is 33.3 years.

While recent shifts in the global economy and a recently announced sewer moratorium have had their impacts, Alpharetta's growth has continued through the third quarter of 2001, albeit at a slower rate than in recent years. More than 7,500 new jobs were created and over 600 new businesses opened during the first nine months of the year. During the same period 774 building permits were issued on projects with a combined value exceeding \$190 million.

Looking ahead, forecasts indicate that the economic slowdown that began in June 2001 will begin a reversal during the summer of 2002. While this recovery is anticipated to be a slow one, the Metro Atlanta Area and Alpharetta specifically are expected to outpace the national average.

Located on the Georgia 400 corridor, Alpharetta has realized an average increase in the property tax base of 17.59% per year for the last five years. Projections for fiscal year 2002 have the digest exceeding \$2.3 billion, a phenomenal increase from our \$7.4 million digest in 1995. Further, with collection rates well into the 90% range, this revenue source continues to have a significant impact on both the General and Debt Service Funds.

MAJOR INITIATIVES

For the year. In order to keep pace with the tremendous growth being experienced, the City designed plans to increase the effectiveness and efficiency of the City's operations while maintaining a strong customer service ethic in many areas. Some of the most significant of these are outlined below:

Annexation

During fiscal year 2001, the City received five requests for annexation which would have increased the size of Alpharetta by more than 100%. Of the annexation requests, three were approved adding approximately 155.7 acres to the City; one was withdrawn; and one is pending.

Of priority to the City of Alpharetta is the ability to measure the impact annexation has on existing services, staff, and financial resources. As the City reviews future annexation requests, staff will prepare and provide information pertaining to both long and short-term financing needs brought by the annexation itself.

CITY OF ALPHARETTA, GEORGIA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT

Year Ended June 30, 2001

	Enterprise	Internal Service	Total (Memorandum Only)	Component Unit Development Authority of Alpharetta
Operating Revenues:				
Operating Revenue	\$ -	\$ 2,998,925	\$ 2,998,925	\$ -
Water Revenue	2,034,308	-	2,034,308	-
Sewer Revenue	2,056,074	-	2,056,074	-
Solid Waste Revenue	1,434,537	-	1,434,537	-
Total Operating Revenues	<u>5,524,919</u>	<u>2,998,925</u>	<u>8,523,844</u>	<u>-</u>
Operating Expenses:				
Personal Services	407,446	-	407,446	-
Purchased Services	1,808,063	-	1,808,063	-
Materials & Supplies	3,049,568	-	3,049,568	-
Depreciation	281,206	-	281,206	-
Benefits and Claims	-	2,616,464	2,616,464	-
Other	62,995	53,270	116,265	-
Total Operating Expenses	<u>5,609,278</u>	<u>2,669,734</u>	<u>8,279,012</u>	<u>-</u>
Operating Income (Loss)	<u>(84,359)</u>	<u>329,191</u>	<u>244,832</u>	<u>-</u>
Non-operating Revenues (Expenses):				
Interest Income	102,404	50,309	152,713	380,720
Interest Expense	(118,140)	-	(118,140)	(380,720)
Insurance Proceeds	-	315,718	315,718	-
Operating Transfer In	429,800	-	429,800	-
Total Non-operating Revenues (Expenses)	<u>414,064</u>	<u>366,027</u>	<u>780,091</u>	<u>-</u>
Net Income (Loss)	<u>329,705</u>	<u>695,218</u>	<u>1,024,923</u>	<u>-</u>
Retained Earnings, July 1	2,028,097	101,102	2,129,199	-
Prior Period Adjustment (Note 3. G)	-	281,236	281,236	-
Retained Earnings, June 30	<u>\$ 2,357,802</u>	<u>\$ 1,077,556</u>	<u>\$ 3,435,358</u>	<u>\$ -</u>

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

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Alpharetta, Georgia ("City"), which was founded in 1858, operates under a charter adopted July 1, 1981, and has a mayor/council form of government. The City provides such services as police protection, fire and rescue services, parks and recreational needs, water and sewer services and public works. The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The more significant of the City of Alpharetta, Georgia's accounting policies are described below:

A. Financial Reporting Entity

The City of Alpharetta is a Georgia municipal corporation with a seven-member City Council comprised of a mayor and six district council members (elected at large). As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Alpharetta (the primary government) and its component units.

As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its only component unit - Development Authority of Alpharetta (the "Authority"). The Development Authority of Alpharetta is included in the City's reporting entity because of the significance of its financial relationship with the City.

The Authority promotes the industrial and economic development of the City of Alpharetta. The Authority is legally separate from the City; however, the City appoints all of the Authority's Board members and has a financial obligation to the Authority. The City does not control the operations of the Authority. The Authority is reported as a discretely presented component unit in the City's financial statements due to its financial dependence on the City. Separate financial statements for the Authority are not prepared.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained are consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. As provided by generally accepted accounting principles, the City only applied GASB pronouncements issued through November 30, 1989 in accounting and reporting for its proprietary funds. All proprietary funds have legally adopted annual budgets. Proprietary funds include the following fund types:

Enterprise Fund - This fund is used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Beginning in 2001, the City's solid waste activities were recorded in the Enterprise Fund. The solid waste activities were previously recorded in the General Fund.

Internal Service Fund - This fund accounts for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. Each fiduciary fund has a legally adopted annual budget.

Expendable Trust Fund - This fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets when both the principal and interest may be spent.

Account Groups

General Fixed Asset Account Group - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

General Long-term Debt Account Group - This account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

CITY OF ALPHARETTA, GEORGIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

A. Deposits and Investments - Continued

The bank balances are classified as follows at June 30, 2001:

<u>Category</u>	<u>Bank Balance</u>
1	\$ 5,284,138
2	-
3	-
	<u>\$ 5,284,138</u>

Investments - The City is authorized to invest idle cash from operating accounts in obligations of the U.S. Treasury, repurchase agreements, and commercial paper. City may also invest in certificates of deposits of banks which are insured by the Federal Deposit Insurance Corporation (FDIC) provided, however, that the portion of such certificates of deposit in excess of the amount insured by the FDIC is adequately collateralized.

Investments are classified by degree of credit risk into the three categories described below:

Category 1 - Insured or registered, with the securities held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the City's name.

Category 3 - Uninsured and unregistered, with the securities held by the counter party or by its trust department or agent, but not in the City's name.

Investments held by the city at June 30, 2001 are summarized below:

<u>Type of Investment</u>	<u>Category</u>		
	<u>1</u>	<u>2</u>	<u>3</u>
Repurchase agreements	\$ -	\$ 17,252,358	\$ -
U.S. Government and Agency Securities	9,228,903	-	-
Money Market Accounts	<u>11,752,159</u>	<u>-</u>	<u>-</u>
	<u>\$ 20,981,062</u>	<u>\$ 17,252,358</u>	<u>\$ -</u>

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

E. Long-Term Debt - Continued

2. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. 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, except for refunding issues, with equal amounts of principal maturing each year.

General obligation bonds currently outstanding are as follows:

	<u>Principal Outstanding</u>
General Obligation Bonds issued March 11, 1998 in the amount of \$24,900,000 bearing interest rates of 3.9% to 5% payable on May 1, and November 1, serially to fiscal year 2013	\$ 24,825,000
General Obligations Bonds issued March 1, 1992 in the amount of \$19,000,000 bearing interest rates of 3.5% to 6.5% payable on May 1, and November, serially to year 2010.	13,295,000
General Obligation bonds issued May 10, 1995 in the amount of \$17,000,000 bearing interest rate of 4.5% to 5.6% payable on May 1, and November 1, serially to fiscal year 2012.	13,945,000
General Obligation Bonds issued May 10, 1995 in the amount of \$2,575,000 bearing interest rates of 4.0% to 5.15% payable on May 1, and November 1, serially to fiscal year 2012.	<u>1,575,000</u>
	<u>\$ 53,640,000</u>

CITY OF ALPHARETTA, GEORGIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued

E. Long-Term Debt - Continued

4. Capital Lease Obligations - Continued

Future lease payments under the above capital leases for those assets presented in the Water Fund are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 6,099	\$ 567	\$ 6,666
2003	<u>6,528</u>	<u>207</u>	<u>6,735</u>
Total	<u>\$ 12,627</u>	<u>\$ 774</u>	<u>\$ 13,401</u>

5. Development Authority of Alpharetta Revenue Bonds

During fiscal year 1999, the Development Authority of Alpharetta entered into an agreement with Georgia State University Foundation to construct an education facility. As a result, a 20-year revenue bonds was issued by the Authority. The City has a contract with the Development Authority in which it is obligated to pay 16.5% of the total principal and interest payments. In conjunction with this agreement, the Foundation entered into a direct financing lease in which the Foundation's lease payments cover the remaining annual principal and interest payments on the bond. The bond, issued on September 1, 1998 is payable on May 1 and November 1, serially to fiscal year 2019.

The annual requirements to amortize the Development Authority revenue bonds outstanding as of June 30, 2001 are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 334,000	\$ 370,732	\$ 704,732
2003	346,525	358,055	704,580
2004	359,050	344,736	703,786
2005	375,750	330,681	706,431
2006	388,275	315,876	704,151
Thereafter	<u>6,838,650</u>	<u>2,263,047</u>	<u>9,101,697</u>
Total	<u>\$8,642,250</u>	<u>\$ 3,983,127</u>	<u>\$ 12,625,377</u>

6. Notes Payable

The Development Authority of Alpharetta has an agreement with the Georgia State University Foundation to construct an education facility. In conjunction with this agreement, the City has a contract with the Development Authority in which it is obligated to pay 16.5% of the total principal and interest bonds payments. The note is payable through fiscal year 2019.

CITY OF ALPHARETTA, GEORGIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 4 - OTHER INFORMATION

A. Contingent Liabilities

The City has contracted with Browning-Ferris Industries, Inc. for refuse collection, including recycling, until March 31, 2005.

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

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

B. Risk Management

The Risk Management Internal Service fund includes medical, worker's compensation, property and general liability insurance coverages. Medical insurance premiums and life insurance policy premiums are charged to departments and to employees for optional dependent coverage benefits. The purpose of this fund is to pay medical claims of the City employees and their covered dependents and minimize the total cost of annual medical insurance to the City. Medical claims exceeding \$696,000 in the aggregate per year are insured through a private insurance carrier. Worker's compensation claims exceeding \$200,000 per incident are insured through private insurance carrier (up to a maximum of \$875,000), whereas claims below the \$200,000 are paid from this fund. Liability claims exceeding \$10,000 are insured through a private insurance carrier, where as liability claims below the \$10,000 are paid from this fund. It is the City's intention to maintain an equity balance of \$1,000,000 to cover catastrophic claims of workers' compensation and medical insurance.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There were no significant reductions to insurance coverage in the prior year and the amount of settlements during the last three fiscal years did not exceed insurance coverage. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2001</u>	<u>2000</u>
Unpaid claims, beginning of fiscal year	\$ 314,536	\$ 189,555
Incurred claims	1,032,772	1,204,764
Claims payments	<u>1,122,066</u>	<u>1,079,783</u>
Unpaid claims, end of fiscal year	\$ <u>225,242</u>	\$ <u>314,536</u>

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 4 - OTHER INFORMATION - Continued

C. Defined Benefit Pension Plan - Continued

1. Plan Description

As authorized by City Council, the City provides retirement, disability and death benefits to its employees through the City's defined benefit pension plan, known as the City of Alpharetta Retirement Plan (the "Plan"). The City's plan is affiliated with the Georgia Municipal Employees Benefit System ("System"), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for the cities in the State of Georgia.

All full-time City employees, City officials and the judge of Municipal court are eligible to participate in the System. Benefits vest after five years of service. City employees who retire at or after age 65 (55 for the police and firemen) with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to a split percent 1% to 2% of their highest five year average salary during employment. City officials and the municipal court judges receive a lifetime benefit at age 65 of \$25 per month for each year of service to the City. There is no waiting period to become eligible to participate in the plan for City officials and the municipal court judges. These benefit provisions and all other requirements are established by City Council. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

2. Funding Policy

Participants are not required to contribute to the Plan. The City's policy is to contribute 100% of the amount necessary to fund the Plan according to the annual actuarial calculations. The City currently contributes 6.2% of covered payroll.

3. Annual Pension Cost

The City's annual pension cost for 2001 of \$647,319 was equal to the City's recommended and actual contributions. The recommended contribution was computed as part of an actuarial valuation performed as of January 1, 2001, using the projected unit credit actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8 percent a year compounded annually, (b) projected salary increases of 4.0 percent a year compounded annually (3.5% for inflation .5% for merit or seniority). The actuarial value of plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over ten years. This plan does not provide for postretirement benefit increases. The plan's period for amortizing the initial unfounded actuarial accrued liability for 30 years for 1982 and current changes in the unfounded actuarial accrued liability over 15 year for actuarial gains and losses, 20 years for land provisions and 30 years for actuarial assumptions and cost methods as a level percentage of payroll. The amortization periods, if applicable, are closed for this plan year.

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 4 - OTHER INFORMATION - Continued

C. Defined Benefit Pension Plan - Continued

4. Trend Information

Fiscal year ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1997	\$ 215,925	100%	-
1998	\$ 252,785	100%	-
1999	\$ 300,634	100%	-
2000	\$ 531,861	100%	-
2001	\$ 647,319	100%	-

5. Schedule of Fund Progress

The information presented below is based on the annual January 1 actuarial valuations.

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Actuarial value of assets	\$5,462,900	\$ 4,688,370	\$4,056,546	\$3,142,858	\$2,651,334
Actuarial accrued liabilities	\$7,050,281	\$ 5,513,888	\$4,402,166	\$3,459,228	\$2,898,665
Funded ratio	77.5%	85.0%	96.5%	90.9%	91.5%
Total unfunded actuarial liability (funding excess)	\$1,587,381	\$ 825,518	\$ 147,620	\$ 316,370	\$ 247,331
Annual covered payroll	\$9,113,462	\$ 7,134,366	\$6,274,597	\$4,796,176	\$4,166,784
Ratio of unfunded (excess) to annual covered payroll	17.4%	11.6%	2.4%	6.6%	5.9%

Information prior to 1997 is not available.

D. Hotel-Motel/Motel Lodging Tax

During the year ended June 30, 2001, the City levied a 6% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions or trade shows; 16 2/3% is utilized to promote business within the downtown business district. The Alpharetta Convention and Visitors Bureau and the Alpharetta Business Community have certified that the funds received from the City during the year ended June 30, 2001 were used for, or are planned to be used for, the intended purpose as outlined within the Official Code of Georgia. A summary of transactions for the fiscal year ended June 30, 2001 is as follows:

Tax collections during Fiscal 2001	\$ 2,458,270
Interest received during Fiscal 2001	10,722
Disbursements during Fiscal 2001 for Tourism and Public Affairs	2,458,270

CITY OF ALPHARETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2001

NOTE 4 - OTHER INFORMATION - Continued

E. Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the Metropolitan Atlanta Georgia area, is a member of the Atlanta regional Commission (ARC) and is required to pay annual dues thereto. 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 ARC. Separate financial statements may be obtained from ARC, 200 North Creek, Suite 300, 3715 Northside Parkway, Atlanta, Georgia 30327.

NOTE 5 - NET INVESTMENT AND DIRECT FINANCING LEASE

The Development Authority of Alpharetta has entered into a lease agreement with the Georgia State University Foundation to construct an education facility. The lease was accounted for as a direct financing lease by the Development Authority of Alpharetta. The lease agreement requires monthly payments be made on or before the twentieth day of each month for a sum equal to 83.5% of one-twelfth the amount required as payment for the following year over the 20-year term of the bond.

At June 30, 2001, future lease payments receivable are as follows:

Fiscal year	
2002	\$ 704,732
2003	704,580
2004	703,786
2005	706,431
2006	704,151
Thereafter	<u>9,101,697</u>
Total minimum lease payments	12,625,377
Unearned revenue	<u>(3,983,127)</u>
Present value of future payments	<u>\$ 8,642,250</u>

CITY OF ALPHARETTA, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 160,614	\$ 180,938
Investments	10,272,579	8,424,466
Receivables (net of allowance for uncollectibles)		
Taxes	2,136,700	2,189,365
Accounts	57,628	477,865
Due from other funds	2,308	2,308
Inventory, at cost	156,868	111,179
Prepaid items	10,724	7,655
 Total Assets	 <u>\$ 12,797,421</u>	 <u>\$ 11,393,776</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 971,087	\$ 1,259,929
Accrued salaries and expenses	265,649	239,192
Compensated absences payable	321,984	84,980
Due to Other Funds	-	292,945
Deferred revenue	889,557	962,309
Total Liabilities	<u>2,448,277</u>	<u>2,839,355</u>
Fund Balance:		
Reserved:		
Reserved for Inventory	156,869	111,179
Reserved for Prepaid Items	10,724	7,655
Reserved for Encumbrances	268,155	487,977
Unreserved		
Designated for Operations	5,397,835	5,201,639
Unreserved and Undesignated	4,515,561	2,745,971
Total Fund Balance	<u>10,349,144</u>	<u>8,554,421</u>
 Total Liabilities and Fund Balance	 <u>\$ 12,797,421</u>	 <u>\$ 11,393,776</u>

CITY OF ALPHARETTA, GEORGIA

Capital Project Funds

Capital Project Funds are used to account for the acquisition or construction of major capital facilities by the City except for those accounted for in the Enterprise Funds.

General Capital Projects Fund

This fund is used to account for the acquisition of capital expenditures greater than \$25,000 funded by sources other than General Obligation Bond proceeds.

Fleet Management Fund

This fund is used to account for the acquisition of capital expenditures for new and replacement of the City fleet.

Bond II Construction Fund

This fund is used to account for capital projects funded from 1995 General Obligation Bond proceeds.

Bond III Construction Fund

This fund is used to account for capital projects funded from 1998 General Obligation Bond proceeds.

CITY OF ALPHARETTA, GEORGIA

CAPITAL PROJECT FUNDS

COMBINING BALANCE SHEET

June 30, 2001

(With Comparative Totals for Year Ended June 30, 2000)

<u>Assets</u>	<u>General</u>	<u>Fleet</u>	<u>Bond II</u>	<u>Bond III</u>	<u>Totals</u>	
	<u>Capital Projects</u>	<u>Management</u>	<u>Construction</u>	<u>Construction</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 706,216	\$ 2,929	\$ 8	\$ 2,037,259	\$ 2,746,412	\$ 4,505,442
Investments	9,335,840	101,960	-	11,752,159	21,189,959	25,161,559
Accounts Receivable	-	-	-	-	-	169,210
Total Assets	\$ 10,042,056	\$ 104,889	\$ 8	\$ 13,789,418	\$ 23,936,371	\$ 29,836,211
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts Payable	\$ 353,813	\$ 2,909	\$ 72,742	\$ 939,721	\$ 1,369,185	\$ 1,329,985
Total Liabilities	353,813	2,909	72,742	939,721	1,369,185	1,329,985
Fund Balances:						
Reserved:						
Reserved for Encumbrances	1,476,117	-	-	2,789,512	4,265,629	8,222,595
Unreserved:						
Designated for Capital Projects	8,212,126	-	(72,734)	10,060,185	18,199,577	20,233,437
Designated for Fleet Management	-	101,980	-	-	101,980	50,194
Total Fund Balance	9,688,243	101,980	(72,734)	12,849,697	22,567,186	28,506,226
Total Liabilities and Fund Balance	\$ 10,042,056	\$ 104,889	\$ 8	\$ 13,789,418	\$ 23,936,371	\$ 29,836,211

CITY OF ALPHARETTA, GEORGIA

GENERAL CAPITAL PROJECTS

CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended June 30, 2001
(With Comparative Actual Amounts for Year Ended June 30, 2000)

	2001		Variance	2000
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental	\$ 148,000	\$ 382,769	\$ 234,769	\$ 377
Interest Income	164,311	588,811	424,500	156,389
Other	-	30,550	30,550	181,229
Total Revenues	312,311	1,002,130	689,819	337,995
Expenditures:				
Other	-	-	-	4,659
Capital Outlay	13,454,425	5,068,687	8,385,738	3,827,478
Total Expenditures	13,454,425	5,068,687	8,385,738	3,832,137
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,142,114)	(4,066,557)	9,075,557	(3,494,142)
Other Financing Sources (Uses):				
Operating Transfers in	2,787,000	2,787,000	-	7,147,000
Total Other Financing Sources (Uses)	2,787,000	2,787,000	-	7,147,000
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(10,355,114)	(1,279,557)	9,075,557	3,652,858
Fund Balance, July 1	10,967,800	10,967,800	-	7,314,942
Fund Balance, June 30	\$ 612,686	\$ 9,688,243	\$ 9,075,557	\$ 10,967,800

CITY OF ALPHARETTA, GEORGIA

FLEET MANAGEMENT FUND
CAPITAL PROJECT FUNDSTATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGET BASIS)For the year Ended June 30, 2001
(With Comparative Actual Amounts for Year Ended June 30, 2000)

	2001			2000
	Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)	Actual
Revenues:				
Interest Income	\$ 4,000	\$ 28,190	\$ 24,190	\$ 6,572
Other Income	-	21,605	21,605	-
Total Revenues	4,000	49,795	45,795	6,572
Expenditures:				
Capital Outlay	443,620	878,221	(434,601)	333,728
Capital Lease:				
Principal	-	19,787	(19,787)	5,017
Interest	-	4,192	(4,192)	761
Total Expenditures	443,620	902,200	(458,580)	339,506
Excess (Deficiency) of Revenues Over (Under) Expenditures	(439,620)	(852,405)	(412,785)	(332,934)
Other Financing Sources (Uses):				
Operating Transfers In	173,349	173,349	-	-
Capital Lease Proceeds	-	260,089	260,089	312,724
Total Other Financing Sources (Uses)	173,349	433,438	260,089	312,724
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(266,271)	(418,967)	(152,696)	(20,210)
Fund Balance, July 1	520,947	520,947	-	541,157
Fund Balance, June 30	\$ 254,676	\$ 101,980	\$ (152,696)	\$ 520,947

CITY OF ALPHARETTA, GEORGIA

Enterprise Fund

Enterprise Funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The intent of the City in using this type of fund is to see that the costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water System Fund

Established to account for the operation of the City's water system, a self-supporting activity which renders services on a user charge basis to residents and businesses located in Alpharetta.

Solid Waste Fund

Established to account for the operation of the City's solid waste system. Included within this fund is the Operation of curbside garbage, recycling, and yard waste programs. These programs are a self - supporting activity which render services on a user charge basis to residents in Alpharetta.

CITY OF ALPHARETTA, GEORGIA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

June 30, 2001 and 2000

ASSETS

	Water	Solid Waste	Totals	
			2001	2000
Current Assets				
Cash and Cash Equivalents	\$ 1,135,402	\$ 23,028	\$ 1,158,430	\$ 705,986
Investments	822,808	202,661	1,025,469	1,045,722
Accounts Receivable (Net of Allowance for Uncollectibles)	588,275	252,807	841,082	780,483
Inventory, at Cost	97,045	-	97,045	124,689
Total Currents Assets	<u>2,643,530</u>	<u>478,496</u>	<u>3,122,026</u>	<u>2,656,880</u>
Property and Equipment at Cost Less Accumulated Depreciation	4,787,231	-	4,787,231	4,650,237
Total Fixed Assets	<u>4,787,231</u>	<u>-</u>	<u>4,787,231</u>	<u>4,650,237</u>
Total Assets	<u>\$ 7,430,761</u>	<u>\$ 478,496</u>	<u>\$ 7,909,257</u>	<u>\$ 7,307,117</u>

LIABILITIES AND EQUITY

Current Liabilities				
Accounts Payable	\$ 690,887	\$ 130,614	\$ 821,501	\$ 467,307
Accrued Salaries	9,034	-	9,034	7,079
Accrued Interest	15,966	-	15,966	-
Compensated Absences Payable	13,028	-	13,028	3,045
Revenue Bonds - Current Portion	165,000	-	165,000	160,000
Capital Lease Payable - Current Portion	12,627	-	12,627	18,328
Due to Other Funds	-	-	-	10,660
Total Current Liabilities	<u>906,542</u>	<u>130,614</u>	<u>1,037,156</u>	<u>666,419</u>
Noncurrent Liabilities				
Customer Deposits	113,859	-	113,859	56,108
Compensated Absences Less Current Portion	25,323	-	25,323	16,376
Revenue Bonds	1,995,000	-	1,995,000	2,160,000
Total Noncurrent Liabilities	<u>2,134,182</u>	<u>-</u>	<u>2,134,182</u>	<u>2,232,484</u>
Total Liabilities	<u>3,040,724</u>	<u>130,614</u>	<u>3,171,338</u>	<u>2,898,903</u>
Equity				
Contributed Capital	2,380,117	-	2,380,117	2,380,117
Retained Earnings-Restricted	175,730	-	175,730	379,782
Retained Earnings - Unrestricted	1,834,190	347,882	2,182,072	1,648,315
Total Equity	<u>4,390,037</u>	<u>347,882</u>	<u>4,737,919</u>	<u>4,408,214</u>
Total Liabilities and Equity	<u>\$ 7,430,761</u>	<u>\$ 478,496</u>	<u>\$ 7,909,257</u>	<u>\$ 7,307,117</u>

CITY OF ALPHARETTA, GEORGIA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2001

(With Comparative Actual Amounts for Year Ended June 30, 2000)

	Water	Solid Waste	Totals	
			2001	2000
Operating Revenues:				
Charges for Services	\$ 4,090,382	\$ 1,434,537	\$ 5,524,919	\$ 3,674,734
Operating Expenses:				
Operation and Maintenance:				
Billing	270,347	11,859	282,206	257,863
Operations	3,533,335	1,512,531	5,045,866	2,924,879
Depreciation	281,206	-	281,206	200,837
Total Operating Expenses	4,084,888	1,524,390	5,609,278	3,383,579
Operating Income (Loss)	5,494	(89,853)	(84,359)	291,155
Non-operating Revenues (Expenses)				
Interest Income	94,469	7,935	102,404	65,250
Interest Expense	(118,140)	-	(118,140)	(106,497)
Operating transfer in	-	429,800	429,800	-
Total Non-operating Revenues (Expenses)	(23,671)	437,735	414,064	(41,247)
Net Income (Loss)	(18,177)	347,882	329,705	249,908
Retained Earnings, July 1	2,028,097	-	2,028,097	1,778,189
Retained Earnings, June 30	\$ 2,009,920	\$ 347,882	\$ 2,357,802	\$ 2,028,097

CITY OF ALPHARETTA, GEORGIA

WATER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2001

(With Comparative Actual Amounts for Year Ended June 30, 2000)

	<u>2001</u>	<u>2000</u>
Operating Revenues:		
Charges for Services	\$ <u>4,090,382</u>	\$ <u>3,674,734</u>
Operating Expenses:		
Operation and Maintenance:		
Billing	270,347	257,863
Operations	3,533,335	2,924,879
Depreciation	281,206	200,837
Total Operating Expenses	<u>4,084,888</u>	<u>3,383,579</u>
Operating Income	<u>5,494</u>	<u>291,155</u>
Non-operating Revenues (Expenses)		
Interest Income	94,469	65,250
Interest Expense	(118,140)	(106,497)
Total Non-operating Revenues (Expenses)	<u>(23,671)</u>	<u>(41,247)</u>
Net Income (Loss)	(18,177)	249,908
Retained Earnings, July 1	<u>2,028,097</u>	<u>1,778,189</u>
Retained Earnings, June 30	\$ <u>2,009,920</u>	\$ <u>2,028,097</u>



CITY OF ALPHARETTA, GEORGIA

RISK MANAGEMENT FUND
INTERNAL SERVICE FUND

STATEMENT OF CASH FLOWS

Year Ended June 30, 2001
(With Comparative Amounts for June 30, 2000)

	<u>2001</u>	<u>2000</u>
Cash Flows From Operating Activities:		
Operating Income	\$ 329,191	\$ 46,071
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (Used) by Operating Activities		
Decrease in Accounts Receivable	-	3,449
(Increase) Decrease in Due From Other Funds	314,132	(261,692)
(Increase) Decrease in Prepaid Items	281,236	(281,236)
Increase (Decrease) in Accounts Payable	(89,294)	124,981
(Decrease) in Due to Other Funds	-	(55,319)
Total Adjustments	<u>506,074</u>	<u>(469,817)</u>
Net Cash Provided By (Used In) Operating Activities	<u>835,265</u>	<u>(423,746)</u>
Cash Flows from Investing Activities:		
Interest Received	50,309	32
Insurance Proceeds	315,718	-
Sale of Investments	-	204,612
Purchase of Investments	<u>(1,242,798)</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>(876,771)</u>	<u>204,644</u>
Net Decrease in Cash	(41,506)	(219,102)
Cash, July 1	<u>101,506</u>	<u>320,608</u>
Cash, June 30	<u>\$ 60,000</u>	<u>\$ 101,506</u>

CITY OF ALPHARETTA, GEORGIA

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2001

Assessed Value		\$ 2,337,989,324
Debt Limit 10% of Assessed Value		233,798,932
Amount of Debt Applicable to Debt Limit		
Total General Bonded Debt	55,347,750	
Less Amount Available for Repayment of general obligation bonds	<u>739,939</u>	<u>54,607,811</u>
Legal Debt Margin		\$ <u>179,191,121</u>
Percentage Ratios:		
Legal Debt Margin		100.00
Debt Application to Debt Limit		<u>30.47</u>
Legal Debt Margin		<u>69.53</u>

Source: Fulton County Tax Assessors Office and City Financial Services Department

City of Alpharetta, Georgia

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2001

<u>Jurisdiction</u>	<u>Amount Outstanding</u>	<u>Percentage Applicable to Alpharetta</u>	<u>Amount Applicable to Alpharetta</u>
Direct:			
City of Alpharetta	\$ <u>55,347,750</u>	100.00%	\$ <u>55,347,750</u>
Overlapping:			
Fulton County	49,474,651	5.39%	2,666,684
Fulton County School District	<u>254,175,000</u>	9.68%	<u>24,604,140</u>
	<u>303,649,651</u>		<u>27,270,824</u>
Total Direct and Overlapping Debt	\$ <u>358,997,401</u>		\$ <u>82,618,574</u>

CITY OF ALPHARETTA, GEORGIA

CONSTRUCTION ACTIVITY

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Estimated Actual Property Value</u>	<u>Number of Building Permits Issued</u>	<u>Number of Permits % Change</u>	<u>Value of Permits Issued</u>
1992	\$ 427,241,000	463	14.60 %	\$ 98,061,000
1993	\$ 446,724,000	529	14.25 %	\$117,967,000
1994	\$ 532,000,000	801	51.42 %	\$117,607,974
1995	\$ 586,826,325	835	4.24 %	\$172,713,513
1996	\$ 796,345,466	981	17.49 %	\$281,265,077
1997	\$ 958,232,044	1,210	23.34 %	\$324,785,863
1998	\$ 1,151,232,400	1,449	19.75 %	\$387,728,080
1999	\$ 1,489,759,756	1,351	(6.76) %	\$379,236,535
2000	\$ 1,591,937,704	1,230	(8.96) %	\$390,391,126
2001	\$ 2,337,989,324	1,184	(3.74)	\$395,062,028

Source: City Building Inspections Department

CITY OF ALPHARETTA, GEORGIA
 MISCELLANEOUS AND DEMOGRAPHIC STATISTICS
 June 30, 2001

Police Protection : (Source: City Police Department)

Number of Employees	93
Number of Stations	1
Number of Patrol Units	75
Number of Police Motorcycles	2

Recreation: (Source: City Recreation Department)

Number of Parks and Playgrounds	7
Acreage Parks and Playgrounds	537 acres
Number of Swimming Pools	1
Number of Athletic Fields	28
Number of Recreation Buildings	7
Number of Tennis Courts	11
Number of Hockey Rinks	2

Education:

Number of Schools by Type: (Source: Fulton
 County Board of Education)

Elementary	3
Middle School	2
High School	1
College	2

Municipal Water Service: (Source: City Engineering & Public Works Department)

Daily Distribution	1,722,222 gallons
Miles of Water Mains	95.00 miles
Number of Fire Hydrants	563.00
Number of Service Connections	3,467

Municipal Sanitation Service: (Source: City Engineering & Public Works Department)

Number of Consumers	8,834
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Elections: (Source: City Clerk Office)

Number of Registered Voters	16,767
Number of Votes Cast in last Municipal Election	1,385
Percentage of Registered Voters Participation	
Voting in Last Municipal Election	8%