

**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-128. 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, 2001. 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,



Aaron J. Bovos, CGFM  
Director of Finance

CITY OF ALPHARETTA  
LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2002

Arthur Letchas  
Mayor, Pro-Tem

Council

Doug DeRito  
Jim Paine

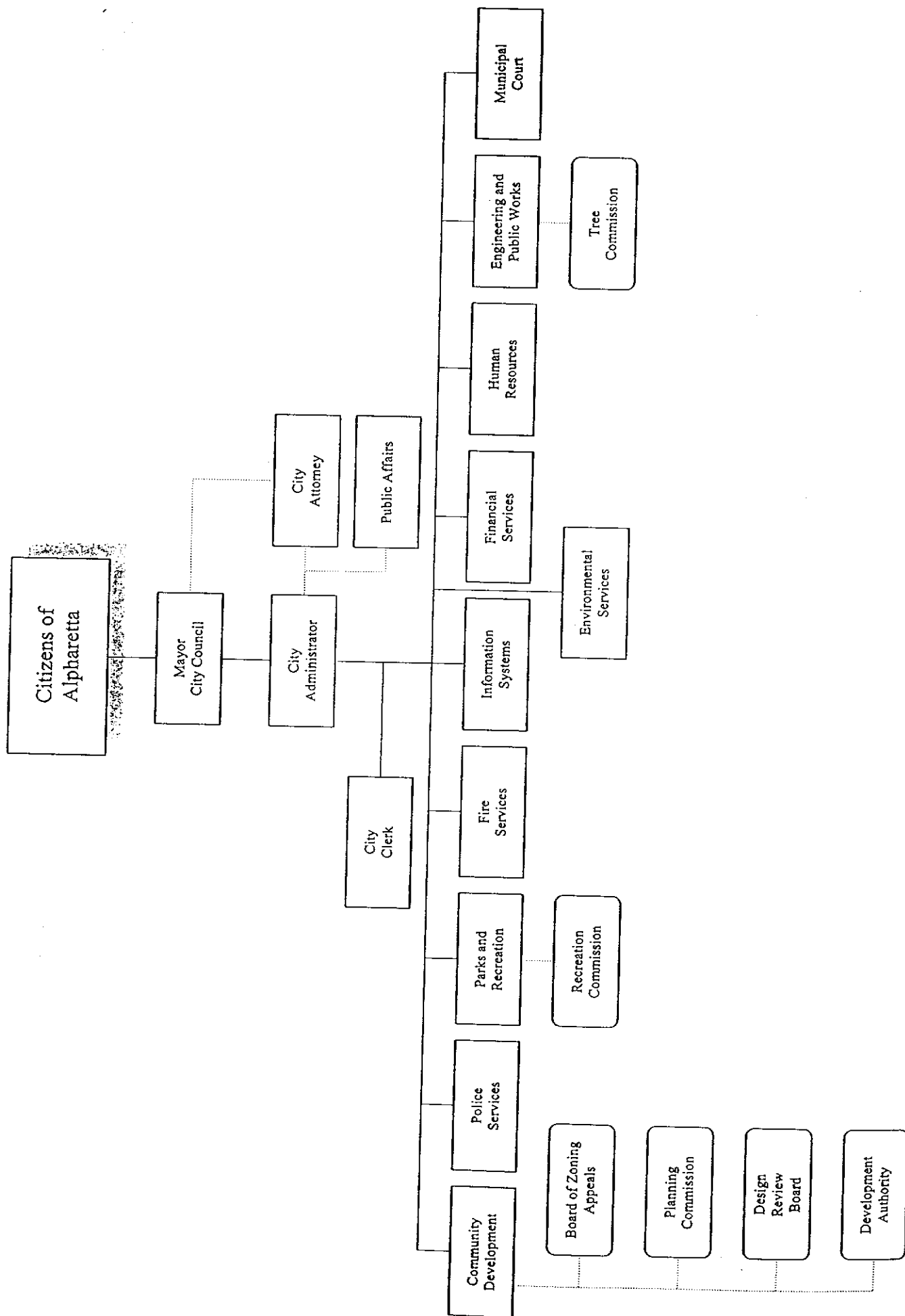
Jim Matoney  
Debbie Gibson  
Brandon Beach

Robert J. Regus  
City Administrator

Professional Staff

Bates, William  
Bovos, Aaron J.  
Forester, Shannon  
Moskaluk, John  
Mullis, Robert  
Perry, Mike  
Rainwater, Sue  
Sahlin, Elizabeth  
Geroge, Gary  
Wheeler, Diana  
Childress, Scott

Fire Chief  
Director of Finance  
Human Resources Director  
Engineering & Public Works Dir.  
Director of Technology Services  
Parks & Recreation Director  
City Clerk  
Court Services  
Interim Police Chief  
Community Development Director  
Municipal Court Judge



# 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, 2001

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.



*Imelda Cuervo*  
President

*Jeffrey L. Esser*  
Executive Director

# **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, 2002, 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, 2002, 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 18, 2002 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.

*Grant Thornton LLP*

Atlanta, Georgia  
October 18, 2002

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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.



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## CITY OF ALPHARETTA, GEORGIA

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2002

(With Comparative Totals for 2001)

	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	2002	2001	
ASSETS:													
Cash and Cash Equivalents	\$ 783,114	\$ 335,733	\$ 202,177	\$ 9,602,488	\$ 238,495	\$ 202,939	\$ -	\$ -	\$ -	\$ -	\$ 11,364,946	\$ 3,333,491	\$ -
Investments	11,193,099	2,121,741	2,108,811	5,946,786	403,392	1,397,785	-	-	-	-	23,171,614	38,233,420	-
Receivables (net of allowances for uncollectibles):													
Taxes	1,848,597	-	133,976	-	-	-	-	-	-	-	-	-	-
Accounts	374,214	282,478	-	14,077	907,484	-	-	-	-	-	1,982,573	2,545,061	-
Due from Other Funds	76,580	-	-	-	-	-	-	-	-	-	1,578,253	1,251,292	-
Direct Financing	-	-	-	-	-	-	-	-	-	-	76,580	2,308	-
Lease Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	163,279	-	-	-	95,575	-	-	-	-	-	258,854	253,913	8,308,250
Prepaid Items	38,248	-	-	-	-	-	-	-	-	-	38,248	10,724	-
Restricted Cash and Cash Equivalents	-	-	-	-	1,528,769	-	-	-	-	-	1,529,769	1,120,950	-
Fixed Assets (net, where applicable, of accumulated depreciation)	-	-	-	-	4,605,205	-	-	62,071,740	-	-	66,676,945	63,086,967	-
OTHER DEBITS:													
Amount Available for retirement of General Long-Term Debt	-	-	-	-	-	-	-	-	-	2,260,946	2,260,946	498,095	-
Amount to be provided for retirement of General Long-Term Debt	-	-	-	-	-	-	-	-	-	51,805,519	51,805,519	56,538,154	-
Total Assets and Other Debits	\$ 14,477,131	\$ 2,739,952	\$ 2,444,964	\$ 15,563,351	\$ 7,779,920	\$ 1,600,724	\$ -	\$ 62,071,740	\$ 54,066,465	\$ 51,805,519	\$ 160,744,247	\$ 166,874,375	\$ 8,308,250

(CONTINUED)

## CITY OF ALPHARETTA, GEORGIA

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2002

(With Comparative Totals for 2001)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups			Primary Government Total (Memorandum Only)		Component Unit Authority of Alpharetta
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service		General Fixed Assets	Long-Term Debt	2002	2001		
LIABILITIES													
Accounts Payable	\$ 1,303,998	\$ 148,712	\$ 77,195	\$ 1,307,798	\$ 771,520	\$ 879,815	\$ -	\$ -	\$ -	\$ 4,489,038	\$ 4,001,748	\$ -	
Accrued Salaries	278,949	12,040	-	-	12,452	-	-	-	-	303,441	285,250	-	
Compensated Absences Payable	486,621	10,317	-	-	49,390	-	-	-	-	1,330,233	1,146,517	-	
Interest Payable	-	-	-	-	14,746	-	-	-	-	14,746	499,653	-	
Due to Other Funds	-	76,580	-	-	-	-	-	-	-	76,580	2,308	-	
Deferred Revenue	291,850	217,372	106,823	716,555	-	-	-	-	-	1,332,600	1,267,208	-	
Customer Deposits	-	-	-	-	223,777	-	-	-	-	223,777	113,859	-	
Lease Purchase Contracts	-	-	-	-	-	-	-	-	-	455,810	925,151	-	
Note Payable	-	-	-	-	-	-	-	-	-	1,641,750	1,707,750	-	
Revenue Bonds Payable	-	-	-	-	1,995,000	-	-	-	-	1,995,000	2,160,000	8,308,250	
General Obligation Bonds Payable	-	-	-	-	-	-	-	-	-	51,185,000	53,640,000	-	
Total Liabilities	2,361,418	465,021	184,018	2,024,353	3,066,885	879,815	-	-	-	54,066,465	65,749,442	8,308,250	
EQUITY AND OTHER CREDITS:													
Investment in General Fixed Assets	-	-	-	-	-	-	-	62,071,740	-	62,071,740	58,299,736	-	
Contributed Capital	-	-	-	-	2,380,117	-	-	-	-	2,380,117	2,380,117	-	
Retained Earnings:													
Reserved:	-	-	-	-	174,746	-	-	-	-	174,746	175,730	-	
Unreserved:	-	-	-	-	2,158,172	720,909	-	-	-	2,879,081	3,259,628	-	
Fund Balances:													
Reserved:	360,366	1,407,695	2,260,946	2,855,080	-	-	-	-	-	6,884,087	7,681,803	-	
Designated	7,067,062	179,978	-	10,683,918	-	-	-	-	-	17,930,958	23,699,392	-	
Undesignated	4,688,285	687,258	-	-	-	-	-	-	-	5,375,543	5,628,527	-	
Total Equity and Other Credits	12,115,713	2,274,931	2,260,946	13,538,998	4,713,035	720,909	-	62,071,740	-	97,696,272	101,124,933	-	
Total Liabilities, Equity and Other Credits	\$ 14,477,131	\$ 2,739,952	\$ 2,444,964	\$ 15,563,351	\$ 7,779,920	\$ 1,600,724	\$ -	\$ 62,071,740	\$ 54,066,465	\$ 160,744,247	\$ 166,874,375	\$ 8,308,250	

The accompanying 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, 2002  
 (With Comparative Totals for 2001)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		Cemetery Expendable Trust	
Revenues:							
Property Taxes	\$ 12,345,201	\$ -	\$ 5,249,167	\$ -	-	\$ 17,594,368	\$ 16,657,914
Other Taxes	10,506,323	2,218,559	-	-	-	12,724,882	13,229,980
Licenses and Permits	1,433,757	-	-	-	-	1,433,757	2,198,676
Intergovernmental	783,227	-	-	394,596	-	1,177,823	958,311
Charges for Services	2,233,082	1,129,866	-	-	-	3,362,948	3,422,067
Fines and Forfeitures	835,903	100,624	-	-	-	936,527	468,886
Impact Fees	-	722,324	-	-	-	722,324	1,258,504
Investment earnings	319,051	83,786	58,464	439,151	294	900,746	2,307,536
Other	96,659	-	-	72,640	-	169,299	427,064
Total Revenues	28,553,203	4,255,159	5,307,631	908,387	294	39,022,674	40,928,918
Expenditures:							
Current:							
General Government	5,627,014	996,653	-	-	-	6,623,667	5,509,305
Public Safety	10,260,357	1,492,911	-	-	-	11,753,268	10,088,217
Engineering & Public Works	3,858,352	-	-	-	-	3,858,352	3,730,234
Environmental Services	352,538	-	-	-	-	352,538	329,794
Parks and Recreation	4,591,862	-	-	-	-	4,591,862	4,375,821
Other	-	2,218,559	-	-	-	2,218,559	2,458,270
Capital Outlay	-	-	-	10,880,338	-	10,880,338	11,043,110
Debt Service:							
Principal	-	-	3,279,315	35,188	-	3,314,503	2,555,498
Interest and Fiscal Charges	-	-	2,448,773	4,941	-	2,453,714	3,507,597
Total Expenditures	24,690,123	4,708,123	5,728,088	10,920,467	-	46,046,801	43,597,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,863,080	\$ (452,964)	\$ (420,457)	\$ (10,014,080)	\$ 294	\$ (7,024,127)	\$ (2,668,928)

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, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Property Taxes	\$ 10,726,222	\$ 12,345,201	\$ 1,618,979	\$ -	\$ -	\$ -
Other Taxes	9,692,183	10,506,323	814,140	862,240	2,218,559	1,356,319
Licenses and Permits	2,494,500	1,433,757	(1,060,743)	-	-	-
Intergovernmental	630,000	783,227	153,227	-	-	-
Charges for Services	1,376,110	2,233,082	856,972	5,000	1,129,866	1,124,866
Fines and Forfeitures	513,221	835,903	322,682	44,853	100,624	55,771
Impact Fees	-	-	-	2,322,000	722,324	(1,599,676)
Investment earnings	547,940	319,051	(228,889)	-	83,786	83,786
Other	5,000	96,659	91,659	-	-	-
<b>Total Revenues</b>	<b>25,985,176</b>	<b>28,553,203</b>	<b>2,568,027</b>	<b>3,234,093</b>	<b>4,255,159</b>	<b>1,021,066</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>General Government:</b>						
City Administrator	935,047	951,025	(15,978)	-	-	-
Mayor and Council	230,168	166,942	63,226	-	-	-
Legal Services	324,400	290,202	34,198	-	-	-
Municipal Court	374,871	340,242	34,629	-	-	-
Financial Services	861,047	860,024	1,023	-	-	-
Technology Services	922,786	896,377	26,409	-	-	-
Community Development	1,612,671	1,511,275	101,396	-	-	-
Human Resources	539,366	590,927	(51,561)	-	-	-
Non-Departmental	297,500	20,000	277,500	928,800	996,653	(67,853)
<b>Total General Government</b>	<b>6,097,856</b>	<b>5,627,014</b>	<b>470,842</b>	<b>928,800</b>	<b>996,653</b>	<b>(67,853)</b>
<b>Public Safety:</b>						
Fire & Rescue Services	5,084,276	5,016,288	67,988	1,581,971	1,492,911	89,060
Police Services	5,263,473	5,244,069	19,404	-	-	-
<b>Total Public Safety</b>	<b>10,347,749</b>	<b>10,260,357</b>	<b>87,392</b>	<b>1,581,971</b>	<b>1,492,911</b>	<b>89,060</b>
Engineering & Public Works	4,072,582	3,858,352	214,230	-	-	-
Environmental Services	474,816	352,538	122,278	-	-	-
Parks and Recreation	4,513,307	4,591,862	(78,555)	-	-	-
Tourism	-	-	-	-	2,218,559	(2,218,559)
Capital Outlay	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>25,506,310</b>	<b>24,690,123</b>	<b>816,187</b>	<b>2,510,771</b>	<b>4,708,123</b>	<b>(2,197,352)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>478,866</b>	<b>3,863,080</b>	<b>3,384,214</b>	<b>723,322</b>	<b>(452,964)</b>	<b>(1,176,286)</b>
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	-	7,696	7,696	-	-	-
Operating Transfers Out	(2,484,200)	(2,484,200)	-	(2,253,200)	(860,000)	1,393,200
Sale of Assets	-	379,993	379,993	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,484,200)</b>	<b>(2,096,511)</b>	<b>387,689</b>	<b>(2,253,200)</b>	<b>(860,000)</b>	<b>1,393,200</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(2,005,334)</b>	<b>1,766,569</b>	<b>3,771,903</b>	<b>(1,529,878)</b>	<b>(1,312,964)</b>	<b>216,914</b>
<b>Fund Balance, July 1</b>	<b>10,349,144</b>	<b>10,349,144</b>	<b>-</b>	<b>3,587,895</b>	<b>3,587,895</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ 8,343,810</b>	<b>\$ 12,115,713</b>	<b>\$ 3,771,903</b>	<b>\$ 2,058,017</b>	<b>\$ 2,274,931</b>	<b>\$ 216,914</b>

(CONTINUED)

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

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
Year Ended June 30, 2002  
(With Comparative Totals for 2001)

	Governmental Fund Types				Fiduciary Fund Types	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Cemetery Expendable Trust	2002	2001
Other Financing Sources (Uses):							
Operating Transfers In	\$ 7,696	\$ -	\$ 2,183,308	\$ 2,405,136	\$ -	\$ 4,586,140	\$ 2,960,349
Operating Transfers Out	(2,484,200)	(860,000)	-	(1,419,244)	(7,696)	(4,771,140)	(3,390,149)
Sale of Assets	379,993	-	-	-	-	379,993	2,526
Capital Lease Proceeds	-	-	-	-	-	-	260,089
Total Financing Sources (Uses)	(2,096,511)	(860,000)	2,183,308	985,892	(7,696)	204,993	(167,185)
Excess (Deficiency) of Revenues and Other Sources							
Over (Under) Expenditures and Other Uses	1,766,569	(1,312,964)	1,762,851	(9,028,188)	(7,402)	(6,819,134)	(2,836,113)
Fund Balance, July 1	10,349,144	3,587,895	498,095	22,567,186	7,402	37,009,722	39,845,835
Fund Balances, June 30	\$ 12,115,713	\$ 2,274,931	\$ 2,260,946	\$ 13,538,998	\$ -	\$ 30,190,588	\$ 37,009,722

The accompanying 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, 2002

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)
\$ 5,063,770	\$ 5,249,167	\$ 185,397	\$ -	\$ -	-	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	696,452	394,596	(301,856)	-	-	-
-	-	-	-	-	-	-	-	-
68,219	58,464	(9,755)	365,000	236,097	(128,903)	475	294	(181)
<u>5,131,989</u>	<u>5,307,631</u>	<u>175,642</u>	<u>1,061,452</u>	<u>689,761</u>	<u>(371,691)</u>	<u>475</u>	<u>294</u>	<u>(181)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	475	-	475
-	-	-	-	-	-	<u>475</u>	-	<u>475</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1,082,068	6,762,970	4,129,098	-	-	-
7,315,297	5,728,088	1,587,209	40,130	40,129	1	-	-	-
<u>7,315,297</u>	<u>5,728,088</u>	<u>1,587,209</u>	<u>1,122,198</u>	<u>6,803,099</u>	<u>(5,680,901)</u>	<u>475</u>	-	<u>475</u>
(2,183,308)	(420,457)	1,762,851	(60,746)	(6,113,338)	(6,052,592)	-	294	294
2,183,308	2,183,308	-	2,309,200	2,309,200	-	-	-	-
-	-	-	(1,323,308)	(1,323,308)	-	-	(7,696)	(7,696)
<u>2,183,308</u>	<u>2,183,308</u>	-	<u>985,892</u>	<u>985,892</u>	-	-	<u>(7,696)</u>	<u>(7,696)</u>
-	1,762,851	1,762,851	925,146	(5,127,446)	(6,052,592)	-	(7,402)	(7,402)
<u>498,095</u>	<u>498,095</u>	-	<u>9,790,223</u>	<u>9,790,223</u>	-	<u>7,402</u>	<u>7,402</u>	-
\$ <u>498,095</u>	\$ <u>2,260,946</u>	\$ <u>1,762,851</u>	\$ <u>10,715,369</u>	\$ <u>4,662,777</u>	\$ <u>(6,052,592)</u>	\$ <u>7,402</u>	\$ -	\$ <u>(7,402)</u>

## CITY OF ALPHARETTA, GEORGIA

## PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN RETAINED EARNINGS

Year Ended June 30, 2002

	Enterprise	Internal Service	Total (Memorandum Only)	Component Unit Development Authority of Alpharetta
Operating Revenues:				
Operating Revenue	\$ -	\$ 3,265,594	\$ 3,265,594	\$ -
Water Revenue	2,211,116	-	2,211,116	-
Sewer Revenue	1,713,954	-	1,713,954	-
Solid Waste Revenue	1,622,493	-	1,622,493	-
Total Operating Revenues	<u>5,547,563</u>	<u>3,265,594</u>	<u>8,813,157</u>	<u>-</u>
Operating Expenses:				
Personal Services	766,708	-	766,708	-
Purchased Services	1,690,809	-	1,690,809	-
Materials and Supplies	2,965,685	-	2,965,685	-
Depreciation	226,831	-	226,831	-
Benefits and Claims	-	3,702,226	3,702,226	-
Other	53,059	122,281	175,340	-
Total Operating Expenses	<u>5,703,092</u>	<u>3,824,507</u>	<u>9,527,599</u>	<u>-</u>
Operating Loss	<u>(155,529)</u>	<u>(558,913)</u>	<u>(714,442)</u>	<u>-</u>
Non-operating Revenues (Expenses)				
Investment Earnings	48,731	38,556	87,287	370,732
Interest Expense	(93,084)	-	(93,084)	(370,732)
Insurance Proceeds	-	163,710	163,710	-
Total Non-operating Revenues (Expenses)	<u>(44,353)</u>	<u>202,266</u>	<u>157,913</u>	<u>-</u>
Net Income (Loss) Before Operating Transfers	<u>(199,882)</u>	<u>(356,647)</u>	<u>(556,529)</u>	<u>-</u>
Operating Transfers				
Operating Transfer In	<u>175,000</u>	<u>-</u>	<u>175,000</u>	<u>-</u>
Net Income (Loss)	<u>(24,882)</u>	<u>(356,647)</u>	<u>(381,529)</u>	<u>-</u>
Retained Earnings, July 1	<u>2,357,802</u>	<u>1,077,556</u>	<u>3,435,358</u>	<u>-</u>
Retained Earnings, June 30	<u>\$ 2,332,920</u>	<u>\$ 720,909</u>	<u>\$ 3,053,829</u>	<u>\$ -</u>

The accompanying 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, 2002

(With Comparative Totals for Year Ended June 30, 2001)

Assets	Hotel Motel	Community Greenspace	Emergency 911	Impact Fee	Drug Enforcement	Totals	
						2002	2001
Cash and Cash Equivalents	\$ 9,179	\$ 196,508	\$ 17,819	\$ 4,941	\$ 107,286	\$ 335,733	\$ 287,819
Investments	1,543	200,283	691,467	1,228,448	-	2,121,741	3,581,867
Accounts Receivable	191,450	-	91,028	-	-	282,478	352,582
<b>Total Assets</b>	<b>\$ 202,172</b>	<b>\$ 396,791</b>	<b>\$ 800,314</b>	<b>\$ 1,233,389</b>	<b>\$ 107,286</b>	<b>\$ 2,739,952</b>	<b>\$ 4,222,068</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 114,870	\$ -	\$ 11,819	\$ 14,092	\$ 8,131	\$ 148,712	\$ 613,399
Accrued Salaries	-	-	12,040	-	-	12,040	10,567
Compensated Absences Payable	-	-	10,317	-	-	10,317	10,207
Deferred Revenue	-	217,372	-	-	-	217,372	-
Due to Other Funds	76,580	-	-	-	-	76,580	-
<b>Total Liabilities</b>	<b>191,450</b>	<b>217,372</b>	<b>33,976</b>	<b>14,092</b>	<b>8,131</b>	<b>465,021</b>	<b>634,173</b>
<b>Fund Balances:</b>							
<b>Reserved:</b>							
Reserved for Prepaid Items	-	-	-	-	-	-	-
Reserved for Encumbrances	-	-	8,979	-	-	8,979	175,061
Reserved for Public Safety	-	-	-	-	-	-	1,319
Reserved for Capital and Community Improvement Projects	-	179,419	-	1,219,297	-	1,398,716	2,298,549
<b>Unreserved:</b>							
Designated for Operations	-	-	179,978	-	-	179,978	-
Unreserved and Undesignated	10,722	-	577,381	-	99,155	687,258	1,112,966
<b>Total Fund Balance</b>	<b>10,722</b>	<b>179,419</b>	<b>766,358</b>	<b>1,219,297</b>	<b>99,155</b>	<b>2,274,931</b>	<b>3,587,895</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 202,172</b>	<b>\$ 396,791</b>	<b>\$ 800,314</b>	<b>\$ 1,233,389</b>	<b>\$ 107,286</b>	<b>\$ 2,739,952</b>	<b>\$ 4,222,068</b>

## CITY OF ALPHARETTA, GEORGIA

## SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCEFor the Year Ended June 30, 2002  
(With Comparative Totals for Fiscal Year Ended June 30, 2001)

	Hotel Motel	Community Greenspace	Emergency 911	Impact Fee	Drug Enforcement	Totals	
						2002	2001
Revenues:							
Impact Fees	\$ -	\$ -	\$ -	\$ 722,324	\$ -	\$ 722,324	\$ 1,258,504
Hotel/Motel Taxes	2,218,559	-	-	-	-	2,218,559	2,458,270
Charges for Services	-	-	1,129,866	-	-	1,129,866	1,038,203
Forfeiture Income	-	-	-	-	100,624	100,624	7,790
Investment Earnings	-	-	22,086	59,435	2,265	83,786	159,502
Other	-	-	-	-	-	-	179,394
Total Revenues	<u>2,218,559</u>	<u>-</u>	<u>1,151,952</u>	<u>781,759</u>	<u>102,889</u>	<u>4,255,159</u>	<u>5,101,663</u>
Expenditures:							
General Government	-	-	-	996,653	-	996,653	171,878
Public Safety	-	-	1,399,472	-	93,439	1,492,911	903,369
Tourism	2,218,559	-	-	-	-	2,218,559	2,458,270
Total Expenditures	<u>2,218,559</u>	<u>-</u>	<u>1,399,472</u>	<u>996,653</u>	<u>93,439</u>	<u>4,708,123</u>	<u>3,533,517</u>
Excess of Revenue Over Expenditures	<u>-</u>	<u>-</u>	<u>(247,520)</u>	<u>(214,894)</u>	<u>9,450</u>	<u>(452,964)</u>	<u>1,568,146</u>
Other Financing Sources (Uses):							
Operating Transfer Out	-	-	-	(860,000)	-	(860,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(860,000)</u>	<u>-</u>	<u>(860,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>(247,520)</u>	<u>(1,074,894)</u>	<u>9,450</u>	<u>(1,312,964)</u>	<u>1,568,146</u>
Fund Balance, July 1	<u>10,722</u>	<u>179,419</u>	<u>1,013,858</u>	<u>2,294,191</u>	<u>89,705</u>	<u>3,587,895</u>	<u>2,019,749</u>
Fund Balance, June 30	<u>\$ 10,722</u>	<u>\$ 179,419</u>	<u>\$ 766,338</u>	<u>\$ 1,219,297</u>	<u>\$ 99,155</u>	<u>\$ 2,274,931</u>	<u>\$ 3,587,895</u>

CITY OF ALPHARETTA, GEORGIA

HOTEL MOTEL  
SPECIAL REVENUE FUND

BALANCE SHEET

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 9,179	\$ 106,323
Investments	1,543	251,170
Accounts Receivable	<u>191,450</u>	<u>204,744</u>
Total Assets	<u>\$ 202,172</u>	<u>\$ 562,237</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 114,870	\$ 551,515
Due to Other Funds	<u>76,580</u>	<u>-</u>
Total Liabilities	<u>191,450</u>	<u>551,515</u>
Fund Balance:		
Unreserved and Undesignated:	<u>10,722</u>	<u>10,722</u>
Total Fund Balance	<u>10,722</u>	<u>10,722</u>
Total Liabilities and Fund Balance	<u>\$ 202,172</u>	<u>\$ 562,237</u>



CITY OF ALPHARETTA, GEORGIA

COMMUNITY GREENSPACE  
SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 196,508	\$ 4,419
Investments	<u>200,283</u>	<u>175,000</u>
Total Assets	<u>\$ 396,791</u>	<u>\$ 179,419</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Deferred revenue	\$ 217,372	\$ -
Total Liabilities	<u>217,372</u>	<u>-</u>
Fund Balance:		
Reserved:		
Reserved for Capital Projects	<u>179,419</u>	<u>179,419</u>
Total Fund Balance	<u>179,419</u>	<u>179,419</u>
Total Liabilities and Fund Balance	<u>\$ 396,791</u>	<u>\$ 179,419</u>

## CITY OF ALPHARETTA, GEORGIA

HOTEL MOTEL  
SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUALFor the Year Ended June 30, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues:				
Hotel Motel Tax	\$ 2,322,000	\$ 2,218,559	\$ (103,441)	\$ 2,458,270
Interest	-	-	-	10,722
Total Revenues	<u>2,322,000</u>	<u>2,218,559</u>	<u>(103,441)</u>	<u>2,468,992</u>
Expenditures:				
Tourism	<u>2,322,000</u>	<u>2,218,559</u>	<u>103,441</u>	<u>2,458,270</u>
Total Expenditures	<u>2,322,000</u>	<u>2,218,559</u>	<u>103,441</u>	<u>2,458,270</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,722</u>
Fund Balance, July 1	<u>10,722</u>	<u>10,722</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 10,722</u>	<u>\$ 10,722</u>	<u>\$ -</u>	<u>\$ 10,722</u>

## CITY OF ALPHARETTA, GEORGIA

EMERGENCY 911  
SPECIAL REVENUE FUND

## COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 17,819	\$ 20,105
Investments	691,467	930,439
Accounts Receivable	91,028	95,658
<b>Total Assets</b>	<b>\$ 800,314</b>	<b>\$ 1,046,202</b>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 11,619	\$ 11,570
Accrued Salaries	12,040	10,567
Compensated Absences Payable	10,317	10,207
<b>Total Liabilities</b>	<b>33,976</b>	<b>32,344</b>
Fund Balance:		
Reserved:		
Reserved for Encumbrances	8,979	1,319
Unreserved:		
Designated for Operations	179,978	
Unreserved and Undesignated:	577,381	1,012,539
<b>Total Fund Balance</b>	<b>766,338</b>	<b>1,013,858</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 800,314</b>	<b>\$ 1,046,202</b>

## 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, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Charge for Services	\$ 862,240	\$ 1,129,866	\$ 267,626	\$ 1,038,203
Investment Earnings	39,353	22,086	(17,267)	46,091
Other	-	-	-	13
Total Revenues	<u>901,593</u>	<u>1,151,952</u>	<u>250,359</u>	<u>1,084,307</u>
Expenditures:				
Public Safety	<u>1,482,971</u>	<u>1,399,472</u>	<u>83,499</u>	<u>841,187</u>
Total Expenditures	<u>1,482,971</u>	<u>1,399,472</u>	<u>83,499</u>	<u>841,187</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(581,378)	(247,520)	333,858	243,120
Fund Balance, July 1	<u>1,013,858</u>	<u>1,013,858</u>	-	<u>770,738</u>
Fund Balance, June 30	<u>\$ 432,480</u>	<u>\$ 766,338</u>	<u>\$ 333,858</u>	<u>\$ 1,013,858</u>

CITY OF ALPHARETTA, GEORGIA

IMPACT FEE  
SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 4,941	\$ 20,515
Investments	1,228,448	2,225,058
Accounts Receivable	-	52,180
<b>Total Assets</b>	<b>\$ 1,233,389</b>	<b>\$ 2,297,753</b>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 14,092	\$ 3,562
<b>Total Liabilities</b>	<b>14,092</b>	<b>3,562.00</b>
Fund Balance:		
Reserved:		
Reserved for Encumbrances	-	175,061
Reserved for Capital and Community Improvement Projects	1,219,297	2,119,130
<b>Total Fund Balance</b>	<b>1,219,297</b>	<b>2,294,191</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,233,389</b>	<b>\$ 2,297,753</b>

## 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, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	2002		Variance	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Impact Fees	\$ -	\$ 722,324	\$ 722,324	\$ 1,258,504
Investment Earnings	-	59,435	59,435	95,534
Total Revenues	-	781,759	781,759	1,354,038
Expenditures:				
General Government	-	996,653	(996,653)	171,878
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(214,894)	(214,894)	1,182,160
Other Financing Source (Uses):				
Operating Transfers Out	(860,000)	(860,000)	-	-
Total Other Financing Sources (Uses)	(860,000)	(860,000)	-	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(860,000)	(1,074,894)	(214,894)	1,182,160
Fund Balance, July 1	2,294,191	2,294,191	-	1,112,031
Fund Balance, June 30	\$ 1,434,191	\$ 1,219,297	\$ (214,894)	\$ 2,294,191

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

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 107,286	\$ 136,457
Total Assets	<u>\$ 107,286</u>	<u>\$ 136,457</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 8,131	\$ 46,752
Fund Balance:		
Unreserved:		
Unreserved and Undesignated	99,155	89,705
Total Fund Balance	<u>99,155</u>	<u>89,705</u>
Total Liabilities and Fund Balance	<u>\$ 107,286</u>	<u>\$ 136,457</u>

## 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, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	2002		Variance	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Forfeiture Income	\$ 5,000	\$ 100,624	\$ 95,624	\$ 7,790
Investment Earnings	5,500	2,265	(3,235)	7,117
Total Revenues	10,500	102,889	92,389	14,907
Expenditures:				
Public Safety	100,000	93,439	6,561	62,182
Total Expenditures	100,000	93,439	6,561	62,182
Excess of Revenues Over (Under)				
Expenditures	(89,500)	9,450	98,950	(47,275)
Fund Balance, July 1	89,705	89,705	-	136,980
Fund Balance, June 30	\$ 205	\$ 99,155	\$ 98,950	\$ 89,705



## **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, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 202,177	\$ 41,166
Investments	2,108,811	911,238
Receivables (Net of allowances for uncollectibles):		
Taxes	<u>133,976</u>	<u>408,361</u>
Total Assets	<u>\$ 2,444,964</u>	<u>\$ 1,360,765</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 77,195	\$ 1,332
Accrued Interest	-	483,687
Deferred Revenue	<u>106,823</u>	<u>377,651</u>
Total Liabilities	<u>184,018</u>	<u>862,670</u>
Fund Balance:		
Reserved:		
Reserved for Debt Service	<u>2,260,946</u>	<u>498,095</u>
Total Liabilities and Fund Balance	<u>\$ 2,444,964</u>	<u>\$ 1,360,765</u>

## CITY OF ALPHARETTA, GEORGIA

## DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUALYear Ended June 30, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	2002		Variance	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
General Property Taxes	\$ 5,063,770	5,249,167	\$ 185,397	\$ 5,628,264
Investment Earnings	68,219	58,464	(9,755)	111,238
Other Revenue	-	-	-	39,111
Total Revenues	5,131,989	5,307,631	175,642	5,778,613
Expenditures:				
Bond Principal	2,521,000	2,521,000	-	1,901,250
Lease Purchase Principal	654,656	758,315	(103,659)	634,461
Interest	4,136,928	2,445,663	1,691,265	3,500,287
Administrative Charges	2,713	3,110	(397)	3,118
Total Expenditures	7,315,297	5,728,088	1,587,209	6,039,116
Excess of Revenues Over (Under) Expenditures	(2,183,308)	(420,457)	1,762,851	(260,503)
Other Financing Sources Operating Transfers In	2,183,308	2,183,308	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	1,762,851	1,762,851	(260,503)
Fund Balance, July 1	498,095	498,095	-	758,598
Fund Balance, June 30	\$ 498,095	\$ 2,260,946	\$ 1,762,851	\$ 498,095

## CITY OF ALPHARETTA, GEORGIA

RISK MANAGEMENT FUND  
INTERNAL SERVICE FUND

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2002  
(With Comparative Amounts for June 30, 2001)

	<u>2002</u>	<u>2001</u>
Cash Flows Provided By (Used In) Operating Activities:		
Operating Loss	\$ (558,913)	\$ 329,191
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided by Operating Activities		
(Increase) Decrease in Due From Other Funds	-	314,132
(Increase) Decrease in Prepaid Items	-	281,236
Increase (Decrease) in Accrued Liabilities	<u>654,573</u>	<u>(89,294)</u>
Total Adjustments	<u>654,573</u>	<u>506,074</u>
Net Cash Provided by Operating Activities	<u>95,660</u>	<u>835,265</u>
Cash Flows from Investing Activities:		
Interest Received	26,835	50,309
Insurance Proceeds	163,710	315,718
Sale of Investments	1,242,798	-
Purchase of Investments	<u>(1,386,064)</u>	<u>(1,242,798)</u>
Net Cash Provided by (used in) Investing Activities	<u>47,279</u>	<u>(876,771)</u>
Net Increase (Decrease) in Cash	142,939	(41,506)
Cash, July 1	<u>60,000</u>	<u>101,506</u>
Cash, June 30	<u>\$ 202,939</u>	<u>\$ 60,000</u>

Supplemental Disclosure on Non-Cash Investing Activities:

The City adjusts the purchase of investments to reflect the \$11,721 increase in the fair value of investments.

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## **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, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Investments	\$ -	\$ 9,710
Total Assets	<u>\$ -</u>	<u>\$ 9,710</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Due to Other Funds	\$ -	\$ 2,308
Total Liabilities	<u>-</u>	<u>2,308</u>
Fund Balance:		
Reserved For Cemetery Maintenance	<u>-</u>	<u>7,402</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 9,710</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, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	<u>2002</u>			<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
<u>Revenues:</u>				
Interest Earnings	\$ 475	\$ 294	\$ (181)	\$ 561
<u>Expenditures:</u>				
Administration	475	-	475	-
Excess (Deficiency) of Expenditures Over (Under)				
Revenues	-	294	294	561
Other Financing Uses	-	(7,696)	(7,696)	-
Operating Transfer Out				
Total Other Financing Uses	-	(7,696)	(7,696)	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(7,402)	(7,402)	561
Fund Balance, July 1	7,402	7,402	-	6,841
Fund Balance, June 30	\$ 7,402	\$ -	\$ 294	\$ 7,402

## **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  
SCHEDULE OF GENERAL FIXED ASSETS  
BY FUNCTION AND ACTIVITY

June 30, 2002

<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	\$ 5,704,150	\$ 1,932,050	\$ 528,104	\$ 757,533	\$ 8,921,837
Public Safety:					
Police	94,844	4,726,489	1,620	3,787,582	8,610,535
Fire	<u>323,566</u>	<u>5,191,309</u>	<u>-</u>	<u>3,461,750</u>	<u>8,976,625</u>
Total Public Safety	418,410	9,917,798	1,620	7,249,332	17,587,160
Engineering and Public Works	1,765,199	1,543,114	42,369	1,750,195	5,100,877
Culture and Recreation	<u>10,355,767</u>	<u>11,924,323</u>	<u>6,925,034</u>	<u>1,256,742</u>	<u>30,461,866</u>
Total General Fixed Assets	\$ <u>18,243,526</u>	\$ <u>25,317,285</u>	\$ <u>7,497,127</u>	\$ <u>11,013,802</u>	\$ <u>62,071,740</u>

CITY OF ALPHARETTA, GEORGIA

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS  
BY SOURCE

June 30, 2002 and 2001

GENERAL FIXED ASSETS	2002	2001
Land	\$ 18,243,526	\$ 16,723,526
Buildings	25,317,285	23,213,763
Improvements Other than Buildings	7,497,127	7,254,657
Equipment	<u>11,013,802</u>	<u>11,107,790</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 62,071,740</u>	<u>\$ 58,299,736</u>
INVESTMENTS IN GENERAL FIXED ASSETS BY SOURCE		
General Fund	\$ 13,876,397	\$ 13,970,227
Special Revenue	965,994	163,415
Other Governmental Funds	<u>47,229,349</u>	<u>44,166,094</u>
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	<u>\$ 62,071,740</u>	<u>\$ 58,299,736</u>

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

Year Ended June 30, 2002

<u>Function and Activity</u>	<u>General Fixed Assets July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets June 30, 2002</u>
General Government	\$ 5,963,508	\$ 3,318,666	\$ 360,337	\$ 8,921,837
Public Safety:				
Police	7,680,567	966,688	36,720	8,610,535
Fire	8,974,278	76,792	74,445	8,976,625
Total Public Safety	16,654,845	1,043,480	111,165	17,587,160
Public Works	5,181,278	104,950	185,351	5,100,877
Culture and Recreation	30,500,105	148,454	186,693	30,461,866
Total General Fixed Assets	\$ <u>58,299,736</u>	\$ <u>4,615,550</u>	\$ <u>843,546</u>	\$ <u>62,071,740</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 REVENUES BY SOURCE (1)  
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Fines &amp; Forfeitures</u>	<u>License &amp; Permits</u>	<u>Inter-Governmental Revenues</u>	<u>Charges for Services</u>	<u>Other Revenues</u>	<u>Total</u>
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
2002	\$ 30,319,250	\$ 936,527	\$ 1,433,757	\$ 1,177,823	\$ 3,362,948	\$ 1,792,369	\$ 39,022,674

(1) Includes all Governmental and Expendable Trust Funds

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>
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	\$ 8,927,369	\$10,088,217	\$ 3,730,234	\$ 4,375,821	\$ 11,043,110	\$ 6,063,095	\$ 44,227,846
2002	\$ 9,194,764	\$11,753,268	\$ 3,858,352	\$ 4,591,862	\$ 10,880,338	\$ 5,768,217	\$ 46,046,801

(1) Includes all Governmental and Expendable Trust Funds

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Tax as Percent of Current Levy</u>
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
2002	\$ 16,543,479	\$ 15,834,548	95.71	\$ 265,891	\$ 16,100,439	97.32	\$ 386,284 *	2.33

\*Total includes adjustments made to tax accounts throughout the year

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>
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
2002	2001	\$ 2,504,417,397	\$ 6,261,043,493	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

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CITY OF ALPHARETTA, GEORGIA

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CITY OF ALPHARETTA, GEORGIA

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CITY OF ALPHARETTA, GEORGIA

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#### Land Acquisition/Capital Projects

During fiscal year 2002, over \$6.4 million was expended on capital projects including land acquisition for downtown parking, recreation/parks, and passive greenspace/entryway parks. Additionally, construction of a joint Public Safety Training Facility was completed with the City of Roswell providing for training space and structures for the Police and Fire Departments. Road/intersection improvements continued, as did the expansion of the City's sidewalk system. A city-wide emergency management siren system was installed to provide early warnings of potentially hazardous storms.

**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.

#### Annexation

During fiscal year 2001 the City received an application for annexation which effectively doubles the size of the City. Requiring voter approval, Council plans to address the request of the applicants as a priority in the near future. Several studies continue with the economic impact of potential outcomes, as well as discussions with Fulton County, who currently service the area.

#### Infrastructure Maintenance

Of significant priority of the Engineering/Public Works and Park/Recreation Departments is maintenance of existing facilities and infrastructure. The City has invested over \$33 million in capital project expenditures since fiscal year 1996, which includes maintenance. Equating to over \$5.5 million per year on average, system maintenance/improvements allow services to be delivered effectively and efficiently to citizens. Through proactive management of infrastructure maintenance, the City is able to maintain long-range plans on funding requirements.

#### Strategic Planning

City Council appropriated funds 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, 2002, and it is estimated to take significant time in order to complete the necessary tasks to make this a successful project.

#### Accessible Government

Provided as an initiative from our Mayor, citywide efforts continue to improve the ways and means in which citizens are provided information about the City. Specifically, those items which pertain to the quality of life and are of utmost concern. Future changes possibly include citizen newsletters, broadcast e-mails, educational programs, and updated web-site information.

### 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, 2002, and the amount and percentages of change in relation to prior year revenues.

<u>Revenue Source</u>	<u>FY</u>		<u>Increase</u>	<u>Percent</u>
	<u>2002</u>	<u>Percent</u>	<u>(Decrease)</u>	<u>of Increase</u>
	<u>Amount</u>	<u>Of Total</u>	<u>From 2001</u>	<u>(Decrease)</u>
Property Taxes	\$17,594,368	45.09 %	\$ 936,454	49.13 %
Other Taxes	12,724,882	32.61	(505,078)	26.50
Licenses and Permits	1,433,757	3.67	(764,919)	40.13
Intergovernmental	1,177,823	3.02	219,512	(11.52)
Charges for Services	3,362,948	8.62	(59,119)	(3.10)
Fines and Forfeitures	936,527	2.40	467,641	(24.53)
Impact Fees	722,324	1.85	(536,180)	28.13
Interest	900,746	2.31	(1,406,790)	73.80
Other	169,299	0.43	(257,765)	13.52
Total	<u>\$39,022,674</u>	<u>100.00 %</u>	<u>\$(1,906,244)</u>	

The most significant increase in actual continued revenue sources was derived from Property Taxes. Contributing the largest percent of total revenue, property taxes include ad valorem taxation for real, personal, and motor vehicle property. Despite a millage rate reduction from 2001 of .402 mills, additional revenue occurred due to the increased total assessment amount of the billable digest. The assessed value of all property within Alpharetta grew from \$2,337,989,324 in the prior fiscal year to \$2,504,417,397 in fiscal year 2002, or 7.12 percent. Consistent with prior years, the City's digest has grown at an incredibly accelerated rate due to a substantial amount of commercial development since 1995. The City has reduced the total millage rate since 1993 by 3.082 mills.

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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 2001 financial statements to conform with the 2002 presentation.

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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 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 February 4, 2002 in the amount of \$486,732. 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, 2002

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, 2002 are as follows:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Special Revenue - Hotel Motel	\$ <u>76,580</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, 2002:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2002</u>
1998 General Obligation Bonds	\$ 24,825,000	\$ -	\$ (570,000)	\$ 24,255,000
1998 Georgia State/Development Authority Note Payable	1,707,750	-	(66,000)	1,641,750
1995-A General Obligation Bonds	13,945,000	-	(610,000)	13,335,000
1995-B General Obligation Bonds	1,575,000	-	(275,000)	1,300,000
1992 General Obligation Bonds	13,295,000	-	(1,000,000)	12,295,000
Obligations Under Capital Leases	912,524	-	(456,714)	455,810
Compensated Absences Payable	<u>775,975</u>	<u>7,930</u>	<u>-</u>	<u>783,905</u>
	<u>\$ 57,036,249</u>	<u>\$ 7,930</u>	<u>\$ (2,977,714)</u>	<u>\$ 54,066,465</u>

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

NOTE 4 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains two enterprise funds. Segment information for these funds for the year ended June 30, 2002, is shown below:

	Water and Sewer	Solid Waste	Total
Operating revenue	\$ 3,925,070	\$ 1,622,493	\$ 5,547,563
Operating expense (other than depreciation)	3,817,215	1,659,048	5,476,263
Depreciation	226,831	-	226,831
Operating loss	118,976	36,555	155,531
Nonoperating income	36,746	11,985	48,731
Nonoperating expense	93,084	-	93,084
Capital contributions	-	-	-
Transfers in	-	175,000	175,000
Net income (loss)	(175,314)	150,430	(24,884)
Fixed asset additions	44,805	-	44,805
Net working capital	154,980	498,312	653,292
Total assets	7,104,142	675,778	7,779,920
Bonds payable, net	1,995,000	-	1,995,000
Total equity	4,214,723	498,312	4,713,035

NOTE 5 - OTHER INFORMATION

A. Commitments and Contingencies

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.



CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

NOTE 5 - OTHER INFORMATION - Continued

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>2002</u>	<u>2001</u>
Unpaid claims, beginning of fiscal year	\$ 225,242	\$ 314,536
Incurred claims	2,223,781	1,032,772
Claims payments	<u>1,569,208</u>	<u>1,122,066</u>
Unpaid claims, end of fiscal year	\$ <u>879,815</u>	\$ <u>225,242</u>

## **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 BALANCE SHEETS  
June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 783,114	\$ 160,614
Investments	11,193,099	10,272,579
Receivables (net of allowance for uncollectibles)		
Taxes	1,848,597	2,136,700
Accounts	374,214	57,628
Due from other funds	76,580	2,308
Inventory, at cost	163,279	156,868
Prepaid items	38,248	10,724
	<u>38,248</u>	<u>10,724</u>
Total Assets	\$ <u>14,477,131</u>	\$ <u>12,797,421</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 1,303,998	\$ 971,087
Accrued salaries and expenses	278,949	265,649
Compensated absences payable	486,621	321,984
Deferred revenue	291,850	889,557
Total Liabilities	<u>2,361,418</u>	<u>2,448,277</u>
Fund Balance:		
Reserved:		
Reserved for Inventory	163,279	156,869
Reserved for Prepaid Items	38,248	10,724
Reserved for Encumbrances	158,839	268,155
Unreserved		
Designated for Operations	5,009,100	5,397,835
Designated for Special Projects	2,057,962	-
Unreserved and Undesignated	4,688,285	4,515,561
Total Fund Balance	<u>12,115,713</u>	<u>10,349,144</u>
Total Liabilities and Fund Balance	\$ <u>14,477,131</u>	\$ <u>12,797,421</u>

CITY OF ALPHARETTA, GEORGIA  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Revenues:		
Property Taxes	\$ 12,345,201	\$ 11,029,650
Other Taxes	10,506,323	10,771,690
Licenses and Permits	1,433,757	2,198,676
Intergovernmental	783,227	575,542
Charges for Services	2,233,082	2,383,864
Fines and Forfeitures	835,903	461,096
Investment Earnings	319,051	563,548
Other	96,659	156,404
Total Revenues	<u>28,553,203</u>	<u>28,140,470</u>
Expenditures:		
Current:		
General Government:		
City Administrator	951,025	808,351
Mayor and Council	166,942	209,829
Legal Services	290,202	354,526
Municipal Court	340,242	276,419
Financial Services	860,024	797,266
Technology Services	896,377	914,420
Community Development	1,511,275	1,406,785
Human Resources	590,927	457,571
Non-Departmental	20,000	112,260
Total General Government	<u>5,627,014</u>	<u>5,337,427</u>
Public Safety:		
Fire & Rescue Services	5,016,288	4,608,123
Police Services	5,244,069	4,576,725
Total Public Safety	<u>10,260,357</u>	<u>9,184,848</u>
Engineering & Public Works	3,858,352	3,730,234
Environmental Services	352,538	329,794
Parks and Recreation	4,591,862	4,375,821
Total Expenditures	<u>24,690,123</u>	<u>22,958,124</u>
Excess of Revenues		
Over Expenditures	3,863,080	5,182,346
Other Financing Sources (Uses):		
Sale of Assets	379,993	2,526
Operating Transfers In	7,696	-
Operating Transfers Out	<u>(2,484,200)</u>	<u>(3,390,149)</u>
Total Other Financing Sources (Uses)	<u>(2,096,511)</u>	<u>(3,387,623)</u>
Excess of Revenues and Other Sources		
Over Expenditures and Other Uses	1,766,569	1,794,723
Fund Balance, July 1	<u>10,349,144</u>	<u>8,554,421</u>
Fund Balance, June 30	<u>\$ 12,115,713</u>	<u>\$ 10,349,144</u>



CITY OF ALPHARETTA, GEORGIA

FLEET MANAGEMENT FUND  
CAPITAL PROJECT FUND

COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 132,171	\$ 2,929
Investments	<u>218,602</u>	<u>101,960</u>
Total Assets	<u>\$ 350,773</u>	<u>\$ 104,889</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ <u>400</u>	\$ <u>2,909</u>
Total Liabilities	<u>400</u>	<u>2,909</u>
Fund Balance:		
Unreserved:		
Designated for Fleet Management	<u>350,373</u>	<u>101,980</u>
Total Fund Balance	<u>350,373</u>	<u>101,980</u>
Total Liabilities and Fund Balance	<u>\$ 350,773</u>	<u>\$ 104,889</u>

## 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, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	2002			2001
	Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment Earnings	\$ 15,000	\$ 6,729	\$ (8,271)	\$ 28,190
Other Income	-	335,036	335,036	21,605
Total Revenues	15,000	341,765	326,765	49,795
Expenditures:				
Capital Outlay	284,070	362,443	(78,373)	878,221
Capital Lease:				
Principal	35,188	35,188	-	19,787
Interest	4,942	4,941	1	4,192
Total Expenditures	324,200	402,572	(78,372)	902,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	(309,200)	(60,807)	248,393	(852,405)
Other Financing Sources (Uses):				
Operating Transfers In	309,200	309,200	-	173,349
Capital Lease Proceeds	-	-	-	260,089
Total Other Financing Sources (Uses)	309,200	309,200	-	433,438
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	248,393	248,393	(418,967)
Fund Balance, July 1	101,980	101,980	-	520,947
Fund Balance, June 30	\$ 101,980	\$ 350,373	\$ 248,393	\$ 101,980



## **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

## WATER SYSTEM ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	<u>2002</u>	<u>2001</u>
Operating Revenues:		
Charges for Services	\$ <u>3,925,070</u>	\$ <u>4,090,382</u>
Operating Expenses:		
Operation and Maintenance:		
Billing	401,620	270,347
Operations	3,415,595	3,533,335
Depreciation	<u>226,831</u>	<u>281,206</u>
Total Operating Expenses	<u>4,044,046</u>	<u>4,084,888</u>
Operating Income (Loss)	<u>(118,976)</u>	<u>5,494</u>
Non-operating Revenues (Expenses)		
Investment Earnings	36,746	94,469
Interest Expense	<u>(93,084)</u>	<u>(118,140)</u>
Total Non-operating Revenues (Expenses)	<u>(56,338)</u>	<u>(23,671)</u>
Net Loss	(175,314)	(18,177)
Retained Earnings, July 1	<u>2,009,920</u>	<u>2,028,097</u>
Retained Earnings, June 30	\$ <u>1,834,606</u>	\$ <u>2,009,920</u>

CITY OF ALPHARETTA, GEORGIA  
WATER SYSTEM ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
Year Ended June 30, 2002  
(With Comparative Amounts for June 30, 2001)

	2002	2001
Cash Flows Provided By Operating Activities:		
Operating Income	\$ (118,976)	\$ 5,494
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation Expense	226,831	281,206
(Increase) Decrease in Accounts Receivable	(44,052)	192,208
(Increase) Decrease in Inventories	1,470	27,644
Increase (Decrease) in Accounts Payable	(96,833)	239,546
Increase (Decrease) in Deposits Payable	111,049	66,698
Increase (Decrease) in Accrued Liabilities	12,106	11,938
Increase (Decrease) in Due to Other Funds	-	(10,660)
Total Adjustments	210,571	808,580
Net Cash Provided By Operating Activities	91,595	814,074
Cash Flows from Capital and Related Financing Activities:		
Interest Paid	(93,084)	(118,140)
Acquisition and Construction of Fixed Assets	(44,805)	(418,200)
Principal Payment - Capital Loan and Promissory Notes	(177,627)	(165,701)
Net Cash Used by Capital and Related Financing Activities	(315,516)	(702,041)
Cash Flows from Investing Activities:		
Interest Received	35,542	94,469
Sale of Investments	822,808	1,045,722
Purchase of Investments	(76,937)	(822,808)
Net Cash Provided by Investing Activities	781,413	317,383
Net Increase in Cash	557,492	429,416
Cash, July 1	1,135,402	705,986
Cash, June 30	\$ 1,692,894	\$ 1,135,402
Reconciliation of cash and cash equivalents at end of year to amounts on balance sheet		
Unrestricted cash and cash equivalents	\$ 163,125	\$ 14,452
Restricted cash and cash equivalents	1,529,769	1,120,950
Total	\$ 1,692,894	\$ 1,135,402

Supplemental Disclosure on Non-Cash Investing Activities:

The fair value of investments increased by \$1,204.

## **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.



CITY OF ALPHARETTA, GEORGIA

RISK MANAGEMENT FUND  
INTERNAL SERVICE FUND

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2002

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

	<u>2002</u>	<u>2001</u>
Operating Revenues:	\$ <u>3,265,594</u>	\$ <u>2,998,925</u>
Operating Expenses:		
Operating	122,281	53,270
Benefits and Claims	<u>3,702,226</u>	<u>2,616,464</u>
Total Operating Expenses	<u>3,824,507</u>	<u>2,669,734</u>
Operating Income (Loss)	(558,913)	329,191
Non-operating Revenues (Expenses):		
Interest Income	38,556	50,309
Insurance Proceeds	<u>163,710</u>	<u>315,718</u>
Total Non-operating Revenues (Expenses)	<u>202,266</u>	<u>366,027</u>
Net Income (Loss)	(356,647)	695,218
Retained Earnings, July 1	<u>1,077,556</u>	<u>382,338</u>
Retained Earnings, June 30	\$ <u><u>720,909</u></u>	\$ <u><u>1,077,556</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>
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
2002	\$ 2,521,000	\$ 2,410,756	\$ 4,931,756	\$ 46,046,801	10.71

Note: Includes all Governmental Funds

Source: City Financial Services Department



## 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>
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
2002	\$ 2,504,417,397	654	(44.76) %	\$ 194,086,854

Source: City Building Inspections Department

CITY OF ALPHARETTA, GEORGIA  
MISCELLANEOUS AND DEMOGRAPHIC STATISTICS  
June 30, 2002

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 Department) 36,079 (estimate)

Fulton County Population (including City): 781,152 (approximate)

Median Age 34

Median Income \$71,207

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

Total Number of City Employees 362

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	3,434
Equifax	1,150
MCI	1,000

CITY OF ALPHARETTA, GEORGIA

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CITY OF ALPHARETTA, GEORGIA

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# **INTRODUCTORY SECTION**

Local Option Sales Tax, a tax collected at the point of sale and distributed via the State of Georgia Department of Revenue, experienced a downturn of 7% for the year, equating to \$246,435.39. The City designated \$1,675,000 of Fund Balance in the General Fund due to the potential discontinuance of this tax during fiscal year 2003. Municipalities and Counties within the State of Georgia agree upon distribution percentages of the tax every ten years, concurrent with the census cycles. If agreements are not reached, the tax is negated, requiring municipalities and counties to find alternative funding sources. Calendar year 2002 represents the negotiation period for the distribution agreement expiring in 2012.

Alpharetta has experienced an average increase in the property tax base of 22.67% over the last nine years. Projections for fiscal year 2003 have the digest exceeding \$2.7 billion in assessments, a phenomenal increase from the \$7.4 million assessed in 1995. Further, with collection rates well into the 90% range, this revenue source continues to have a significant impact on the City through revenues in the General and Debt Service Funds.

Businesses created an estimated 3,754 new jobs during the fiscal year. Primarily office/professional positions, the City continues to have a population which doubles during the day due to incoming commuter traffic to professional office parks and retail centers. During the same period, 80 new commercial building permits were issued totaling an approximately \$142,907,706 in value.

Looking ahead, the City is taking advantage of refunding opportunities associated with General Obligation Debt, and continuing conservative management of fiscal resources. Additionally, based upon City Council's initiative, alternative funding sources are being explored with the expansion of a grant applications and identification of state/federal funding opportunities.

#### 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. Some of the most significant of these are outlined below:

##### Employee Retention

Beginning in calendar year 2001, the City began to track employee retention/turnover rates in an entity-wide movement to reduce expenses associated with new hires. A total of 32 employees left employment during the year, representing 9.5% of the total workforce. Additionally, the total number of vacant positions at year-end was 22. Monthly turnover rates varied from a low of no turnover in July and December 2001, to a high of 6, or 1.852% in August of 2001.

##### Employee Educational Programs

The City identified the need to address the ability for employees to have access to higher education programs through their employer. A program providing associates and bachelors degrees in Criminal Justice and Fire Science was implemented through a local technical college and university. Nearly 20% of the City's employees took advantage of the program. Future goals include the expansion of the degree possibilities with a projected enrollment of 100 employees. Costs are covered entirely by the state funded HOPE scholarship program.

##### Public Involvement/Communication

Continuing an effort established as the result of a failed general obligation bond referendum in fiscal year 2001, City Council contracted with an outside firm to complete a comprehensive survey. The primary objective was to gain a better understanding from the citizens of what the needs of the City are. Using direct mail and telephone methods, 2,176 citizens were contacted, representing 19.6% of the households in the City. Road and traffic improvements/expansion, coupled with parks and sidewalk construction were the top responses for capital improvements. Of those surveyed, 47% were male, 51% female, and 2% did not respond to the question. Approximately 48% had annual incomes of \$100,000 per year or more, and 34% were 40 years of age or older.

CITY OF ALPHARETTA, GEORGIA  
COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPES

Year Ended June 30, 2002

	Enterprise	Internal Service	Total (Memorandum Only)	Component Unit Development Authority of Alpharetta
Cash Flows Provided By (Used In) Operating Activities:				
Operating loss	\$ 155,531	\$ (558,913)	\$ (403,382)	\$ -
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	226,831	-	226,831	-
Increase in Accounts Receivable	(66,402)	-	(66,402)	-
Decrease in Inventories	1,470	-	1,470	-
Increase (Decrease) in Accounts Payable	(49,981)	654,573	604,592	-
Increase in Deposits Payable	111,049	-	111,049	-
Increase in Accrued Liabilities	12,106	-	12,106	-
Total Adjustments	235,073	654,573	889,646	-
Net Cash Provided By Operating Activities	79,542	95,660	175,202	-
Cash Flows from Capital and Related Financing Activities:				
Interest Paid	(93,084)	-	(93,084)	(370,732)
Acquisition and Construction of Fixed Assets	(44,805)	-	(44,805)	-
Principal Payment - Capital Loan Promissory Notes	(177,627)	-	(177,627)	-
Operating transfer in	175,000	-	175,000	-
Net Cash Used by Capital and Related Financing Activities	(140,516)	-	(140,516)	(370,732)
Cash Flows from Investing Activities:				
Interest Received	43,773	26,835	70,608	370,732
Insurance Proceeds	-	163,710	163,710	-
Sale of Investments	1,025,469	1,242,798	2,268,267	-
Purchase of Investments	(398,434)	(1,386,064)	(1,784,498)	-
Net Cash Provided by Investing Activities	670,808	47,279	718,087	370,732
Net Increase in Cash	609,834	142,939	752,773	-
Cash, July 1	1,158,430	60,000	1,218,430	-
Cash, June 30	\$ 1,768,264	\$ 202,939	\$ 1,971,203	\$ -

Supplemental Disclosure on Non-Cash Investing Activities:

The fair value of investments increased by \$4,958 in the Enterprise Fund and \$11,721 in the Internal Service Fund.

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

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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, 2002

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 note payable to the Development Authority for the City's share (16.5%) of the bonds as of June 30, 2002 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2007	80,025	59,342	139,367
Thereafter	<u>1,271,325</u>	<u>387,848</u>	<u>1,659,173</u>
Total	<u>\$1,641,750</u>	<u>\$ 713,827</u>	<u>\$ 2,355,577</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>
Inventory	\$ 163,279	\$ -	\$ -	\$ -
Prepaid items	38,248	-	-	-
Encumbrances	158,839	8,979	-	2,855,080
Capital and community improvement projects	-	1,398,716	-	-
Public safety	-	-	-	-
Debt Service	-	-	2,260,946	-
Total	<u>\$ 360,366</u>	<u>\$ 1,407,695</u>	<u>\$ 2,260,946</u>	<u>\$ 2,855,080</u>

<u>Designated for</u>	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
Operations	\$ 5,009,100	\$ -	\$ 179,978
Fleet management	-	350,373	-
Capital projects	-	10,333,545	-
Special Projects	<u>2,057,962</u>	-	-

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

NOTE 5 - OTHER INFORMATION - Continued

C. Defined Benefit Pension Plan

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 7.7% of covered payroll.

3. Annual Pension Cost

The City's annual pension cost for 2002 of \$801,437 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, 2002, 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 for inflation compounded annually plus a graduated increase for merit or seniority ranging from 0.0 percent to 3.0 percent. 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 unfunded actuarial accrued liability is 30 years from 1982. Current changes in the unfunded actuarial accrued liability are amortized over 15 years for actuarial gains and losses, 20 years for plan provision changes and 30 years for actuarial assumptions and cost methods as a percentage of payroll. Amortization periods are closed for the current year.

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

NOTE 5 - OTHER INFORMATION - Continued

C. Defined Benefit Pension Plan - Continued

3. Annual Pension Cost - Continued

30 years for actuarial assumptions and cost methods as a percentage of payroll. The amortization periods, if applicable, are closed for this plan year.

4. Trend Information

Fiscal year ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1998	\$ 252,785	100%	-
1999	\$ 300,634	100%	-
2000	\$ 531,861	100%	-
2001	\$ 647,319	100%	-
2002	\$ 801,437	100%	-

5. Schedule of Fund Progress

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

	2002	2001	2000	1999	1998	1997
Actuarial value of assets	\$ 6,502,639	\$ 5,462,900	\$ 4,688,370	\$ 4,056,546	\$ 3,142,858	\$ 2,651,334
Actuarial accrued liabilities	\$ 8,385,510	\$ 7,050,281	\$ 5,513,888	\$ 4,402,166	\$ 3,459,228	\$ 2,898,665
Funded ratio	77.5%	77.5%	85.0%	96.5%	90.9%	91.5%
Total unfounded actuarial liability (funding excess)	\$ 1,882,871	\$ 1,587,381	\$ 825,518	\$ 147,620	\$ 316,370	\$ 247,331
Annual covered payroll	\$ 10,423,331	\$ 9,113,462	\$ 7,134,366	\$ 6,274,597	\$ 4,796,176	\$ 4,166,784
Ratio of unfounded (excess) to annual covered payroll	18.1%	17.4%	11.6%	2.4%	6.6%	5.9%

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

NOTE 5 - OTHER INFORMATION - Continued

D. Hotel-Motel/Motel Lodging Tax

During the year ended June 30, 2002, 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, 2002 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 is as follows:

Tax collections	\$ 2,218,559
Disbursements for Tourism	\$ 2,218,559

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 maybe obtained from ARC, 200 North Creek, Suite 300, 3715 Northside Parkway, Atlanta, Georgia 30327.

NOTE 6 - 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.

## **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 STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCEFor the Year Ended June 30, 2002  
(With Comparative Totals for Fiscal Year Ended June 30, 2001)

	General Capital Projects	Fleet Management	Bond II Construction	Bond III Construction	Totals	
					2002	2001
<b>Revenues:</b>						
Intergovernmental	\$ 59,560	\$ 335,036	\$ -	\$ -	\$ 394,596	\$ 382,769
Investment Earnings	229,368	6,729	-	203,054	439,151	1,472,687
Other	59,068	-	13,572	-	72,640	52,155
Total Revenues	<u>347,996</u>	<u>341,765</u>	<u>13,572</u>	<u>203,054</u>	<u>906,387</u>	<u>1,907,611</u>
<b>Expenditures:</b>						
Capital Outlay	6,400,527	362,443	36,774	4,080,594	10,880,338	11,043,110
Debt Service						
Principal	-	35,188	-	-	35,188	19,787
Interest	-	4,941	-	-	4,941	4,192
Total Expenditures	<u>6,400,527</u>	<u>402,572</u>	<u>36,774</u>	<u>4,080,594</u>	<u>10,920,467</u>	<u>11,067,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,052,531)</u>	<u>(60,807)</u>	<u>(23,202)</u>	<u>(3,877,540)</u>	<u>(10,014,080)</u>	<u>(9,159,478)</u>
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	2,000,000	309,200	95,936	-	2,405,136	2,960,349
Operating Transfers Out	(1,323,308)	-	-	(95,936)	(1,419,244)	-
Capital Lease Proceeds	-	-	-	-	-	260,089
Total Other Financing Sources (Uses)	<u>676,692</u>	<u>309,200</u>	<u>95,936</u>	<u>(95,936)</u>	<u>985,892</u>	<u>3,220,438</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(5,375,839)</u>	<u>248,393</u>	<u>72,734</u>	<u>(3,973,476)</u>	<u>(9,028,188)</u>	<u>(5,939,040)</u>
Fund Balance, July 1	<u>9,688,243</u>	<u>101,980</u>	<u>(72,734)</u>	<u>12,849,697</u>	<u>22,567,186</u>	<u>28,503,226</u>
Fund Balance, June 30	<u>\$ 4,312,404</u>	<u>\$ 350,373</u>	<u>\$ -</u>	<u>\$ 8,876,221</u>	<u>\$ 13,538,998</u>	<u>\$ 22,564,186</u>

## 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, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	2002		Variance	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental	\$ 696,452	\$ 59,560	\$ (636,892)	\$ 382,769
Investment Earnings	350,000	229,368	(120,632)	588,811
Other	-	59,068	59,068	30,550
Total Revenues	<u>1,046,452</u>	<u>347,996</u>	<u>(698,456)</u>	<u>1,002,130</u>
Expenditures:				
Capital Outlay	<u>10,607,998</u>	<u>6,400,527</u>	<u>4,207,471</u>	<u>5,068,687</u>
Total Expenditures	<u>10,607,998</u>	<u>6,400,527</u>	<u>4,207,471</u>	<u>5,068,687</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,561,546)	(6,052,531)	3,509,015	(4,066,557)
Other Financing Sources (Uses):				
Operating Transfers In	2,000,000	2,000,000	-	2,787,000
Operating Transfers Out	(1,323,308)	(1,323,308)	-	-
Total Other Financing Sources (Uses)	<u>676,692</u>	<u>676,692</u>	<u>-</u>	<u>2,787,000</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(8,884,854)	(5,375,839)	3,509,015	(1,279,557)
Fund Balance, July 1	<u>9,688,243</u>	<u>9,688,243</u>	<u>-</u>	<u>10,967,800</u>
Fund Balance, June 30	<u>\$ 803,389</u>	<u>\$ 4,312,404</u>	<u>\$ 3,509,015</u>	<u>\$ 9,688,243</u>

CITY OF ALPHARETTA, GEORGIA

BOND II CONSTRUCTION  
CAPITAL PROJECT FUND

COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ -	\$ 8
Total Assets	\$ -	\$ 8
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ -	\$ 72,742
Total Liabilities	-	72,742
Fund Balance:		
Unreserved, Designated for Capital Projects	-	(72,734)
Total Liabilities and Fund Balance	\$ -	\$ 8



CITY OF ALPHARETTA, GEORGIA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2002

	Water	Solid Waste	Totals	
			2002	2001
Cash Flows Provided By Operating Activities:				
Operating Income	\$ (118,976)	\$ (36,555)	\$ (155,531)	\$ (84,359)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation Expense	226,831	-	226,831	281,206
Increase in Accounts Receivable	(44,052)	(22,350)	(66,402)	(60,599)
Decrease in Inventories	1,470	-	1,470	27,644
Increase (Decrease) in Accounts Payable	(96,833)	46,852	(49,981)	370,160
Increase in Deposits Payable	111,049	-	111,049	66,698
Increase in Accrued Liabilities	12,106	-	12,106	11,938
Decrease in Due to Other Funds	-	-	-	(10,660)
Total Adjustments	210,571	24,502	235,073	686,387
Net Cash Provided By Operating Activities	91,595	(12,053)	79,542	602,028
Cash Flows from Capital and Related Financing Activities:				
Interest Paid	(93,084)	-	(93,084)	(118,140)
Acquisition and Construction of Fixed Assets	(44,805)	-	(44,805)	(418,200)
Principal Payment - Capital Loan and Promissory Notes	(177,627)	-	(177,627)	(165,701)
Operating transfer in	-	175,000	175,000	429,800
Net Cash Used by Capital and Related Financing Activities	(315,516)	175,000	(140,516)	(272,241)
Cash Flows from Investing Activities:				
Interest Received	35,542	8,231	43,773	102,404
Sale of Investments	822,808	202,661	1,025,469	1,045,722
Purchase of Investments	(76,937)	(321,497)	(398,434)	(1,025,469)
Net Cash Provided (Used) by Investing Activities	781,413	(110,605)	670,808	122,657
Net Increase in Cash	557,492	52,342	609,834	452,444
Cash, July 1	1,135,402	23,028	1,158,430	705,986
Cash, June 30	\$ 1,692,894	\$ 75,370	\$ 1,768,264	\$ 1,158,430
Reconciliation of cash and cash equivalents at end of year to amounts on balance sheet				
Unrestricted cash and cash equivalents			\$ 238,495	\$ 37,480
Restricted cash and cash equivalents			1,529,769	1,120,950
Total			\$ 1,768,264	\$ 1,158,430

Supplemental Disclosure on Non-Cash Investing Activities:

The fair value of investments increased by \$4,958.

CITY OF ALPHARETTA, GEORGIA  
SOLID WASTE ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	<u>2002</u>	<u>2001</u>
Operating Revenues:		
Charges for Services	\$ 1,622,493	\$ 1,434,537
Operating Expenses:		
Operation and Maintenance:		
Billing	19,089	11,859
Operations	1,639,959	1,512,531
Total Operating Expenses	<u>1,659,048</u>	<u>1,524,390</u>
Operating Income	<u>(36,555)</u>	<u>(89,853)</u>
Non-operating Revenues (Expenses)		
Investment Earnings	11,985	7,935
Total Non-operating Revenues (Expenses)	<u>11,985</u>	<u>7,935</u>
Loss before operating transfers	(24,570)	(81,918)
Operating transfers in	<u>175,000</u>	<u>429,800</u>
Net Income	150,430	347,882
Retained Earnings, July 1	<u>347,882</u>	<u>-</u>
Retained Earnings, June 30	<u>\$ 498,312</u>	<u>\$ 347,882</u>

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CITY OF ALPHARETTA, GEORGIA  
RISK MANAGEMENT FUND  
INTERNAL SERVICE FUND  
COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 202,939	\$ 60,000
Investments	<u>1,397,785</u>	<u>1,242,798</u>
Total Assets	<u>\$ 1,600,724</u>	<u>\$ 1,302,798</u>
<u>Liabilities and Equity</u>		
Liabilities:		
Accrued Liabilities	\$ 879,815	\$ 225,242
Total Liabilities	<u>879,815</u>	<u>225,242</u>
Equity:		
Retained Earnings - Unreserved	<u>720,909</u>	<u>1,077,556</u>
Total Retained Earnings	<u>720,909</u>	<u>1,077,556</u>
Total Liabilities and Equity	<u>\$ 1,600,724</u>	<u>\$ 1,302,798</u>

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>
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
2002	2001	7.478	13.34	4.70	19.02	0.25	44.79

\* Reflects net amount less state required roll-back.

Source: Fulton County Tax Assessors Office.

CITY OF ALPHARETTA  
PRINCIPAL TAXPAYERS  
REAL ESTATE  
June 30, 2002

<u>Taxpayer</u>	<u>Taxes Levied</u>	<u>Assessed Valuation</u>	<u>Percent to Total Assessed Value</u>
GGP North Point Inc.	\$ 220,200	\$ 30,456,480	1.22 %
HBO & Co. of GA	131,135	18,137,590	0.72 %
Gardner Drive LLC	127,248	17,600,000	0.70 %
AT & T	124,067	17,160,000	0.69 %
Norwind Partners LP	114,529	15,840,740	0.63 %
Allianz Life Ins. Co. of N. America	87,670	12,125,830	0.48 %
Digital Equipment Corp	84,113	11,633,950	0.46 %
Weeks Realty LP	77,492	10,718,160	0.43 %
Wade William J TR Equifax Bus. Trust	77,147	10,670,440	0.43 %
Opus South Corporation	76,664	10,603,650	0.42 %
Total	\$ <u>1,120,265.65</u>	\$ <u>154,946,840</u>	<u>6.19 %</u>
Total Assessed Values for All Taxpayers		\$ <u>2,504,417,397</u>	

Source: City Financial Services Department

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF ALPHARETTA, GEORGIA

June 30, 2002

Prepared by:

Authority of City Council  
City of Alpharetta

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

CITY OF APLHARETTA, GEORGIA

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October 18, 2002

**MAYOR**

Arthur Letchas

**COUNCIL**

D.C. Aiken

Brandon L. Beach

Douglas J. DeRito

Debbie Gibson

Jim Matoney

Jim Paine

**CITY ADMINISTRATOR**

Robert Regus

City Hall

Two South Main Street

Alpharetta, Georgia 30004

78 / 297-6000

<http://www.alpharetta.ga.us>

4-Hour Information

78 / 297-6015

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, 2002. 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 2001. 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.

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 1996 Alpharetta began to accumulate tremendous resources due to stringent budgetary policies and conservative forecasting. That trend continued in fiscal year 2002, with excess revenues and other sources over expenditures and other uses by \$1,766,569 in the General Fund. Despite national downturns in the economy, Alpharetta realized very little economic impact, with budgets and staffing levels continuing to grow consistent with prior year trends. Total fund balance in the General Fund increased \$6,009,507 in the last four fiscal years to a total of \$12,115,713. Excess fund balances are utilized for pay as you go capital projects.



Fines and forfeiture revenue is a result of the City's portion of citations issued by the Alpharetta Police Department and adjudicated by the Municipal Court. The revenue source doubled from fiscal year 2001 due to a change in the administration of the police department. Citations issued have dramatically increased, causing two additional days of court per month.

The decrease in interest revenue is the largest drop in revenue from fiscal year 2001. A result of the state of the economy, this revenue source is less than half of the funds receipted in the prior year. Alpharetta aggressively manages liquid assets in order to maximize the returns while minimizing the risk associated with the financial markets with the assistance of investment/portfolio managers at Evergreen Investments, a wholly owned subsidiary of First Union Bank.

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, 2002, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>FY 2002 Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent Of Increase (Decrease)</u>
Current:				
General Government	\$ 6,623,667	14.38 %	\$ 1,114,362	45.50 %
Public Safety	11,753,268	25.52	1,665,051	67.99
Engineering, Public Works, Environmental Services	4,210,890	9.15	150,862	6.16
Parks & Recreation	4,591,862	9.97	216,041	8.82
Other	2,218,559	4.81	(239,711)	(9.79)
Capital Outlay	10,880,338	23.63	(162,772)	(6.65)
Debt Service:				
General Obligation Bonds	4,931,756	10.72	(409,995)	(16.74)
Capital Leases	836,461	1.82	115,117	(4.70)
Total	<u>\$ 46,046,801</u>	<u>100.00 %</u>	<u>\$ 2,448,955</u>	

In comparison with fiscal year 2001, the City realized the most significant increase of expenditures in Public Safety, for the second consecutive year. Consistent with last year's increase, Public Safety's increase of \$1.6 million is due largely to the adding of personnel. The second largest increase, General Government, includes the departments comprised of delivering day-to-day services to citizen's, business owners, and stakeholders of Alpharetta.

**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 System. 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 2002 <u>Amount</u>	FY 2001 <u>Amount</u>	Amount of Increase (Decrease)	Percent Of Increase (Decrease)
<b><u>Revenues:</u></b>				
Water Revenue	\$2,211,115	\$2,043,308	\$176,807	8.00%
Sewer Revenue	1,713,955	2,056,074	(342,119)	(19.96)
Solid Waste Revenue	<u>1,622,493</u>	<u>1,434,537</u>	<u>187,956</u>	<u>11.58</u>
Total Operating Revenue	\$5,547,563	\$5,278,020	\$22,644	(.38)%
<b><u>Operating Expenses:</u></b>				
Personal Services	\$766,708	\$616,653	\$150,055	131.99 %
Purchased Services	1,690,809	1,555,768	135,041	118.79
Materials and Supplies	2,965,684	3,092,656	(126,972)	(111.69)
Depreciation	226,831	281,206	(54,375)	(47.83)
Other	<u>53,062</u>	<u>62,995</u>	<u>9,934</u>	<u>8.74</u>
Total Operating Expenses	\$5,703,094	\$5,609,278	\$113,683	
Operating Loss	(\$155,531)	(\$331,258)	(\$486,789)	

The above figures represent both the Water and Solid Waste Enterprise Funds. All categories of revenue increased with the exception of sewer. Sewer rates are calculated on the basis of consumed water and during the year we saw a dramatic increase in the number of irrigation meters installed, negating sewer charges. These meters are used by residential as well as commercial customers in order to maintain expenses associated with utilities. The largest increase in expenses comes from the addition of personnel in personal services (includes benefits). Overall, the increased expenses of \$113,683 are comparable to prior years. City council will be reviewing consumption rates associated with both funds during fiscal year 2003 to determine if our current pricing structure is appropriate.

**Debt Administration.** At June 30, 2002, the City had four general obligation bond issues outstanding in the amount of \$51,185,000. 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, 2002, the City's net general obligation bonded debt of \$54,066,466 was well below the legal limit of \$250,441,740 and debt per capita equaled \$1,435.89.

**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 \$900,746 on all governmental and expendable trust investments for the year ended June 30, 2002.

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, 2002, are classified in the notes to the financial statements as defined by the Governmental Accounting Standards Board.

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS

June 30, 2002

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, 2002

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, 2002

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 FASB 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 - These funds are 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.

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, 2002

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. Prepaid items are expended over the estimated useful life or the applicable contract term, if shorter.

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, 2002

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

B. Budget/GAAP Reconciliation

	<u>Capital Projects</u>
Fund balances (budget)	\$ 4,662,777
Timing difference (project-length budgets)	8,876,221
Fund balances (unbudgeted funds)	-
Fund balances (GAAP)	<u>\$ 13,538,998</u>

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2002, expenditures exceeded appropriations for the following funds:

General Fund:	
City Administrator	\$ 15,978
Parks and Recreation	\$ 78,555
Human Resources	\$ 51,561
Impact Fee Fund	\$ 996,653
Fleet Management Fund	\$ 78,373

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits

At June 30, 2002, the carrying amount of the City's deposits was \$19,844,796 and the related bank balances totaled \$20,802,477. 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, 2002

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, 2002:

<u>Category</u>	<u>Bank Balance</u>
1	\$ 20,802,477
2	-
3	-
	<u>\$ 20,802,477</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 counter party'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, 2002 are summarized below:

<u>Type of Investment</u>	<u>Category</u>		
	<u>1</u>	<u>2</u>	<u>3</u>
U.S. Government and Agency Securities	\$ 16,221,533	\$ -	\$ -
	<u>\$ 16,221,533</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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

A. Deposits and Investments - Continued

A reconciliation of bank deposits and investments reported above to cash and cash equivalents reported on the combined balance sheet is as follows:

Carrying amount of deposits	\$ 19,844,796
Carrying amount of investments	16,221,533
Total	<u>\$ 36,066,329</u>
Cash and cash equivalents	\$ 11,364,946
Cash and cash equivalents - restricted	1,529,769
Investments	<u>23,171,614</u>
Total	<u>\$ 36,066,329</u>

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	\$ 345,649	\$ 106,823
Other taxes	95,389	28,755
Alcoholic beverage taxes	92,485	-
Local option sales tax	529,346	-
Motor vehicle intangible tax	746,476	-
Franchise taxes	<u>43,339</u>	<u>-</u>
	1,852,684	135,578
Less: Allowances for uncollectibles	<u>(4,087)</u>	<u>(1,602)</u>
	<u>\$ 1,848,597</u>	<u>\$ 133,976</u>

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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

C. Fixed Assets

A summary of changes in General Fixed Assets follows:

	Balance <u>July 1, 2001</u>	Additions <u>(Deletions)</u>	Balance <u>June 30, 2002</u>
Land	\$ 16,723,526	\$ 1,520,000	\$ 18,243,526
Buildings	23,213,763	2,103,522	25,317,285
Improvements other than building	7,254,657	242,470	7,497,127
Equipment	<u>11,107,790</u>	<u>(93,988)</u>	<u>11,013,802</u>
Total	<u>\$ 58,299,736</u>	<u>\$ 3,772,002</u>	<u>\$ 62,071,740</u>

A summary of Enterprise Fund fixed assets at June 30, 2002 follows:

	<u>Water System</u>
Improvements other than buildings	\$ 6,456,851
Equipment	<u>196,556</u>
Total	6,653,407
Less accumulated depreciation	<u>(2,048,202)</u>
Net fixed assets	<u>\$ 4,605,205</u>

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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 2012	\$ 24,255,000
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.	12,295,000
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.	13,335,000
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 2006.	<u>1,300,000</u>
	\$ <u>51,185,000</u>

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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, 2002 are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2007	5,210,000	1,935,805	7,145,805
Thereafter	<u>30,565,000</u>	<u>4,827,850</u>	<u>35,392,850</u>
Total	<u>\$ 51,185,000</u>	<u>\$ 16,518,333</u>	<u>\$ 67,703,333</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. \$1,995,000 was outstanding at June 30, 2002. 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, 2002 are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total Revenue Bonds</u>
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
2007	205,000	53,663	258,663
Thereafter	<u>1,055,000</u>	<u>121,408</u>	<u>1,176,408</u>
Total	<u>\$ 1,995,000</u>	<u>\$ 473,879</u>	<u>\$ 2,468,879</u>

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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>
2003	\$ <u>183,363</u>	\$ <u>3,455</u>	\$ <u>186,818</u>
Total	\$ <u>183,363</u>	\$ <u>3,455</u>	\$ <u>186,818</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>
2003	\$ <u>96,684</u>	\$ <u>9,884</u>	\$ <u>106,568</u>
2004	<u>101,123</u>	<u>5,443</u>	<u>106,566</u>
2005	<u>74,640</u>	<u>1,178</u>	<u>75,818</u>
Total	\$ <u>272,447</u>	\$ <u>16,505</u>	\$ <u>288,952</u>

CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

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

E. Long-Term Debt - Continued

4. Capital Lease Obligations - Continued

The City paid-off all capital leases related to assets held in the Water Fund during 2002.

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 and finance an education facility. As a result, 20-year revenue bonds were 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 on the bonds. In conjunction with this agreement, the Foundation entered into a direct financing lease in which the Foundation's lease payments cover the remaining 83.5% of the annual principal and interest payments on the bonds. The bonds are payable on May 1 and November 1, serially to fiscal year 2019.

The annual requirements to amortize the Development Authority's portion (83.5%) of the revenue bonds outstanding as of June 30, 2002 are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2007	404,975	300,307	705,282
Thereafter	<u>6,433,675</u>	<u>1,962,740</u>	<u>8,396,415</u>
Total	<u>\$8,308,250</u>	<u>\$ 3,612,395</u>	<u>\$ 11,920,645</u>

6. Notes Payable

As described above, the Development Authority of Alpharetta has an agreement with the Georgia State University Foundation to construct and finance 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 payments on the bonds. The note is payable through fiscal year 2019.



CITY OF ALPHARETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2002

NOTE 6 - NET INVESTMENT AND DIRECT FINANCING LEASE - CONTINUED

At June 30, 2002, future lease payments receivable are as follows:

Fiscal year

2003	\$	704,580
2004		703,786
2005		706,431
2006		704,151
2007		705,282
Thereafter		<u>8,396,416</u>
Total minimum lease payments		11,920,646
Unearned revenue		<u>(3,612,396)</u>
Present value of future payments	\$	<u>\$8,308,250</u>

CITY OF ALPHARETTA, GEORGIA  
CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
June 30, 2002  
(With Comparative Totals for Year Ended June 30, 2001)

<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>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 356,671	\$ 132,171	\$ -	\$ 9,113,646	\$ 9,602,488	\$ 2,746,412
Investments	5,728,184	218,602	-	-	5,946,786	21,189,959
Accounts Receivable	14,077	-	-	-	14,077	-
<b>Total Assets</b>	<b>\$ 6,098,932</b>	<b>\$ 350,773</b>	<b>\$ -</b>	<b>\$ 9,113,646</b>	<b>\$ 15,563,351</b>	<b>\$ 23,936,371</b>
<u>Liabilities and Fund Balances</u>						
<b>Liabilities:</b>						
Accounts Payable	\$ 1,069,973	\$ 400	\$ -	\$ 237,425	\$ 1,307,798	\$ 1,369,185
Deferred Income	716,555	-	-	-	716,555	-
<b>Total Liabilities</b>	<b>1,786,528</b>	<b>400</b>	<b>-</b>	<b>237,425</b>	<b>2,024,353</b>	<b>1,369,185</b>
<b>Fund Balances:</b>						
<b>Reserved:</b>						
Reserved for Encumbrances	2,250,587	-	-	604,493	2,855,080	4,265,629
<b>Unreserved:</b>						
Designated for Capital Projects	2,061,817	-	-	8,271,728	10,333,545	18,199,577
Designated for Fleet Management	-	350,373	-	-	350,373	101,980
<b>Total Fund Balance</b>	<b>4,312,404</b>	<b>350,373</b>	<b>-</b>	<b>8,876,221</b>	<b>13,538,998</b>	<b>22,567,186</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 6,098,932</b>	<b>\$ 350,773</b>	<b>\$ -</b>	<b>\$ 9,113,646</b>	<b>\$ 15,563,351</b>	<b>\$ 23,936,371</b>

## CITY OF ALPHARETTA, GEORGIA

## GENERAL CAPITAL PROJECTS

CAPITAL PROJECT FUND  
COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	\$ 356,671	\$ 706,216
Investments	5,728,184	9,335,840
Accounts Receivable (net of allowances for uncollectibles)	14,077	-
Total Assets	<u>\$ 6,098,932</u>	<u>\$ 10,042,056</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 1,069,973	\$ 353,813
Deferred Income	716,555	-
Total Liabilities	<u>1,786,528</u>	<u>353,813</u>
Fund Balance:		
Reserved:		
Reserved for Encumbrances	2,250,587	1,476,117
Unreserved:		
Designated for Capital Projects	<u>2,061,817</u>	<u>8,212,126</u>
Total Fund Balance	<u>4,312,404</u>	<u>9,688,243</u>
Total Liabilities and Fund Balance	<u>\$ 6,098,932</u>	<u>\$ 10,042,056</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, 2002

	Total Project Estimate	Actual to June 30, 2002		
		Reported In Prior Years	Current Year	Total
Revenues:				
Interest Income	\$ 1,528,805	\$ 1,993,591	\$ -	\$ 1,993,591
Other	2,000,000	3,319,781	13,572	3,333,353
Total Revenues	3,528,805	5,313,372	13,572	5,326,944
Expenditures:				
Capital Outlay	20,183,540	22,347,658	36,774	22,383,832
Debt Service - Cost of Bond Issuance	345,265	334,076	-	334,076
Total Expenditures	20,528,805	22,681,134	36,774	22,717,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,000,000)	(17,367,762)	(23,202)	(17,390,964)
Other Financing Sources:				
General Obligation Bond Proceeds	17,000,000	17,000,000	-	17,000,000
Operating Transfers In	-	-	95,936	95,936
Total Other Financing Sources	17,000,000	17,000,000	95,936	17,095,936
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Sources	\$ -	(367,762)	72,734	(295,028)
Residual Equity Transfer		295,028	-	295,028
Fund Balance, July 1		-	(72,734)	-
Fund Balance, June 30		\$ (72,734)	\$ -	\$ -

CITY OF ALPHARETTA, GEORGIA

BOND III CONSTRUCTION  
CAPITAL PROJECT FUND

COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash	\$ 9,113,646	\$ 2,037,259
Investments	-	11,752,159
Total Assets	<u>\$ 9,113,646</u>	<u>\$ 13,789,418</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts Payable	\$ 237,425	\$ 939,721
Total Liabilities	<u>237,425</u>	<u>939,721</u>
Fund Balance:		
Reserved for Encumbrances	604,493	2,789,512
Unreserved, Designated for Capital Projects	8,271,728	10,060,185
Total Fund Balance	<u>8,876,221</u>	<u>12,849,697</u>
Total Liabilities and Fund Balance	<u>\$ 9,113,646</u>	<u>\$ 13,789,418</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, 2002

	Total Project Estimate	Actual to June 30, 2002		
		Reported in Prior Years	Current Year	Total
Revenues:				
Investment Earnings	\$ 1,245,000	\$ 3,551,558	\$ 203,054	\$ 3,754,612
Total Revenues	1,245,000	3,551,558	203,054	3,754,612
Expenditures:				
Capital Outlay	25,647,000	15,526,436	4,080,594	19,607,030
Debt Service - Cost of Bond Issuance	498,000	330,369	-	330,369
Total Expenditures	26,145,000	15,856,805	4,080,594	19,937,399
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,900,000)	(12,305,247)	(3,877,540)	(16,182,787)
Other Financing Sources (Uses):				
General Obligation Bond Proceeds	24,900,000	25,449,972	-	25,449,972
Operating Transfer Out	-	-	(95,936)	(95,936)
Total Other Financing Sources (Uses)	24,900,000	25,449,972	(95,936)	25,354,036
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	13,144,725	(3,973,476)	9,171,249
Residual Equity Transfer		(295,028)	-	(295,028)
Fund Balance, July 1		-	12,849,697	-
Fund Balance, June 30		\$ 12,849,697	\$ 8,876,221	\$ 8,876,221

## CITY OF ALPHARETTA, GEORGIA

## ENTERPRISE FUNDS

## COMBINING BALANCE SHEET

June 30, 2002 and 2001

ASSETS

	Water	Solid Waste	Totals	
			2002	2001
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 163,125	\$ 75,370	\$ 238,495	\$ 37,480
Investments	78,141	325,251	403,392	1,025,469
Accounts Receivable (Net of Allowance for Uncollectibles)	632,327	275,157	907,484	841,082
Inventory, at Cost	95,575	-	95,575	97,045
<b>Total Currents Assets</b>	<u>969,168</u>	<u>675,778</u>	<u>1,644,946</u>	<u>2,001,076</u>
<b>Restricted Assets</b>				
Cash and Cash Equivalents	1,529,769	-	1,529,769	1,120,950
<b>Property and Equipment at Cost Less Accumulated Depreciation</b>	<u>4,605,205</u>	<u>-</u>	<u>4,605,205</u>	<u>4,787,231</u>
<b>Total Fixed Assets</b>	<u>4,605,205</u>	<u>-</u>	<u>4,605,205</u>	<u>4,787,231</u>
<b>Total Assets</b>	<u>\$ 7,104,142</u>	<u>\$ 675,778</u>	<u>\$ 7,779,920</u>	<u>\$ 7,909,257</u>

LIABILITIES AND EQUITY

<b>Current Liabilities</b>				
Accounts Payable	\$ 594,054	\$ 177,466	\$ 771,520	\$ 837,467
Accrued Salaries	12,452	-	12,452	9,034
Accrued Interest	14,746	-	14,746	-
Compensated Absences Payable	22,936	-	22,936	13,028
Notes Payable - Revenue Bonds Current Portion	170,000	-	170,000	-
Capital Lease Payable - Current Portion	-	-	-	12,627
<b>Total Current Liabilities</b>	<u>814,188</u>	<u>177,466</u>	<u>991,654</u>	<u>872,156</u>
<b>Noncurrent Liabilities</b>				
Customer Deposits	223,777	-	223,777	113,859
Compensated Absences Less Current Portion	26,454	-	26,454	25,323
Notes Payable - Revenue Bonds	1,825,000	-	1,825,000	2,160,000
<b>Total Noncurrent Liabilities</b>	<u>2,075,231</u>	<u>-</u>	<u>2,075,231</u>	<u>2,299,182</u>
<b>Total Liabilities</b>	<u>2,889,419</u>	<u>177,466</u>	<u>3,066,885</u>	<u>3,171,338</u>
<b>Equity</b>				
Contributed Capital	2,380,117	-	2,380,117	2,380,117
Retained Earnings-Restricted	174,746	-	174,746	175,730
Retained Earnings - Unrestricted	1,659,860	498,312	2,158,172	2,182,072
<b>Total Equity</b>	<u>4,214,723</u>	<u>498,312</u>	<u>4,713,035</u>	<u>4,737,919</u>
<b>Total Liabilities and Equity</b>	<u>\$ 7,104,142</u>	<u>\$ 675,778</u>	<u>\$ 7,779,920</u>	<u>\$ 7,909,257</u>

## CITY OF ALPHARETTA, GEORGIA

## ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2002  
(With Comparative Actual Amounts for Year Ended June 30, 2001)

	Water	Solid Waste	Totals	
			2002	2001
Operating Revenues:				
Charges for Services	\$ 3,925,070	\$ 1,622,493	\$ 5,547,563	\$ 5,524,919
Operating Expenses:				
Operation and Maintenance:				
Billing	401,620	19,089	420,709	282,206
Operations	3,415,595	1,639,959	5,055,554	5,045,866
Depreciation	226,831	-	226,831	281,206
Total Operating Expenses	4,044,046	1,659,048	5,703,094	5,609,278
Operating Income (Loss)	(118,976)	(36,555)	(155,531)	(84,359)
Non-operating Revenues (Expenses)				
Investment Earnings	36,746	11,985	48,731	102,404
Interest Expense	(93,084)	-	(93,084)	(118,140)
Total Non-operating Revenues (Expenses)	(56,338)	11,985	(44,353)	(15,736)
Income (Loss) before operating transfers	(175,314)	(24,570)	(199,884)	(100,095)
Operating transfer in	-	175,000	175,000	429,800
Net Income (Loss)	(175,314)	150,430	(24,884)	329,705
Retained Earnings, July 1	2,009,920	347,882	2,357,802	2,028,097
Retained Earnings, June 30	\$ 1,834,606	\$ 498,312	\$ 2,332,918	\$ 2,357,802



CITY OF ALPHARETTA, GEORGIA  
WATER SYSTEM ENTERPRISE FUND  
COMPARATIVE BALANCE SHEETS

June 30, 2002 and 2001

ASSETS

	2002	2001
Current Assets		
Cash and Cash Equivalents	\$ 163,125	\$ 14,452
Investments	78,141	822,808
Accounts Receivable (Net of Allowance for Uncollectibles)	632,327	588,275
Inventory, at Cost	95,575	97,045
Total Currents Assets	<u>969,168</u>	<u>1,522,580</u>
Restricted Assets		
Cash and Cash Equivalents	1,529,769	1,120,950
Property and Equipment at Cost Less Accumulated Depreciation	<u>4,605,205</u>	<u>4,787,231</u>
Total Fixed Assets	<u>4,605,205</u>	<u>4,787,231</u>
Total Assets	<u>\$ 7,104,142</u>	<u>\$ 7,430,761</u>

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	\$ 594,054	\$ 690,887
Accrued Salaries	12,452	9,034
Accrued Interest	14,746	15,966
Compensated Absences Payable	22,936	13,028
Notes Payable - Revenue Bonds Current Portion	170,000	165,000
Capital Lease Payable - Current Portion	-	12,627
Total Current Liabilities	<u>814,188</u>	<u>906,542</u>
Noncurrent Liabilities		
Customer Deposits	223,777	113,859
Compensated Absences Less Current Portion	26,454	25,323
Notes Payable - Revenue Bonds	1,825,000	1,995,000
Total Noncurrent Liabilities	<u>2,075,231</u>	<u>2,134,182</u>
Total Liabilities	<u>2,889,419</u>	<u>3,040,724</u>
Equity		
Contributed Capital	2,380,117	2,380,117
Retained Earnings-Restricted	174,746	175,730
Retained Earnings - Unrestricted	1,659,860	1,834,190
Total Equity	<u>4,214,723</u>	<u>4,390,037</u>
Total Liabilities and Equity	<u>\$ 7,104,142</u>	<u>\$ 7,430,761</u>

## CITY OF ALPHARETTA, GEORGIA

## SOLID WASTE ENTERPRISE FUND

## BALANCE SHEET

June 20, 2002 and 2001

ASSETS

	<u>2002</u>	<u>2001</u>
Current Assets		
Cash and Cash Equivalents	\$ 75,370	\$ 23,028
Investments	325,251	202,661
Accounts Receivable (Net of Allowance for Uncollectibles)	<u>275,157</u>	<u>252,807</u>
Total Currents Assets	<u>675,778</u>	<u>478,496</u>
 Total Assets	 \$ <u>675,778</u>	 \$ <u>478,496</u>

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	\$ 177,466	\$ 130,614
Total Current Liabilities	<u>177,466</u>	<u>130,614</u>
 Total Liabilities	 <u>177,466</u>	 <u>130,614</u>
Equity		
Retained Earnings - Unrestricted	<u>498,312</u>	<u>347,882</u>
Total Equity	<u>498,312</u>	<u>347,882</u>
 Total Liabilities and Equity	 \$ <u>675,778</u>	 \$ <u>478,496</u>

CITY OF ALPHARETTA, GEORGIA  
SOLID WASTE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS

Year Ended June 30, 2002  
(With Comparative Amounts for June 30, 2001)

	<u>2002</u>	<u>2001</u>
Cash Flows Provided By Operating Activities:		
Operating Loss	\$ (36,555)	\$ (89,853)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase in Accounts Receivable	(22,350)	(252,807)
Decrease in Accounts Payable	<u>46,852</u>	<u>130,614</u>
Total Adjustments	<u>24,502</u>	<u>(122,193)</u>
Net Cash Used in Operating Activities	<u>(12,053)</u>	<u>(212,046)</u>
Cash Flows from Capital and Related Financing Activities:		
Operating transfer in	<u>175,000</u>	<u>429,800</u>
Net Cash Provided by Capital and Related Financing Activities	<u>175,000</u>	<u>429,800</u>
Cash Flows from Investing Activities:		
Interest Received	8,231	7,935
Sale of Investments	202,661	-
Purchase of Investments	<u>(321,497)</u>	<u>(202,661)</u>
Net Cash Used by Investing Activities	<u>(110,605)</u>	<u>(194,726)</u>
Net Increase in Cash	52,342	23,028
Cash, July 1	<u>23,028</u>	<u>-</u>
Cash, June 30	<u>\$ 75,370</u>	<u>\$ 23,028</u>

Supplemental Disclosure on Non-Cash Investing Activities:

The City adjusts the purchase of investments to reflect the \$3,754 increase in the fair value of investments.

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

<u>Fiscal Year</u>	<u>Population *</u> <u>(Year End)</u>	<u>Real Estate</u> <u>Assessed</u> <u>Value</u>	<u>Gross</u> <u>Bonded</u> <u>Debt</u>	<u>Less debt</u> <u>Service</u> <u>Funds</u>	<u>Net</u> <u>Bonded</u> <u>Debt</u>	<u>Ratio of Net</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Net Bonded</u> <u>Debt Per</u> <u>Capita</u>
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
2002	36,079	\$ 2,504,417,397	\$ 54,066,466	\$ 2,260,946	\$ 51,805,520	0.02	\$1,435.89

NOTE: Includes all Long-term General Obligation Debt

Source:

- \* 2000 thru 2002 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.

CITY OF ALPHARETTA, GEORGIA  
COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2002

Assessed Value		\$ <u>2,504,417,397</u>
Debt Limit 10% of Assessed Value		250,441,740
Amount of Debt Applicable to Debt Limit		
Total General Bonded Debt	54,066,466	
Less Amount Available for Repayment of general obligation bonds	<u>2,260,946</u>	<u>51,805,520</u>
Legal Debt Margin		\$ <u>198,636,220</u>
Percentage Ratios:		
Legal Debt Margin		100.00%
Debt Application to Debt Limit		<u>20.69%</u>
Legal Debt Margin		<u>79.31%</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, 2002

<u>Jurisdiction</u>	<u>Amount Outstanding</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
Fulton County	\$ 49,453,380	5.39%	\$ 2,665,537
Fulton County School District	244,920,000	9.68%	23,708,256
City of Alpharetta	55,347,750	100.00%	<u>55,347,750</u>
Total Direct and Overlapping Debt			\$ <u>81,721,543</u>

CITY OF ALPHARETTA, GEORGIA  
MISCELLANEOUS AND DEMOGRAPHIC STATISTICS  
June 30, 2002

Police Protection : (Source: City Police Department)

Number of Employees	96
Number of Stations	1
Number of Patrol Units	72
Number of Police Motorcycles	6

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%

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