

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

# Alpharetta

G E O R G I A • U S A



*Celebrating 150 Years 1858 - 2008*







**City of Alpharetta, Georgia**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2008**

**Prepared By:**

Thomas G. Harris, CPA  
Director of Finance

**Submitted By:**

Robert J. Regus  
City Administrator







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# Introductory Section



**To the Honorable Mayor, Members of the City Council,  
Citizens, Businesses, and Stakeholders of the City of Alpharetta:**

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, Certified Public Accounts, LLC, have issued an unqualified (“clean”) opinion on the City of Alpharetta’s financial statements for the year ended June 30, 2008. The independent auditor’s report is located at the front of the financial section of this report.

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

## **Our History**

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

When the depression of the early 1930’s devastated the nation’s economy, Milton County found itself near bank-

ruptcy. In order to save the area from disaster, it was decided that a merger of Milton County with Fulton County would be to everyone’s advantage. Today, Alpharetta represents one of fourteen incorporated cities/towns within Fulton County and is one of the fastest growing communities in the South. Its environment is considered ideal for raising families and living a quality lifestyle free from the problems found in so many similar sized cities.

Located approximately 25 miles north of the City of Atlanta, Alpharetta occupies a land area of approximately 27 square miles and serves an estimated population of 52,282. Population growth has been fueled in part by the City’s strong economic base as well as the annexation of surrounding communities. With the recent incorporation of the City of Milton and the City of John’s Creek, all unincorporated areas within north Fulton County have been absorbed. As such, future growth will be through internal development and redevelopment as opposed to annexation.

## **Government Profile**

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



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

## **Budget Basis and Structure**

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

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

## **Local Economy**

The City enjoys a favorable economic environment with a significant commercial presence and strong employment base. While our local economic base is stronger than most, we are starting to feel the effects of the slowing economy in our revenue trends, particularly revenues related to construction (e.g. building permit fees, plan review fees, etc.).

Alpharetta is home to many large computer software, telecommunication, financial, and professional service companies such as McKesson, ADP, Hewlett Packard, IBM Technologies, GE Consumer Finance, and AT&T Mobility, etc. Alpharetta continues to be the ideal location for companies on the forefront of the modern economy, in the heart of one of the largest fiber-linked networks in the United States.

Despite the increasingly tough economic times during fiscal year 2008, approximately 3,500 new building permits were issued along with 15,250 building inspections. City government, together with the Alpharetta Convention and Visitors Bureau, continues to attract and host a considerable number of regional special events, such as the Alpharetta Arts StreetFest, a two day juried fine art festival in downtown Alpharetta. In addition, the City also sponsors large-scale community events like the Taste of Alpharetta which continues to be a favorite of the locals and is enjoyed by nearly 60,000 people annually.

Positive economic activity is being generated by the Verizon Wireless Amphitheatre at Encore Park which opened May 10, 2008. The 12,000 seat state-of-the-art venue is home to the Grammy award winning Atlanta Symphony Orchestra and has hosted numerous headline talent such as the Eagles, Steve Miller Band, Stevie Nicks, Rush, Stone Temple Pilots, Rod Stewart, John Mayer, Dave Matthews Band, etc.

## **Strategic Financial Planning**

Governments in our regional area as well as across the country are experiencing significant budgetary shortfalls due to slowing economic growth and weak construction activity. Although many economic factors are largely outside of local government control, the City Council, City Administration, and City departments have displayed impressive financial stewardship over the years through an established philosophy of budgetary evaluation. This philosophy entails reviewing the needs of the City relative to a standard that services and associated costs should not be appropriated unless they are justified as strategic goals of the organization that serve to accomplish our guiding principles.

This philosophy is a foundation of our budget process as evidenced by City Administration's direction to departments that base operating budgets (i.e. maintenance &

operations) should be submitted with growth rates approximating general inflationary growth. This growth rate is more in line with the City's short-term revenue growth rate trends which is necessary to position the City for financial success in the future.

The issue of sustainability also is addressed through a diversification of revenue sources. While property taxes do represent the largest single source of revenue, significant discussion is centered on how to further diversify the City's revenue base and lessen reliance on property taxes. Existing revenue sources are evaluated on an annual basis to ensure the underlying rate is reasonable and justifiable. Examples of revenue sources that are reevaluated annually include: all user fee based revenue sources (i.e. permits, licenses, recreation fees, etc.), impact fees, etc.

The City has historically acknowledged the need to provide a taxation rate commensurate with the government's level of service while ensuring tax relief through efficient and effective management practices. Accordingly, the City levied a millage rate of 6.248 in fiscal year 2008 which represents a reduction of 0.352 mills, or -5.3% compared to the fiscal year 2007 levy of 6.600 mills. The millage rate reduction for fiscal year 2008, coupled with the City's substantial Homestead Exemption of \$30,000 goes great lengths in keeping Alpharetta not only an affordable place to live, but also strategically positions us relative to neighboring areas. It should be noted that the \$30,000 Homestead Exemption our City offers is equivalent to a 1.0 mill reduction for the average homeowner.

As detailed within the following financial statements, the City maintains a minimum General Fund balance designation equal to 18% of operating expenditures which amounted to \$9,000,000 at year end. Additionally, the City has established \$500,000 as a designation for workers' compensation. Fund Balance in excess of the designations above is further designated to be utilized in subsequent periods for pay-as-you-go capital projects and one-time, non-recurring expenditures. For fiscal year ended June 30, 2008, \$6,423,912 in available fund balance has been designated for use in the 2008/2009 fiscal year budget. The balance remaining as undesignated/unreserved at year end amounts to \$6,909,830. Such amounts will be reviewed by the City Council for consideration as part of the fiscal year 2010 budget. These balances have come about through prudent fiscal policies and conservative budget practices and will help ensure our long term stability.

Financial planning also involves ensuring that fiscal obligations are not only met but also entail, when appropriate, smoothing the effect to the taxpayer over a period that better

matches the benefit. Specifically, the City's general obligation debt was structured with escalating principal and interest requirements through 2012. In an effort to stabilize the effect on our taxpayers, the City has accumulated a debt service fund balance reserve totaling \$10.6 million. With these reserves, it is projected that the City will not need to increase the required debt service millage rate to cover the annual costs of escalating principal and interest payments.

The City is expected to continue towards the development as an economic hub and preferred location for business investment. One of the more considerable improvements to our community will be developed by Thomas Enterprises, Inc. This developer will create a 64-acre mixed use development on the northwest corner of Georgia 400 and Old Milton Parkway to be named Prospect Park. The development will offer 750,000 square feet of retail space, including approximately 141 storefronts of retail, restaurants, and a theater. The development will also feature a full service hotel, 40 commercial office condominiums, and 464 residential units. Ground-breaking on this project occurred in the last quarter of fiscal year 2006 with general foundation and site work. Vertical construction has been temporarily halted due to the current economic climate.

The City also continues to explore options to bring about the development of City Center. Alpharetta City Center is envisioned as a catalyst development that will attract additional investment and private sector activity; promoting the transformation of Downtown Alpharetta into a vibrant, attractive destination for the City's residents and visitors. The project is to be a people-oriented, mixed use development that is consistent with the Historic Downtown Aesthetic. The project is projected to be made up of approximately 73,000 square feet of retail/restaurant use and 300,000 square feet of office use. Alpharetta City Center is planned as the site of a new City Hall totaling 50,000 square feet.

### **Relevant Financial Policies**

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

## Major Initiatives

During fiscal year 2008, the City began many of the projects identified in the \$26.6 million General Obligation Bonds, Series 2006. The purpose of these bonds consisted of four major projects: Public Safety (\$3,265,000); Parks and Recreation (\$5,030,000); Greenway Space (\$2,075,000); and Roads/Traffic/Transportation Improvements (\$16,268,436). During the year approximately \$4.7 million of these bond proceeds were spent on improvements the public demanded.

Traffic improvement, consisting of the continued networking of traffic signals into the City's transportation control system as well as lane expansion, is a high priority for the City of Alpharetta. The City will continue to construct portions of Westside Parkway, a major thoroughfare named for its location – to the west of Georgia 400. This parkway enables the movement of traffic on a divided 4-lane road from its southern terminus of Mansell Road to its northern terminus at Windward Parkway.

Other major initiatives funded with these proceeds include: sidewalk improvements throughout the City (e.g. Haynes Bridge Road, Mid-Broadwell Road, etc.); improvements to Cogburn Road Park and Webb Bridge Park; improvements to the Greenway Connection, etc.

During 2008, the City also allocated \$4.9 million of General Fund monies toward capital improvements such as Milling and Resurfacing (\$577,000), Intersection Improvements at North Point and Kimball Bridge (\$650,000), Windward Parkway at North Point Parkway (\$250,000), and Windward Parkway at Highway 9 (\$150,000), North Park Drainage Improvements (\$200,000), citywide fleet additions/replacements (\$793,000), citywide equipment additions/replacements (\$275,000), etc. These investments illustrate our commitment to ensuring quality of life enhancements to the business and residential community.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alpharetta for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2007. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare CAFR's that represent the spirit of transparency and full disclosure. This was the nineteenth consecutive year that the City has received this prestigious award. This award

is valid for a period of one year only. We believe that our current CAFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

The City also received the GFOA Popular Annual Financial Reporting Award ("PAFR") for our annual citizens' report for the fiscal year ended June 30, 2007. This program recognizes those governments that produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. This was the sixth consecutive year that the City has received this prestigious award. This award is valid for a period of one year only. We believe that our current PAFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

Last but certainly not least, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget narrative for the fiscal year ended June 30, 2008. This program recognizes those governments that prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting. This was the sixth consecutive year that the City has received this prestigious award. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and have submitted it to GFOA to determine its eligibility for another award. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor, governing council, and city administrator for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Thomas G. Harris  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alpharetta  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

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



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# Elected and Appointed Officials June 30, 2008

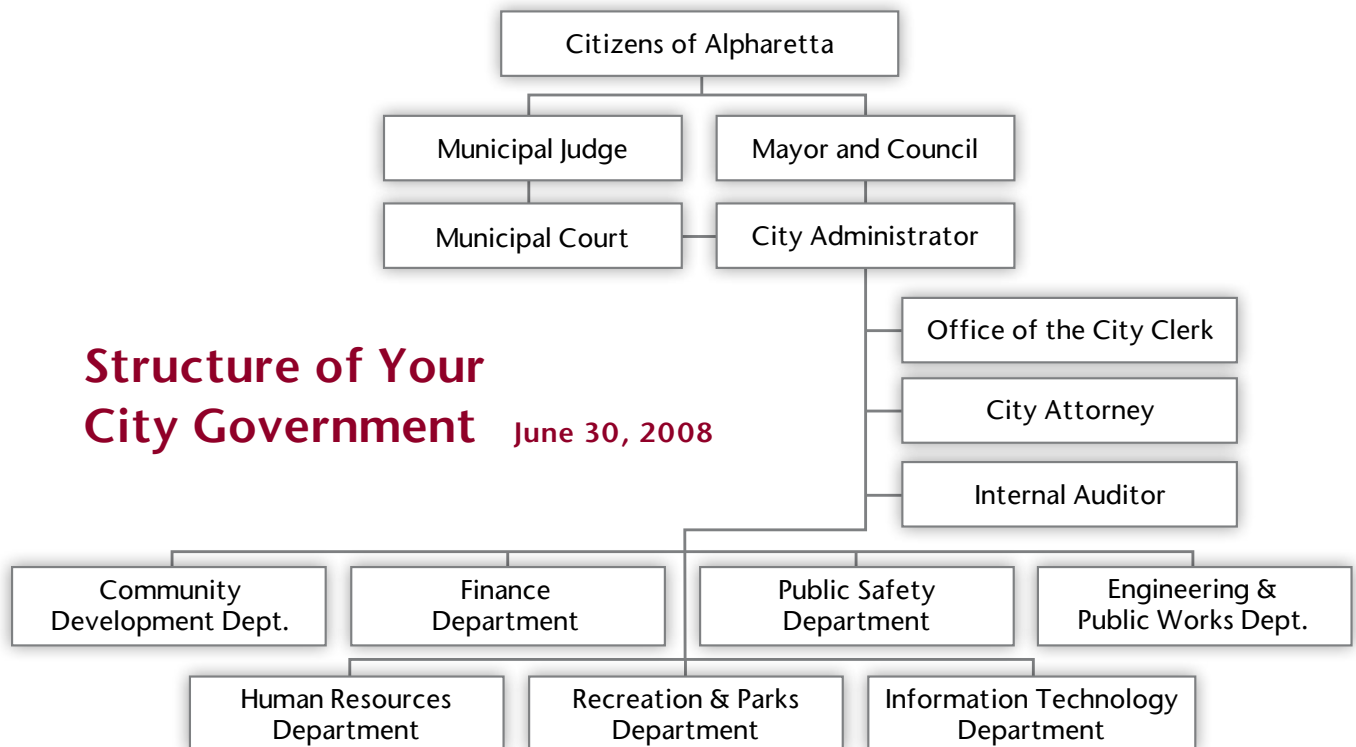
## Elected Officials

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

## Appointed Officials

City Administrator ..... Robert J. Regus  
 City Attorney ..... Sam Thomas  
 City Clerk ..... Sue Rainwater  
 Finance Director. .... Thomas G. Harris  
 Assistant City Administrator ..... James Drinkard  
 Eng. & Public Works Interim Director . . Pete Sewczwicz  
 Information Technology Director. .... Randy Bundy  
 Recreation & Parks Director ..... Mike Perry  
 Municipal Court Director ..... Elizabeth Sahlin  
 Public Safety Director. .... Gary George  
 Community Development Director .... Diana Wheeler

## Structure of Your City Government June 30, 2008





# General Government

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

As a responsive, proactive, and open government with a strong economic base to minimize taxes and provide a secure future for our families, citizens, and stakeholders, the City of Alpharetta is committed to excellence. There are many internal departments supporting the delivery of city services to our community. From July 1, 2007 through June 30, 2008, a few performance highlights include:

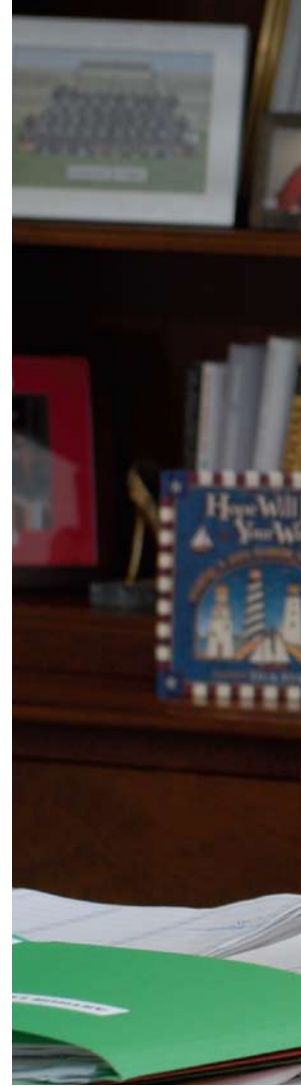
- **67 Special Events Offered**, representing a 6% increase over the prior fiscal year
- **380 Volunteers Recruited for City Events**, representing an 8% increase over the prior fiscal year
- **4 Additional Event Sponsors**, representing a 20% increase over the prior fiscal year
- **4.7 Million City Website Visits**, representing a 19% increase over the prior fiscal year
- **Six Grant Applications Approved for Funding**, bringing in an additional \$120,516 in new grant funding for enhancements to city services

With the assistance of the internal departments, the City of Alpharetta continues to provide outstanding city services to our community, promising a bright future for residents, businesses, and visitors alike.



D.C. Aiken, City Council, Post 6

"The City of Alpharetta's long-term approach to investing community resources, coupled with our fiscally conservative philosophies, ensures our ability to provide quality services and a low tax rate, even in a challenging economy. Our citizens can rest assured that our fiscal planning is approached with an understanding of the complexities of the economy, and an eye on the current and future needs of the community."





Arthur G. Letchas, Mayor



## DID YOU KNOW ?

### Mayor's Teen Driving Program

In partnership with Fear This Inc., the City of Alpharetta offers a teen driver education program. Designed for young adults between 15-19 years old and taught by police academy instructors, this 8-hour course offers intensive, hands-on experience in accident avoidance skills, teaching valuable lessons in how to control the vehicle in out-of-control situations. For more information, class registration, or to make a donation towards this great program, please visit [www.fearthis4life.org](http://www.fearthis4life.org) or [www.alpharetta.ga.us](http://www.alpharetta.ga.us).



Cheryl Oakes, City Council, Post 4

"Every member of our team, elected officials and staff alike, is dedicated to providing exceptional service and value to our taxpayers. Through strategic investment in technology and maintaining the highest standard in our hiring practices, the City of Alpharetta is able to operate leaner and more efficiently, forming the foundation of our ability to maintain service quality while maintaining low property tax rates."





A police officer wearing a black helmet, sunglasses, and a black uniform shirt with "ALPHARETTA POLICE" patches is riding a bicycle. The background shows green and yellow foliage. A semi-transparent white box with a dark blue header is overlaid on the lower half of the image.

## DID YOU KNOW ?

### Police and Citizens Together

Encouraging strong partnerships with local neighborhoods, the City of Alpharetta began the Police and Citizens Together (P.A.C.T.) neighborhood watch program in Spring 2005. With more than 90 existing P.A.C.T. communities throughout the city, a public safety officer is assigned to each neighborhood, providing direct communication between the neighborhood association and police services as well as informative training sessions on important public safety issues such as identity theft and drug awareness. For more information or for assistance in forming a PACT in your neighborhood, please contact Officer Jennifer Howard at 678-297-6309, Ext 3, or [jhoward@alpharetta.ga.us](mailto:jhoward@alpharetta.ga.us).



# Public Safety

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

As a safe, secure, and livable city for our residents, businesses, and visitors, the City of Alpharetta's Public Safety Department builds partnerships and mitigates potential problems through education and enforcement. During July 1, 2007 through June 30, 2008, the Public Safety Department responded to 98,223 service calls, 48 residential fires, and 3,021 medical incidents, representing a 22% increase, a 9% increase, and a 5% increase in service requests, respectively, over the prior fiscal year. Service call requests encompass a wide range of activities, ranging from shoplifting to traffic incidents.

Through strong enforcement of existing laws and proactive community education to protect the

public's safety, the Public Safety Department issued 16,345 citations, made 3,292 arrests, and issued 15,529 red light citations, resulting in \$3.7 million in total fines and forfeitures in 204 court sessions. In addition, during the fiscal year, there was a 27% reduction in the number of red light citations from the prior year due to increased awareness and enforcement, helping to reduce traffic accidents and making the roadways safer for residents and visitors alike.

Throughout Fiscal Year 2008, with the expanded joint efforts of police and fire, the Public Safety Department presented 304 Business Watch Programs and 100 Fire Safety Programs; conducted 5,093 New and Existing Building Fire Inspections and 300 Car Safety Seat Checks; and provided one 10-week Citizen Academy Class to our community. With the hard work and dedication of our certified and highly trained public safety personnel, the City of Alpharetta provides outstanding enforcement and emergency services to our great community, making our city an excellent place to live, work, recreate, and retire for the present and the future.



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

"The Citizens of Alpharetta will benefit greatly from many new and innovative enhancements in Public Safety this year. Alpharetta now has one of the southeast's top 911 centers that can monitor locations of police, fire and ambulance vehicles and can dispatch the closest unit. New software increases efficiency by allowing officers to complete reports in the field on a laptop computer and enter the information directly into the records management system also used by our court."



# Culture and Recreation

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

As a livable city with a nationally accredited recreational program, the City of Alpharetta's Recreation and Parks Department provides excellent active and passive recreational, educational and cultural opportunities for all members of our families and community in an outstanding park system. From July 1, 2007 through June 30, 2008, the City of Alpharetta's Recreation and Parks Department provided recreational services for 670 participants in cultural art programs and camps; 6,430 participants in athletic programs; 890 participants in swim lessons and swim teams; 3,759 participants in dance, gymnastic

and instructional sports, and 35,000 participants in our senior adult activities and trips, providing year-round, convenient, affordable, and accessible recreational programs for children, adults and seniors. From recreational special events, like the Breakfast with Santa to the Youth Fishing Derby, to a wide range of athletic-related training and fitness education classes, from aerobics to yoga, and baseball to volleyball; citizens, residents and visitors are invited and encouraged to enjoy the city's great recreational and park system.



Douglas DeRito, City Council, Post 1

"Our recreation and cultural offerings are constantly adapting to the characteristics of the community; which is why we have expanded our fine arts programs, continued to extend our Greenway, developed the Waggy World dog park, and helped to develop the Verizon Wireless Amphitheater at Encore Park. Moving forward, our facilities and programs will increasingly focus on flexibility of use in terms of both how and when they can be used. This is one way in which we will meet the changing needs of our population and maintain our position as a first class community."



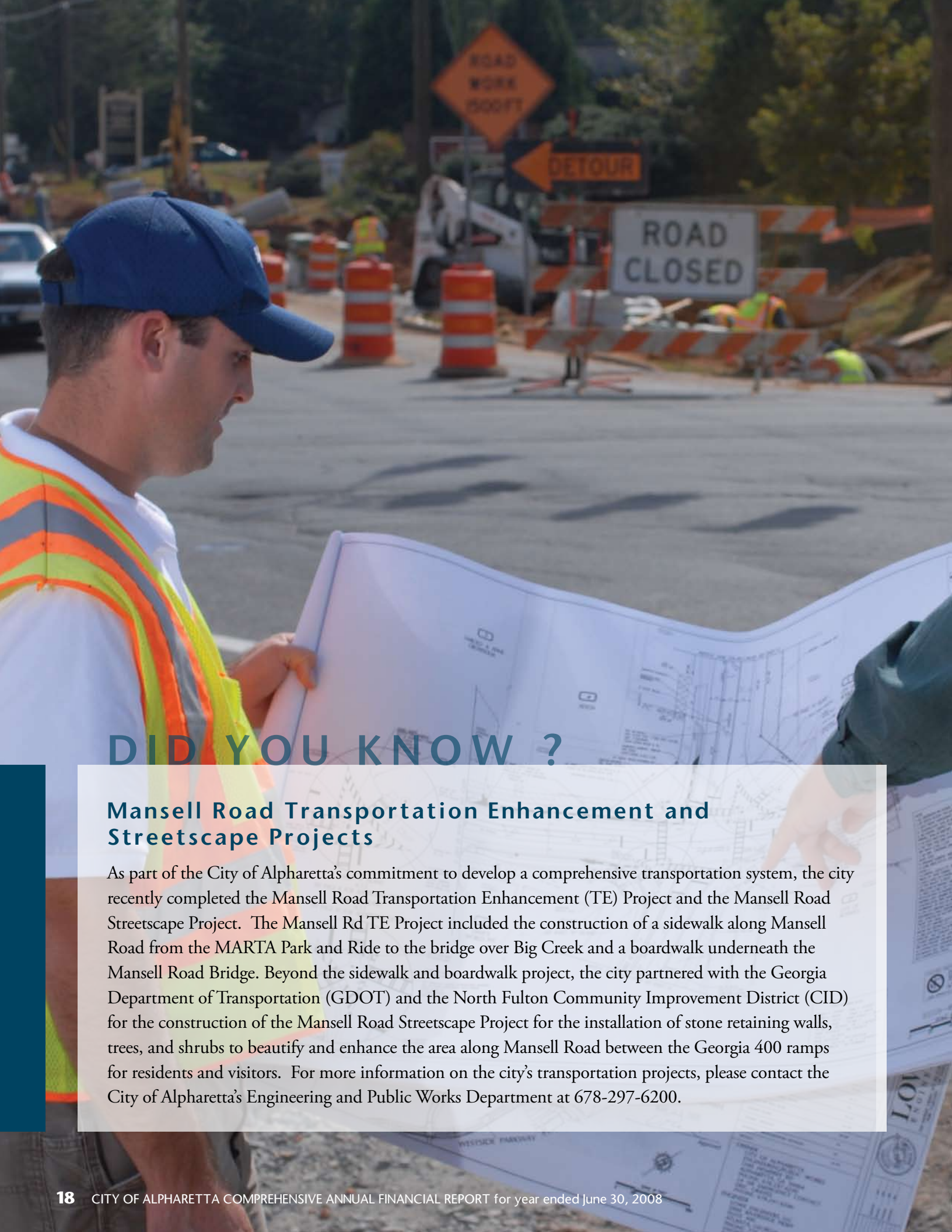


## DID YOU KNOW ?

### **Recreation and Parks Master Plan**

As a proactive, open, and responsive government, the City of Alpharetta's Recreation and Parks Department recently updated its Master Plan for 2008 – 2013, ensuring the city will meet the recreational needs of our community for the future. This plan will serve as a blueprint for the development and expansion of recreational facilities and programs. With an independent firm guiding the process and input from citizens during public meetings as well as recent citizen surveys, the City of Alpharetta will continue to offer outstanding recreational and cultural opportunities for residents and visitors of all ages. For more information on the Recreation and Parks Master Plan, please contact Recreation and Parks Administration at 678-297-6102.





## DID YOU KNOW ?

### **Mansell Road Transportation Enhancement and Streetscape Projects**

As part of the City of Alpharetta's commitment to develop a comprehensive transportation system, the city recently completed the Mansell Road Transportation Enhancement (TE) Project and the Mansell Road Streetscape Project. The Mansell Rd TE Project included the construction of a sidewalk along Mansell Road from the MARTA Park and Ride to the bridge over Big Creek and a boardwalk underneath the Mansell Road Bridge. Beyond the sidewalk and boardwalk project, the city partnered with the Georgia Department of Transportation (GDOT) and the North Fulton Community Improvement District (CID) for the construction of the Mansell Road Streetscape Project for the installation of stone retaining walls, trees, and shrubs to beautify and enhance the area along Mansell Road between the Georgia 400 ramps for residents and visitors. For more information on the city's transportation projects, please contact the City of Alpharetta's Engineering and Public Works Department at 678-297-6200.



# Public Works

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

With the goal of a comprehensive transportation system, balancing greenway and walkways with road and rail, the City of Alpharetta's Engineering and Public Works Department is committed to excellence by skillfully, efficiently, and professionally managing and maintaining the city's public and private improvements throughout our community. While offering 26 conservation workshops and outreach programs to 1,230 students, and simultaneously maintaining 263 miles of roadways and 170 miles of sidewalks, the Engineering and Public Works Department managed 58 capital construction projects from July 1, 2007 through June 30, 2008, totaling approximately \$6.7 million in construction improvements in traffic, stormwater, and other infrastructure projects, throughout our city.

In addition to managing capital projects throughout the fiscal year, Engineering and Public Works prides itself on improving the efficiency of repairs to the roadways and right-of-ways system, the stormwater system, the traffic control system, the sidewalk system, etc, to help improve the lives of our citizens. For example, the number of days required to complete a drainage/sink hole repair was reduced by 50%, from 10 days in the prior fiscal year to 5 days in Fiscal Year 2008. In addition, the time to repair potholes was reduced 54%, the time to adjust traffic signals was reduced by 67%, and the average time required for a sidewalk repair was reduced by 68% from the prior fiscal year. The Engineering and Public Works Department is hard at work to ensure quality growth and progress for residents and visitors alike, ensuring a bright future for our community.



John Monson, City Council, Post 3

**"In the past year, we have focused on traffic congestion relief with major projects completed or nearing completion; including major intersection improvements and road openings. Over the past three years, we have delivered a 270% return on your taxpayer dollars, acquiring almost three dollars in State and Federal funding for every one Alpharetta tax dollar for road improvements."**



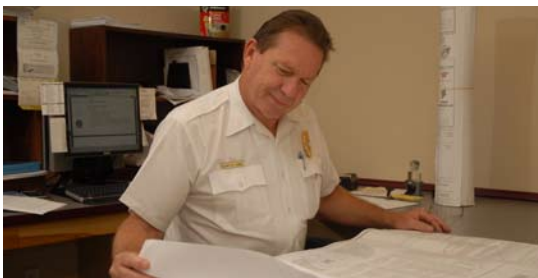
# Community Development

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

As a small town with an historic past and a strong economic base for our families and businesses, the City of Alpharetta's Community Development Department manages the quality of growth and development as well as protects the public health and safety of our community. Despite the increasingly tough economic times, from July 1, 2007 through June 30, 2008, the Community Development Department issued 3,456 new building permits, processed 135 public hearings, managed 4 community image enhancement projects, conducted 15,249 building inspections, and completed 3,622 code enforcement inspections. During Fiscal Year 2008, the number of code enforcement inspections increased 26% over the prior fiscal year, demonstrating Community Development's commitment to excellence in protecting the health and welfare of our city.

During Fiscal Year 2008, one of Community Development's more ambitious projects was the comple-

tion of the North Point Livable Centers Initiative (LCI), with City Council approval in April 2008. Planning for a bright future, in partnership with the North Fulton Community Improvement District and the Atlanta Regional Commission, the North Point LCI is a comprehensive land use and transportation plan for one of Alpharetta's primary regional activity centers, from North Point Parkway and Westside Parkway Corridors between Mansell and Haynes Bridge Roads. This plan created a development vision for the future of the North Point Activity Center, and a series of transportation improvements to sustain and enhance the area as a high quality place for businesses, employees, shoppers, and residents. The adoption of the North Point LCI demonstrates the city's on-going commitment to quality growth and development; a comprehensive transportation system; and a livable and sustainable future for the City of Alpharetta.



David Belle Isle, City Council, Post 5

"The current economic cycle provides an opportunity for the community to assess our long-term vision and plan. Projects such as the North Point LCI represent a new direction in planning; one that better integrates transportation and land use strategies and will enable us to craft a better balance between the built environment and our community's resources."



# DID YOU KNOW ?

## A Preserve America Community

Coinciding with our Sesquicentennial (150th) Celebration, in Summer 2008, the City of Alpharetta was designated as a Preserve America Community, recognizing the city's on-going commitment to preserve our heritage for our neighbors, visitors, and children. Designed to encourage and support community efforts to preserve our priceless cultural and natural heritage, the Preserve America Community designation provides additional grant funding opportunities for the city. For more information on the Preserve American initiative, please visit [www.preserveamerica.gov](http://www.preserveamerica.gov).



# City Meetings

For more information about what is happening in our local government, the public and all residents are encouraged to attend any of our city meetings as listed below. All meetings are subject to change. Please call ahead to confirm the meeting time and place.

- **Planning Commission**

First Thursday of the month, 7:30 p.m.  
City Hall 678-297-6070

- **Board of Zoning Appeals**

Third Thursday of the month, 5:30 p.m.  
City Hall 678-297-6070

- **Design Review Board**

Third Friday of the month, 8:30 a.m.  
City Hall 678-297-6070

- **City Council Business Meetings**

First & third Mondays of the month, 7:30 p.m.  
City Hall 678-297-6000

- **Public Hearings**

Fourth Monday of the month, 7:30 p.m.  
City Hall 678-297-6000

- **Council Workshop**

Second Monday of the month, 7:00 p.m.  
City Hall 678-297-6000

- **Recreation Commission**

Fourth Thursday of the month, 7:30 p.m.  
(exception: second Thursday of the month during Nov and Dec)  
City Hall 678-297-6100

- **Tree Commission**

Third Tuesday of the month, 7:00 p.m.  
Engineering/Public Works 678-297-6200

## Verizon Wireless Amphitheatre at Encore Park

During May 2008, the City of Alpharetta was pleased to announce the opening of the Verizon Wireless Amphitheatre at Encore Park, offering world class entertainment nestled in a park-like atmosphere, convenient to North Point Parkway and Georgia 400. As the outdoor home to the Atlanta Symphony Orchestra, the amphitheatre offers great cultural and recreational opportunities for residents and visitors in a state-of-the-art facility. The premier season offered music concerts, community events, and movie nights for our community. For more information or for a schedule of upcoming events, please visit [www.vzwamp.com](http://www.vzwamp.com) or call 404-733-5010.



# 2009 City of Alpharetta Calendar of Events

All events are subject to change. Please confirm the event at the appropriate phone number. Events are open to the public; residents are encouraged to attend.

<b>JAN</b>	1	City Holiday		
	10	Lipizoner Stallions Horse Show	Wills Park Equestrian Center	678-297-6120
	15-18	Elite Show Jumping	Wills Park Equestrian Center	678-297-6120
	19	City Holiday		
	20	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	22-25	Elite Show Jumping	Wills Park Equestrian Center	678-297-6120
<b>FEB</b>	26	Mah Jongg Tournament	Alpharetta Adult Activity Center	678-297-6143
	31	Winterfest I Horse Show	Wills Park Equestrian Center	678-297-6120
	1	Winterfest II Horse Show	Wills Park Equestrian Center	678-297-6120
	4	Spring/Summer Program Registration	Multiple	678-297-6100
	7	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	6	Father/Daughter Dance	Alpharetta Community Center	678-297-6153
<b>MAR</b>	13	Be My Valentine Drop-In Craft	Crabapple Government Center	678-297-6165
	14-15	Sirius Dog Agility	Wills Park Equestrian Center	678-297-6120
	17	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	18	Spring/Summer Open Registration	Multiple	678-297-6100
	21-22	GA Tech Benefit Horse Show	Wills Park Equestrian Center	678-297-6120
	28	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
<b>APR</b>	1	Old Milton Saddle Club	Wills Park Equestrian Center	678-297-6120
	6-8	Lawrenceville Kennel Club	Wills Park Equestrian Center	678-297-6120
	14	Saint David's Charity Horseshow	Wills Park Equestrian Center	678-297-6120
	14	Wills Park Summer Day Camp Registration	Wills Park Recreation Center	678-297-6133
	15	Brownwood Farm Horse Show	Wills Park Equestrian Center	678-297-6120
	16	Wills on Wheels Camp Registration	Wills Park Recreation Center	678-297-6133
<b>MAY</b>	17	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	20-22	Canine Capers	Wills Park Equestrian Center	678-297-6120
	21-22	Brownwood Farm Horse Show	Wills Park Equestrian Center	678-297-6120
	21-22	Busy Dog	Wills Park Equestrian Center	678-297-6120
	28	7th Annual Alpharetta Children's Festival	Alpharetta Comm. Center Event Lawn	678-297-6165
	28	Wills Park Summer Day Camp Registration	Wills Park Recreation Center	678-297-6133
<b>JUN</b>	28	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	29	Children's Easter Egg Hunt	North Park Softball Fields 1-4	678-297-6143
	29	Animal Rescue Fair	Wills Park Equestrian Center	678-297-6120
	30	Wills on Wheels Camp Registration	Wills Park Recreation Center	678-297-6133
	3	Decorate an Easter Egg	Crabapple Government Center	678-297-6165
	4-5	GA State Benefit Horse Show	Wills Park Equestrian Center	678-297-6120
<b>JUL</b>	10	City Holiday		
	10-11	Horseshow Ventures	Wills Park Equestrian Center	678-297-6120
	18-19	Alpharetta Arts StreetFest	Historic Downtown: Milton Ave	678-297-6078
	18-19	Brownwood Farm Horse Show	Wills Park Equestrian Center	678-297-6120
	21	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6140
	25	11th Annual Touch A Truck	North Park Football Field Parking Lot	678-297-6133
<b>AUG</b>	25	Alpharetta Sharks Open House	City Pool	678-297-6154
	25-26	Atlanta Dog Obedience Club	Wills Park Equestrian Center	678-297-6120
	25-26	Inner Harbour Benefit	Wills Park Equestrian Center	678-297-6120
	30	Rush Management Horse Show	Wills Park Equestrian Center	678-297-6120
	1-3	Rush Management Horse Show	Wills Park Equestrian Center	678-297-6120
	2	Spring Splatters	Crabapple Government Center	678-297-6165
<b>SEP</b>	9	Mother/Daughter/Granddaughter Luncheon	Adult Activity Center	678-297-6143
	9-10	Horseshow Ventures	Wills Park Equestrian Center	678-297-6120
	14	19th Annual Taste of Alpharetta	Old Milton Pkwy @ Wills Park	678-297-6078
	16	13th Annual Mayors Challenge Road Race	Wills Park Pool	678-297-6078
	16	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	16	Dance Recital	TBD	678-297-6153
<b>OCT</b>	19	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	23-24	Bolshoi Benefit Horse Show	Wills Park Equestrian Center	678-297-6120
	25	City Holiday		
	27-31	City League International	Wills Park Equestrian Center	678-297-6120
	1	Summer Day Camps Begin	Various	Various
	2	Swim Lessons Begin	City Pool	678-297-6154
<b>NOV</b>	5-6	Mid Summer Classic Horse Show	Wills Park Equestrian Center	678-297-6120
	6	Community Yard Sale	Adult Activity Center	678-297-6143
	6	Pirate Island Pool Party	City Pool	678-297-6154
	8	Art/Drama/WOW Camps begin	Various	Various
	13	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	14	Alpharetta City Band Concert	Adult Activity Center	678-297-6143
<b>DEC</b>	16	Golden Age Club Lunch	Adult Activity Center	678-297-6143
	20-21	Good Old Summertime Horse Show	Wills Park Equestrian Center	678-297-6120
	27-28	Elite Show Jumping	Wills Park Equestrian Center	678-297-6120

continued on next page

# 2009 City of Alpharetta Calendar of Events

continued from previous page

<b>JUL</b>	3	City Holiday		
	4	July 4th Celebration	Wills Park	678-297-6140
	4-5	Busy Dog Agility	Wills Park Equestrian Center	678-297-6120
	10-12	Horseshow Ventures	Wills Park Equestrian Center	678-297-6120
	17	Friday Night Dive-In	City Pool	678-297-6154
	18	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	19	Interscholastic Equestrian Association (IEA) Horse Show	Wills Park Equestrian Center	678-297-6120
	21	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	24-26	Ticket to Ride Benefit Horse Show	Wills Park Equestrian Center	678-297-6120
	25	8th Annual Youth Fishing Derby	Brookside Office Park	678-297-6140
	29	Fall/Winter Program Registration - City Residents Only	Multiple	678-297-6100
<b>AUG</b>	1	31st Annual Old Soldiers Day Race	Wills Park: 6am on-site reg.; 7am start	678-297-6153
	1	Old Soldier's Day Band, Program, and Parade	City Hall	678-297-6078
	1-2	Elite Show Jumping	Wills Park Equestrian Center	678-297-6120
	4	National Night Out	Wills Park Equestrian Center	678-297-6120
	7-8	Circle C Rodeo	Wills Park Equestrian Center	678-297-6120
	9	Olde Milton Saddle Club	Wills Park Equestrian Center	678-297-6120
	12	Fall/Winter Program Open Registration	Multiple	678-297-6100
	15	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	16	Interscholastic Equestrian Association (IEA) Horse Show	Wills Park Equestrian Center	678-297-6120
	18	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	20-23	Rush Management Horse Show	Wills Park Equestrian Center	678-297-6120
	29-30	Brownwood Farm Horse Show	Wills Park Equestrian Center	678-297-6120
<b>SEP</b>	5	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	6	Olde Milton Saddle Club	Wills Park Equestrian Center	678-297-6120
	7	City Holiday		
	7	Pool Closes		
	11-13	Canine Capers	Wills Park Equestrian Center	678-297-6120
	12-13	Old Milton Country Fair	Milton Center	678-297-6078
	15	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	19-20	Horseshow Ventures	Wills Park Equestrian Center	678-297-6120
	26	Music for Megan: Concert at the Park	Wills Park Equestrian Center	678-297-6120
	26-27	German Shepard Dog Show	Wills Park Equestrian Center	678-297-6120
	TBD	Grandparents/Grandkids Fishing Day	Brookside Office Park Lake	678-297-6143
<b>OCT</b>	1	North Fulton Rotary Concert	Wills Park Equestrian Center	678-297-6120
	3	Scarecrow Harvest	Historic Downtown: Old Roswell St	678-297-6078
	3-4	4th Annual Canine Assistant Pumpkin Patch	Wills Park Equestrian Center	678-297-6120
	3-4	K9 Daze	Wills Park Equestrian Center	678-297-6120
	3-4	English Springer Spaniel Dog Show	Wills Park Equestrian Center	678-297-6120
	9-11	Horseshow Ventures	Wills Park Equestrian Center	678-297-6120
	15	Associated Builders and Contractors	Wills Park Equestrian Center	678-297-6120
	17	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	17-18	Busy Dog	Wills Park Equestrian Center	678-297-6120
	18	Interscholastic Equestrian Association (IEA) Horse Show	Wills Park Equestrian Center	678-297-6120
	20	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	24	Halloween Hayrides & Haunts	Wills Park	678-297-6133
	24-25	Atlanta Dog Obedience Club	Wills Park Equestrian Center	678-297-6120
	24-25	Brownwood Farm Horse Show	Wills Park Equestrian Center	678-297-6120
	31	4 Paw Dog Agility Show	Wills Park Equestrian Center	678-297-6120
	31	Brownwood Farm Horse Show	Wills Park Equestrian Center	678-297-6120
	31	Chattahoochee Valley Bernese Mountain Dog Club Dog Show	Wills Park Equestrian Center	678-297-6120
	TBD	Decorate A Pumpkin	Alpharetta Community Center	678-297-6154
	TBD	Fall Artist Harvest	Crabapple Government Center	678-297-6165
<b>NOV</b>	1	Brownwood Farm Horse Show	Wills Park Equestrian Center	678-297-6120
	1	4 Paw Dog Agility Show	Wills Park Equestrian Center	678-297-6120
	1	Chattahoochee Valley Bernese Mountain Dog Club Dog Show	Wills Park Equestrian Center	678-297-6120
	3-5	Touch The Earth	Wills Park Equestrian Center	678-297-6120
	7-8	Horseshow Ventures	Wills Park Equestrian Center	678-297-6120
	14	Rolling Hills Saddle Club	Wills Park Equestrian Center	678-297-6120
	17	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	20-22	Georiga Hunter Jumper Association (GHJA) Finals	Wills Park Equestrian Center	678-297-6120
	26-27	City Holiday		
	28	Dancing Dog Agility	Wills Park Equestrian Center	678-297-6120
	28	Old Milton Saddle Club	Wills Park Equestrian Center	678-297-6120
<b>DEC</b>	3-6	Rush Management Horse Show	Wills Park Equestrian Center	678-297-6120
	6	32nd Annual Christmas Tree Lighting	Historic Downtown: Milton Ave	678-297-6078
	6	Alpharetta City Band Concert	Adult Activity Center	678-297-6143
	7-8	Santa's Calling	North Pole	678-297-6133
	9	Cookies with Clauses	Alpharetta Community Center	678-297-6153
	10-13	Rush Management Horse Show	Wills Park Equestrian Center	678-297-6120
	12	Brunch with Santa	Adult Activity Center	678-297-6143
	15	Golden Age Club Lunch	Alpharetta Adult Activity Center	678-297-6143
	25	City Holiday		
	31	City Holiday: 1/2 day - close at 12 pm		
	TBD	Holiday Parent/Child Art Workshop	Crabapple Government Center	678-297-6165
	TBD	Pet Photos with Santa Claws	Will Park	678-297-6133



# Financial Section



# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Alpharetta, Georgia** as of and for the year ended June 30, 2008, which collectively comprise the City of Alpharetta, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Alpharetta, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alpharetta, Georgia as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • [www.mjcpa.com](http://www.mjcpa.com)

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2008, on our consideration of the City of Alpharetta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 29 through 37 and the schedules of funding progress and employer contributions, and budgetary comparison information on pages 69 through 70 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 18, 2008

# Financial Section

## **Management's Discussion and Analysis**

# Management's Discussion and Analysis

As management of the City of Alpharetta (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the beginning of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

## Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$211,936,137 (*total net assets*). Of this amount \$26,489,482 (*unrestricted net assets*) may be used to meet the ongoing obligations of the government.
- The City's total net assets increased by \$12,647,339.
- As of the close of the current fiscal year, the City of Alpharetta's governmental funds reported combined ending fund balances of \$54,598,214, a decrease of \$116,639 from the prior year. The General Fund's unreserved, undesignated fund balance at year end is \$6,909,830 or 12.7% of the governmental funds' combined ending fund balance, which is available for spending at the City's discretion.
- At the end of the current fiscal year, the unreserved fund balance designated for operations in the general fund was \$15,923,912. Of the amount, \$6,923,912 was designated for use in the fiscal year 2008 annual budget for one-time type expenditures. The remaining balance of \$9,000,000 (representing 18% of operating expenditures of the 2009 budget) has been set aside for fiscal emergencies.
- The City's total governmental activities debt (including notes) decreased by \$7,008,325 during the current fiscal year due to regularly scheduled principal payments being made.

## Overview of the Financial Statements

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

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

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

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

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



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

The government-wide financial statements can be found on pages 39 and 40 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the govern-

mental fund statement of revenues, expenditures, and changes in fund balances for the general, debt service, capital project, grant capital, and bond IV (2006 general obligation bond issue) funds, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* later in this document.

The basic governmental fund financial statements can be found on pages 41 through 43 of this report.

**Proprietary funds.** The City maintains one of two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses an enterprise fund to account for its solid waste collection operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the various functions of a government. Since the City does not currently use internal service funds, budgetary appropriations and expenditures are maintained within the function of each fund where these services would otherwise be performed.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste activities, a major fund of the City.

The basic proprietary fund financial statements can be found on pages 44 through 46 of this report.

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

The basic fiduciary fund financial statements can be found on pages 47 and 48 of this report.



**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49 through 67 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Alpharetta's progress in funding its obligation to provide pension benefits to its employees. In addition, a budgetary comparison schedule for the general fund is presented on a

generally accepted accounting principal basis in this section. This schedule is intended to demonstrate the government's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 69 through 70 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 71 through 82 of this report.

## Government-wide Financial Analysis

Following is a summary of the City's net assets as found on page 39 of this report.

### City of Alpharetta's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$61,459,724	\$61,340,221	\$1,724,336	\$1,520,794	\$63,184,060	\$62,861,015
Capital assets	208,931,868	201,620,850	–	–	208,931,868	201,620,850
<b>Total assets</b>	<b>270,391,592</b>	<b>262,961,071</b>	<b>1,724,336</b>	<b>1,520,794</b>	<b>272,115,928</b>	<b>264,481,865</b>
Current liabilities	4,587,242	5,231,523	879,770	889,656	5,467,012	6,121,179
Non-current liabilities outstanding	54,712,096	59,071,205	683	683	54,712,779	59,071,888
<b>Total liabilities</b>	<b>59,299,338</b>	<b>64,302,728</b>	<b>880,453</b>	<b>890,339</b>	<b>60,179,791</b>	<b>65,193,067</b>
Net assets:						
Invested in capital assets, net of related debt	167,306,416	159,669,387	–	–	167,306,416	159,669,387
Restricted	18,140,239	14,174,532	–	–	18,140,239	14,174,532
Unrestricted	25,645,599	24,814,424	843,883	630,455	26,489,482	25,444,879
<b>Total net assets</b>	<b>\$211,092,254</b>	<b>\$198,658,343</b>	<b>\$843,883</b>	<b>\$630,455</b>	<b>\$211,936,137</b>	<b>\$199,288,798</b>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Alpharetta, assets exceeded liabilities by \$211,936,137 at the close of the most recent fiscal year. The largest portion of the City's net assets (78.9%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machin-

ery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay

this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (8.6%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2008 the City's restricted net assets were \$18,140,239, representing \$7,491,745 obligated for capital projects and \$10,648,494 restricted for the repayment of general obligation bond debt.

The remaining balance in unrestricted net assets of \$26,489,482 (12.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

## City of Alpharetta's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
<i>Program revenues:</i>						
Charges for services	\$11,814,793	\$12,312,033	\$2,643,367	\$2,621,405	\$14,458,160	\$14,933,438
Operating grants and contributions	273,823	1,129,000	–	–	273,823	1,129,000
Capital grants and contributions	6,758,541	10,554,478	–	–	6,758,541	10,554,478
<i>General revenues:</i>						
Property taxes	25,223,033	22,438,746	–	–	25,223,033	22,438,746
Local option sales tax	11,263,805	9,992,908	–	–	11,263,805	9,992,908
Other taxes	14,033,302	13,536,410	–	–	14,033,302	13,536,410
Unrestricted investment earnings	2,363,020	3,179,417	59,190	41,859	2,422,210	3,221,276
<b>Total revenues</b>	<b>71,730,317</b>	<b>73,142,992</b>	<b>2,702,557</b>	<b>2,663,264</b>	<b>74,432,874</b>	<b>75,806,256</b>
<b>Expenses</b>						
General government	12,534,856	11,261,061	–	–	12,534,856	11,261,061
Public safety	22,676,999	20,667,092	–	–	22,676,999	20,667,092
Public works	10,119,284	9,634,496	–	–	10,119,284	9,634,496
Community development	4,121,134	3,821,709	–	–	4,121,134	3,821,709
Culture and recreation	7,107,174	6,884,913	–	–	7,107,174	6,884,913
Interest on long-term debt	2,736,354	3,104,426	–	–	2,736,354	3,104,426
Solid waste	–	–	2,489,734	2,499,994	2,489,734	2,499,994
<b>Total expenses</b>	<b>59,295,801</b>	<b>55,373,697</b>	<b>2,489,734</b>	<b>2,499,994</b>	<b>61,785,535</b>	<b>57,873,691</b>
Increase in net assets before transfers	12,434,516	17,769,295	212,823	163,270	12,647,339	17,932,565
Transfers	(605)	–	605	–	–	–
Increase in net assets	12,433,911	17,769,295	213,428	163,270	12,647,339	17,932,565
Net assets – Beginning	198,658,343	180,889,048	630,455	467,185	199,288,798	181,356,233
<b>Net assets - Ending</b>	<b>\$211,092,254</b>	<b>\$198,658,343</b>	<b>\$843,883</b>	<b>\$630,455</b>	<b>\$211,936,137</b>	<b>\$199,288,798</b>

**Governmental activities.** Governmental activities increased the City's net assets by \$12,433,911 accounting for nearly all of the total growth in the net assets of the City (business-type activities also had an increase in net assets of \$213,428 as noted earlier). Key elements of this increase are as follows:

- All categories of general revenues reflected an increase in revenues from fiscal year 2007.
- Property taxes increased by \$2,784,287 primarily due to growth.
- Sales taxes increased by \$1,270,897 due to a continued strong local economy and larger allocation of county LOST due to annexations.

**Business-type activities.** Business-type activities increased the City of Alpharetta's net assets by \$213,428, as stated earlier.

## Financial Analysis of the Government's Funds

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

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

As of the end of fiscal year 2008, the City reported governmental funds combined ending fund balance of \$54,598,214, a decrease of \$116,639 from the prior year. The largest component of this amount (\$41,687,824) constitutes *unreserved fund balance* with \$16,108,055 attributable to capital project funds. The remaining portion represents *reserved fund balance* and comprises \$12,910,389, indicating that it is not available for new spending. This amount has already been committed to: 1) capital contracts which have been approved, but not yet expensed, (\$1,871,249), 2) future debt expenditures (\$10,648,494), or 3) a variety of other restricted purposes (\$390,646).

**General fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, *unreserved fund balance* of the general fund was \$22,833,742, 1) \$6,923,912 was designated for the subsequent year's expenditures (included in the 2009 budget), 2) \$9,000,000 was designated for emergencies (18% of operating expenditures of the 2009 budget) in accordance with policy, and 3) \$6,909,830 was available for new one-time type future projects. As a measure of the liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. *Unreserved fund balance* represents 52.6% of total general fund expenditures, while total fund balance represents 52.7% of that same amount.

The fund balance of the City's general fund increased during fiscal year 2008 by \$3,036,829. Revenues exceeded expenditures by \$6.5 million, however,

net transfers out were approximately \$3.5 million. Council approved the utilization of prior year *unreserved fund balance* for capital projects (\$4.5 million). Other significant variances are explained below:

- An increase in total revenues of \$5,067,899 from the prior year. This increase was primarily due to an increase in Property Tax revenue of \$4,089,667 resulting from an increase in the operating millage rate and a corresponding decrease in the debt millage rate. Also Sales and Use Tax revenue increased by \$1,270,897 due to a continued strong local economy and larger allocation of county LOST due to annexations.
- Expenditures came in well under budget, at \$43,444,429 with \$2,999,526 of the original budgetary appropriation unspent.

**Capital Project Fund.** Annually, City Council approves a capital program as part of the budget process. Funding for these projects comes primarily from available fund balance of the general fund. The Capital Project Fund accounts for these activities. During the year \$4,586,184 was transferred to this fund from the general fund, while expenditures amounted to \$5,547,030. The above, together with additional revenues of \$1,650,702 and proceeds from capital leases of \$2,427,366, resulted in an increase in fund balance of \$3,117,222 yielding a fund balance at year end of \$7,486,270.

**Bond IV Fund.** In June 2006, the City issued \$26.3 million General Obligation Bonds for the purpose of acquiring and constructing major capital facilities. The Bond IV Fund was established to record these acquisitions. Revenues during the year amounted to interest earnings of \$624,394. Expenditures primarily were for capital outlay of \$4,687,397. A decrease in fund balance of \$4,071,315 brings the fund balance at the end of the year to \$10,217,242.

**Grant Capital Fund.** The Grant Capital Fund is used to track capital projects as they relate to proceeds from grants awarded to the government. Grant revenue in the amount of \$4,554,466 was

recognized during the year and \$5,750,868 was expended for capital outlay. Transfers in from other funds were made in the amount of \$85,235. Fund balance decreased by \$1,111,167 from \$763,482 to (\$347,685). Deferred grant revenue in the amount of \$816,579 for grant revenue not received within 60 days after year end exceeds the negative fund balance amount.

**Debt Service Fund.** Used to accumulate resources for the repayment of debt (general obligation bonds), the debt service fund closed the fiscal year with a total fund balance of \$10,648,494 all of which is reserved for the payment of debt. The impact fee

special revenue fund provided \$2,000,000 in inter-fund transfers.

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

Unrestricted net assets of the proprietary fund at the end of the year amounted to \$843,883. The total change in net assets for the solid waste funds was \$213,428. Total revenues increased \$39,293 over the prior year. Total expenses decreased about \$10,260.

## General Fund Budgetary Highlights

The City employs an annual mid-year budget process in order to re-align appropriations made during the annual budget process with significant unexpected trends. This process ensures adjustments facilitating appropriations are aligned with expected resources. Differences between the original budget and final amended budget are summarized as follows:

During the year, there was a \$791,492 increase in appropriations between the original and final amended budget. The following are the main components of the increase:

- \$547,000 supplemental appropriation to cover employee compensation aimed at maintaining competitiveness within the employment market (i.e. 3% wage increase for all city employees; 1% increase in the City's 401A match; and position specific pay-scale adjustments).
- \$77,500 supplemental appropriations to cover un-anticipated costs for the City's November (2008 election.

The supplemental appropriations were funded through a net increase in estimated revenue collections. The following are the main components of the net increase:

- \$593,631 in additional anticipated Local Option Sales Tax revenues primarily attributable to conservative budget estimates.
- \$547,000 in additional anticipated Municipal Court Fines and Forfeitures due to conservative budget estimates.
- \$157,000 in Historic Downtown Parking Fund revenue collections.
- \$400,000 decline in anticipated Building Permit revenues due to erosion in economic activity within the construction market.



## Capital Asset and Debt Administration

**Capital assets.** The City of Alpharetta's investment in capital assets for its governmental activities as of June 30, 2008, amounts to \$208,931,868 (net of accumulated depreciation). This investment in capital assets includes land and permanent improvements, buildings, improvements other than buildings, machinery and equipment, and infrastructure (park facilities, roads, highways, and bridges). Larger additions to Capital Assets include:

- Westside Parkway right of way acquisition (\$3,850,724).
- Land acquisition for City Center (\$1,716,390).
- The completion of the following capital projects: Rock Mill Park (\$2,294,836); Fire Stations #5 and #6 (\$2,243,396), and Police Evidence Building (\$999,402).

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

	Governmental Activities	
	2008	2007
Land and permanent improvements	\$52,393,294	\$45,719,859
Buildings	24,859,360	23,532,044
Improvement other than buildings	10,873,534	10,646,459
Machinery and equipment	7,073,342	4,958,632
Infrastructure	102,367,712	105,707,472
Construction in progress	11,364,626	11,056,384
<b>Total</b>	<b>\$208,931,868</b>	<b>\$201,620,850</b>

*Additional information on the City of Alpharetta's capital assets can be found in note IV.C on pages 58 and 59 of this report.*

**Long-term debt.** At the end of the fiscal year 2008, the City's total outstanding debt was \$50,408,000. Of this amount, \$49,220,000 represented general obligation

bonds, and outstanding notes of \$1,188,000. This entire amount comprises debt backed by the full faith and credit of the government.

### City of Alpharetta's Outstanding Debt

#### General Obligation Bonds and Notes

	Governmental Activities	
	2008	2007
General obligation bonds	\$49,220,000	\$56,145,000
Notes payable	1,188,000	1,271,325
<b>Total</b>	<b>\$50,408,000</b>	<b>\$57,416,325</b>

The City's total debt decreased by \$7,008,325 (12.0%) during the 2008 fiscal year (includes bond debt and notes). The decrease is as a result of scheduled principal payments.

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

sufficient reserves and established policies that guide management practices.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation, less current debt issued. The City's outstanding obligation debt is significantly less than the legal debt limitation of \$444,632,135.

Additional information on the City's long-term debt can be found in note IV.F on pages 61 through 63 of this report.

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

All of the factors below were considered in preparing the City's budget for the 2009 fiscal year.

- Sustainability of existing services – the City has deployed a philosophy of budgetary evaluation, focusing on long term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- The government chose to lower the property tax millage rate to 5.750, representing a reduction of .498 mills from the previous year. Furthermore, City Council continues the increased homestead exemption from \$20,000 to \$30,000. The reduction in the millage rate equates to tax relief in the amount of approximately \$2,400,000. Additional revenue in the amount of \$891,250 is attributed to new development.
- Increasing debt service payments – the government's existing debt structure is such that payments increase each fiscal year. As a result, the City initiated a program to establish reserves within the debt service fund which will assist in eliminating the spikes associated with the future debt payments.
- The City began a commitment to fund recurring capital projects from the operating budget as opposed to funding available fund balance. As such, the 2009 budget appropriated \$1,200,000 to milling and resurfacing of roads.
- The City added \$135,000 in appropriations to supplement the base service level provided by Fulton County for emergency medical response.

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

## Requests for Information

This financial report is designed to provide a general overview of the City of Alpharetta's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Department  
City of Alpharetta  
2400 Lakeview Pkwy., Suite 175  
Alpharetta, Georgia 30009  
or by calling 678-297-6060.

# Financial Section

## **Basic Financial Statements**

# City of Alpharetta Statement of Net Assets

June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Authority
<b>Assets</b>				
Cash and cash equivalents	\$2,453,082	\$65,131	\$2,518,213	\$89,766
Investments	40,762,231	1,553,785	42,316,016	—
Receivables, net of allowance for uncollectibles	4,372,325	105,420	4,477,745	54,978
Direct financing lease receivable	—	—	—	7,200,000
Prepaid expenses	49,466	—	49,466	—
Restricted assets:				
Cash and cash equivalents	824,676	—	824,676	—
Investments	10,636,435	—	10,636,435	—
Receivables	1,199,406	—	1,199,406	—
Deferred charges	145,573	—	145,573	—
Other non-current asset	1,016,530	—	1,016,530	—
Capital assets, non-depreciable	63,757,920	—	63,757,920	—
Capital assets, depreciable, net of accumulated depreciation	145,173,948	—	145,173,948	—
<b>Total assets</b>	<b>270,391,592</b>	<b>1,724,336</b>	<b>272,115,928</b>	<b>7,344,744</b>
<b>Liabilities</b>				
Accounts payable and other current liabilities	4,196,470	209,776	4,406,246	—
Unearned revenue	—	669,994	669,994	—
Interest payable	390,772	—	390,772	54,978
Bonds payable, due within one year	7,265,000	—	7,265,000	525,000
Bonds payable, due in more than one year	41,690,014	—	41,690,014	6,675,000
Capital lease payable, due within one year	273,312	—	273,312	—
Capital lease payable, due in more than one year	1,845,561	—	1,845,561	—
Notes payable, due within one year	86,625	—	86,625	—
Notes payable, due in more than one year	1,101,375	—	1,101,375	—
Other noncurrent liabilities, due within one year	2,031,134	683	2,031,817	—
Other noncurrent liabilities, due in more than one year	419,075	—	419,075	—
<b>Total liabilities</b>	<b>59,299,338</b>	<b>880,453</b>	<b>60,179,791</b>	<b>7,254,978</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	167,306,416	—	167,306,416	—
Restricted for:				
Debt service	10,648,494	—	10,648,494	—
Capital projects	7,491,745	—	7,491,745	—
Unrestricted	25,645,599	843,883	26,489,482	89,766
<b>Total net assets</b>	<b>\$211,092,254</b>	<b>\$843,883</b>	<b>\$211,936,137</b>	<b>\$89,766</b>

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



**City of Alpharetta**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2008

		Net (Expense) Revenue and Changes in Net Assets						
Functions/Programs	Expenses	Program Revenues			Primary Government			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Development Authority
<i>Primary government</i>								
Governmental activities:								
General government	\$12,534,856	\$4,169,775	\$48,237	—	\$ (8,316,844)	—	\$ (8,316,844)	—
Public safety	22,676,999	3,320,904	108,086	\$3,238	(19,244,771)	—	(19,244,771)	—
Public works	10,119,284	64,874	—	6,755,303	(3,299,107)	—	(3,299,107)	—
Community development	4,121,134	2,198,050	117,500	—	(1,805,584)	—	(1,805,584)	—
Culture and recreation	7,107,174	2,061,190	—	—	(5,045,984)	—	(5,045,984)	—
Interest on long-term debt	2,736,354	—	—	—	(2,736,354)	—	(2,736,354)	—
Total governmental activities	59,295,801	11,814,793	273,823	6,758,541	(40,448,644)	—	(40,448,644)	—
Business-type activities:								
Solid waste	2,489,734	2,643,367	—	—	—	153,633	153,633	—
Total business-type activities	2,489,734	2,643,367	—	—	—	153,633	153,633	—
Total primary government	\$61,785,535	\$14,458,160	\$273,823	\$6,758,541	(40,448,644)	153,633	(40,295,011)	—
<i>Component unit:</i>								
Development Authority	336,603	88,675	—	—	—	—	—	(247,928)
Total component unit	\$336,603	\$88,675	—	—	—	—	—	(247,928)

General revenues:				
Property taxes	25,223,033	—	25,223,033	—
Sales taxes	11,263,805	—	11,263,805	—
Franchise taxes	5,378,667	—	5,378,667	—
Hotel/Motel occupancy tax	3,674,176	—	3,674,176	—
Business taxes	3,138,828	—	3,138,828	—
Other taxes	1,841,631	—	1,841,631	—
Unrestricted investment earnings	2,363,020	59,190	2,422,210	337,694
Transfers	(605)	605	—	—
<b>Total general revenues and transfers</b>	<b>52,882,555</b>	<b>59,795</b>	<b>52,942,350</b>	<b>337,694</b>
Change in net assets	12,433,911	213,428	12,647,339	89,766
Net assets, beginning of year	198,658,343	630,455	199,288,798	—
<b>Net assets, end of year</b>	<b>\$211,092,254</b>	<b>\$843,883</b>	<b>\$211,936,137</b>	<b>\$89,766</b>

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

**City of Alpharetta**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2008

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Project	Grant Capital	Bond IV		
<b>Assets</b>							
Cash and cash equivalents	\$1,142,973	\$428,119	\$317,591	\$132	\$9,643	\$ 554,624	\$2,453,082
Investments	20,207,410	10,213,330	7,576,539	3,150	—	2,761,802	40,762,231
Taxes receivable, net	3,265,983	116,717	—	—	—	302,945	3,685,645
Accounts receivable	193,883	—	103,241	—	123,930	265,626	686,680
Due from other funds	702,881	—	63,703	—	—	4,152	770,736
Prepaid expenditures	49,466	—	—	—	—	—	49,466
Restricted assets:							
Cash	—	—	—	—	—	824,676	824,676
Investments	—	—	—	—	10,636,435	—	10,636,435
Intergovernmental receivable	—	—	—	1,170,110	—	29,296	1,199,406
<b>Total assets</b>	<b>\$25,562,596</b>	<b>\$10,758,166</b>	<b>\$8,061,074</b>	<b>\$1,173,392</b>	<b>\$10,770,008</b>	<b>\$4,743,121</b>	<b>\$61,068,357</b>

**Liabilities and Fund Balances**

<b>Liabilities:</b>							
Accounts payable	\$1,263,536	—	\$434,597	\$103,380	\$280,081	\$751,382	\$2,832,976
Retainage payable	—	—	36,966	37,415	189,933	3,668	267,982
Accrued salaries	1,050,303	—	—	—	—	45,209	1,095,512
Due to other funds	4,152	—	—	563,703	—	202,881	770,736
Deferred revenue	361,397	109,672	103,241	816,579	82,752	29,296	1,502,937
<b>Total liabilities</b>	<b>2,679,388</b>	<b>109,672</b>	<b>574,804</b>	<b>1,521,077</b>	<b>552,766</b>	<b>1,032,436</b>	<b>6,470,143</b>

**Fund balances:**

<b>Reserved for:</b>							
Prepaid expenditures	49,466	—	—	—	—	—	49,466
Encumbrances	—	—	641,104	2,409,867	912,067	318,078	4,281,116
Debt service	—	10,648,494	—	—	—	—	10,648,494
Capital projects	—	—	—	—	—	341,180	341,180
<b>Unreserved:</b>							
<b>Reported in, designated for:</b>							
General fund, operations	15,923,912	—	—	—	—	—	15,923,912
Special revenue funds, operations	—	—	—	—	—	2,746,028	2,746,028
<b>Undesignated, reported in:</b>							
General fund	6,909,830	—	—	—	—	—	6,909,830
Capital project funds	—	—	6,845,166	(2,757,552)	9,305,175	305,399	13,698,188
<b>Total fund balances (deficit)</b>	<b>22,883,208</b>	<b>10,648,494</b>	<b>7,486,270</b>	<b>(347,685)</b>	<b>10,217,242</b>	<b>3,710,685</b>	<b>54,598,214</b>
<b>Total liabilities and fund balances</b>	<b>\$25,562,596</b>	<b>\$10,758,166</b>	<b>\$8,061,074</b>	<b>\$1,173,392</b>	<b>\$10,770,008</b>	<b>\$4,743,121</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	208,931,868
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,502,937
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(54,957,295)
Net pension asset that is not a financial resource used in governmental activities and, therefore, not reported in governmental funds.	1,016,530

<b>Net assets of governmental activities</b>	<b>\$211,092,254</b>
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*The accompanying notes are an integral part of these financial statements.*

**City of Alpharetta**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**

For the Fiscal Year Ended June 30, 2008

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Project	Grant Capital	Bond IV		
<b>Revenues</b>							
Taxes:							
Property taxes	\$18,214,162	\$7,062,817	—	—	—	—	\$25,276,979
Sales and use taxes	11,263,805	—	—	—	—	—	11,263,805
Other taxes	10,359,126	—	—	—	—	3,674,176	14,033,302
Licenses and permits	2,241,052	—	—	—	—	—	2,241,052
Charges for services	2,998,867	—	—	—	—	1,864,279	4,863,146
Impact fees	—	—	—	—	—	453,917	453,917
Fines and forfeitures	3,733,499	—	—	—	—	203,174	3,936,673
Intergovernmental	91,447	—	—	4,554,466	—	143,458	4,789,371
Contributions and donations	33,918	—	1,362,299	—	—	5,000	1,401,217
Investment earnings	749,391	565,381	231,405	—	624,394	192,449	2,363,020
Other revenues	263,007	—	56,998	—	—	—	320,005
<b>Total revenues</b>	<b>49,948,274</b>	<b>7,628,198</b>	<b>1,650,702</b>	<b>4,554,466</b>	<b>624,394</b>	<b>6,536,453</b>	<b>70,942,487</b>
<b>Expenditures</b>							
Current:							
General government	8,142,147	3,175	—	—	650	32,146	8,178,118
Public safety	19,845,496	—	—	—	—	1,739,275	21,584,771
Public works	6,854,946	—	—	—	—	75,000	6,929,946
Community development	1,879,108	—	—	—	—	2,204,505	4,083,613
Culture and recreation	6,353,547	—	—	—	—	100,095	6,453,642
Capital outlay	—	—	5,547,030	5,750,868	4,687,397	261,432	16,246,727
Debt service:							
Principal	308,493	7,008,325	—	—	—	—	7,316,818
Interest	60,692	2,684,956	—	—	—	—	2,745,648
<b>Total expenditures</b>	<b>43,444,429</b>	<b>9,696,456</b>	<b>5,547,030</b>	<b>5,750,868</b>	<b>4,688,047</b>	<b>4,412,453</b>	<b>73,539,283</b>
Excess (deficiency) of revenues over expenditures	6,503,845	(2,068,258)	(3,896,328)	(1,196,402)	(4,063,653)	2,124,000	(2,596,796)
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	53,396	—	—	—	—	—	53,396
Proceeds from capital lease	—	—	2,427,366	—	—	—	2,427,366
Transfers in	1,469,671	2,007,662	4,586,184	85,235	—	383,294	8,532,046
Transfers out	(4,990,083)	—	—	—	(7,662)	(3,534,906)	(8,532,651)
<b>Total other financing sources (uses)</b>	<b>(3,467,016)</b>	<b>2,007,662</b>	<b>7,013,550</b>	<b>85,235</b>	<b>(7,662)</b>	<b>(3,151,612)</b>	<b>2,480,157</b>
<b>Net change in fund balances</b>	<b>3,036,829</b>	<b>(60,596)</b>	<b>3,117,222</b>	<b>(1,111,167)</b>	<b>(4,071,315)</b>	<b>(1,027,612)</b>	<b>(116,639)</b>
<b>Fund balances, beginning of year</b>	<b>19,846,379</b>	<b>10,709,090</b>	<b>4,369,048</b>	<b>763,482</b>	<b>14,288,557</b>	<b>4,738,297</b>	<b>54,714,853</b>
<b>Fund balances (deficit), end of year</b>	<b>\$22,883,208</b>	<b>\$10,648,494</b>	<b>\$7,486,270</b>	<b>\$(347,685)</b>	<b>\$10,217,242</b>	<b>\$3,710,685</b>	<b>\$54,598,214</b>

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

**City of Alpharetta**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**In Fund Balances of Governmental Funds To the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2008**

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

Net change in fund balances - total governmental funds .....\$ (116,639)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period .....8,458,419

The net effect of various miscellaneous transactions involving capital assets (i.e. donations and sales) is to decrease net assets .....(1,147,401)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds ..... 772,830

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items .....4,841,478

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. .... (374,776)

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Change in net assets - governmental activities	\$12,433,911
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*The accompanying notes are an integral part of these financial statements.*



**City of Alpharetta  
Statement of Net Assets  
Proprietary Fund**

June 30, 2008

***Assets***

	<u>Solid Waste Fund</u>
Cash and cash equivalents	\$65,131
Investments	1,553,785
Accounts receivable, net of allowance for uncollectibles	105,420
<b>Total assets</b>	<b>1,724,336</b>

***Liabilities***

**Current liabilities:**

Accounts payable	209,776
Unearned revenue	669,994
Compensated absences payable	683
<b>Total liabilities</b>	<b>880,453</b>

***Net Assets***

Unrestricted	843,883
<b>Total net assets</b>	<b>\$843,883</b>

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

**City of Alpharetta**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund**

For the Fiscal Year Ended June 30, 2008

<b>Operating revenues:</b>	<u>Solid Waste Fund</u>
Charges for services:	
Refuse collection charges	\$2,642,642
Miscellaneous revenue	725
<b>Total operating revenues</b>	<b>2,643,367</b>
<b>Operating expenses:</b>	
Administration	2,489,734
<b>Total operating expenses</b>	<b>2,489,734</b>
<b>Operating income</b>	<b>153,633</b>
<b>Non-operating revenues:</b>	
Investment earnings	59,190
<b>Total non-operating revenues</b>	<b>59,190</b>
<b>Transfers in</b>	<b>605</b>
Change in net assets	213,428
<b>Net assets, beginning of year</b>	<b>630,455</b>
<b>Net assets, end of year</b>	<b>\$843,883</b>

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

**City of Alpharetta**  
**Statement of Cash Flows**  
**Proprietary Fund**

For the Fiscal Year Ended June 30, 2008

	<u>Solid Waste Fund</u>
<i>Cash Flows from Operating Activities</i>	
Receipts from customers and users	\$2,663,660
Payments to vendors	(2,457,866)
Payments to employees	(30,841)
<b>Net cash used in operating activities</b>	<b>174,953</b>
<i>Cash Flows from Non-Capital Financing Activities</i>	
Transfers from other funds	605
<b>Net cash provided by non-capital financing activities</b>	<b>605</b>
<i>Cash Flows from Investing Activities</i>	
Purchases of investments	(531,870)
Interest and dividends received	59,416
<b>Net cash used in investing activities</b>	<b>(472,454)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(296,896)</b>
Cash and cash equivalents, beginning of year	362,027
<b>Cash and cash equivalents, end of year</b>	<b>\$65,131</b>
Reconciliation of operating income to net cash provided by operating activities:	
<b>Operating income</b>	<b>\$153,633</b>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	31,177
Decrease in prepaid expenses	29
Increase in accounts payable	2,374
Decrease in other accrued liabilities	(12,260)
<b>Net cash provided by operating activities</b>	<b>\$174,953</b>

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

**City of Alpharetta**  
**Statement of Fiduciary Net Assets**  
**Pension Trust Fund**

June 30, 2008

***Assets***

Mutual funds	\$19,231,723
Receivables	48,434
<b>Total assets</b>	<b>19,280,157</b>

***Liabilities***

Accounts payable	48,433
<b>Total liabilities</b>	<b>48,433</b>

***Net Assets***

Assets held in trust for pension benefits (See RSI for a schedule of funding progress)	<b>\$19,231,724</b>
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*The accompanying notes are an integral part of these financial statements.*



**City of Alpharetta**  
**Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Fund**

For the Fiscal Year Ended June 30, 2008

***Additions***

Contributions:

Employee contributions	\$96,045
Employer contributions	2,279,042
Transfers in of plan assets from regular plan	11,058,319
<b>Total contributions</b>	<b>13,433,406</b>

Investment income:

Net depreciation in fair value of investments	(2,761,797)
Interest and dividends	1,968,441
<b>Total investment income</b>	<b>(793,356)</b>

<b>Total additions</b>	<b>12,640,050</b>
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***Deductions***

Benefit payments	628,674
Administrative fees	92,583
Transfers out of plan assets to enhanced plan	11,058,319
<b>Total deductions</b>	<b>11,779,576</b>

Net increase	860,474
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***Net Assets Held in Trust for Pension Benefits***

Beginning of year	18,371,250
<b>End of year</b>	<b>\$19,231,724</b>

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

# City of Alpharetta – Notes to the Financial Statements

June 30, 2008

## I. Summary of significant accounting policies

### A. Reporting entity

The City of Alpharetta (the “government”), which was founded in 1858, operates under a charter adopted July 1, 1981, as a municipal corporation governed by an elected mayor and a six-member council. The government provides such services as police protection, fire and rescue services, parks and recreation amenities, sanitation services, and public works. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

**Discretely presented component unit.** The Development Authority of Alpharetta is included in the government’s reporting entity because of the significance of its financial relationship with the City of Alpharetta. The Authority promotes the industrial and economic development of the government, and is legally separate from the government; however, the government appoints all of the Authority’s Board members and has a financial obligation to the Authority. The government does not control the operations of the Authority. The only balance sheet items of the Authority consist of revenue bonds payable and the corresponding financing lease receivable, with the only activity being the interest income and expense related to these balances. Because none of these balance sheet items would be reported under the modified accrual basis of accounting, a fund level balance sheet has not been prepared for the Authority. Separate financial statements for the Development Authority are not prepared.

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

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Govern-

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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

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

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

The government reports the following major proprietary fund:

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

The government also reports two pension trust funds which account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by the government at rates determined by actuarial computations as well as by employees for one of the plans.

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues

and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund consists of administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

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

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

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other

funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

### **3. Prepaid items**

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

### **4. Restricted assets**

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

### **5. Capital assets**

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



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

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

Assets . . . . .	Years
Buildings. . . . .	5–50
Improvements other than buildings . . . . .	7–45
Infrastructure . . . . .	5–100
Machinery and equipment. . . . .	5–20

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

6. Compensated absences

It is the government’s policy to permit employees to accumulate earned but unused paid time off benefits. All paid time off pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-term obligations

In the government-wide financial statements, and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities,

business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund equity

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

9. Management estimates

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

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities,

including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$54,957,295 difference are as follows:

Bonds payable	\$49,220,000
Less: Deferred charges on refunding	(705,973)
Less: Deferred charges for issuance costs	(145,573)
Plus: Issuance premium	440,987
Arbitrage payable	178,850
Capital lease payable	2,118,873
Notes payable	1,188,000
Accrued interest payable	390,772
Claims and judgments payable	582,577
Compensated absences	1,688,782
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$54,957,295

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that

“Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$8,458,419 difference are as follows:

Capital outlay	\$15,643,714
Depreciation expense	(7,185,295)
Net adjustment to <i>increase net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$8,458,419

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., donations and sales) is to decrease net assets.” The details of this \$1,147,401 difference are as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	\$1,162,401
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	(15,000)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$1,147,401

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$4,841,478 difference are as follows:

Principal repayments:	
General obligation debt	\$6,925,000
Capital lease	308,493
Notes payable	83,325
Proceeds from new capital lease	(2,427,366)
Amortization of issuance costs	(13,952)
Amortization on deferred charges on refunding	(76,289)
Amortization of bond premium	42,267
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$4,841,478

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$374,776 difference are as follows:

Compensated absences	\$138,755
Claims and judgments payable	279,114
Arbitrage rebate	78,452
Accrued interest	(57,268)
Net pension asset	(64,277)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	\$374,776

### III. Stewardship, Compliance, and Accountability

#### A. Budgetary information

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

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

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

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

#### B. Excess of expenditures over appropriations

The following funds and General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2008:

Hotel Motel Fund	\$329,505
General Fund departments:	
Legal	36,453

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



## IV. Detailed Notes on All Funds

### A. Deposits and Investments

As of June 30, 2008, the City of Alpharetta had the following investments:

Investment	Maturity	Fair Value
Federal National Mortgage Association	February 2009	\$401,000
Georgia Fund 1	40 days (weighted average)	38,856,015
Bank of North Georgia Money Market	1 day	3,289,056
Repurchase Agreements	1 day	10,406,380
<b>Total</b>		<b>\$52,952,451</b>

In addition to the investments listed above, the City has investments of \$19,231,723 recorded in the Pension Trust Funds. These funds are invested in mutual funds with a weighted-average maturity of 6.56 years. The mutual funds are invested in stocks and corporate bonds, with ratings ranging from AAA to B.

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

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

Custodial risk, that is the risk associated with uninsured deposits, uninsured securities, or securities not registered in the government's name, is managed in accordance with the government's policy through a safekeeping agreement with an external party. State statutes and City policy require all deposits and investments (other than federal or

state instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. All deposits and investments as of June 30, 2008 were properly collateralized.

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

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

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

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

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

## B. Receivables

Receivables as of year end for the government's individual major funds and non-major funds in the aggregate,

including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Project	Bond IV	Solid Waste	Nonmajor Funds
<i>Receivables:</i>						
Taxes	\$3,402,291	\$178,416	—	—	—	\$302,945
Accounts	193,883	—	\$103,241	\$123,930	\$175,475	265,626
<b>Gross receivables</b>	<b>3,596,174</b>	<b>178,416</b>	<b>103,241</b>	<b>123,930</b>	<b>175,475</b>	<b>568,571</b>
Less allowance for uncollectibles	(136,308)	( 61,699)	—	—	(70,055)	—
<b>Net total receivables</b>	<b>\$3,459,866</b>	<b>\$116,717</b>	<b>\$103,241</b>	<b>\$123,930</b>	<b>\$105,420</b>	<b>\$568,571</b>

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

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

## C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

### Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Governmental activities:</i>					
Capital assets, not being depreciated:					
Land and permanent improvements	\$45,719,859	\$6,113,183	—	\$560,252	\$52,393,294
Construction in progress	11,056,384	5,347,542	\$(129,198)	(4,910,102)	11,364,626
<b>Total assets, not being depreciated</b>	<b>56,776,243</b>	<b>11,460,725</b>	<b>(129,198)</b>	<b>(4,349,850)</b>	<b>63,757,920</b>
Capital assets, being depreciated:					
Buildings	31,305,697	325,290	—	1,801,828	33,432,815
Improvements other than buildings	19,764,721	105,095	—	1,347,239	21,217,055
Machinery and equipment	13,720,083	3,635,556	(1,625,093)	174,439	15,904,985
Infrastructure	142,903,222	132,048	(844,837)	1,026,344	143,216,777
<b>Total assets, being depreciated</b>	<b>207,693,723</b>	<b>4,197,989</b>	<b>(2,469,930)</b>	<b>4,349,850</b>	<b>213,771,632</b>
Less accumulated depreciation for:					
Buildings	(7,773,653)	( 799,802)	—	—	(8,573,455)
Improvements other than buildings	(9,118,262)	(1,225,259)	—	—	(10,343,521)
Machinery and equipment	(8,761,451)	(1,459,984)	1,389,792	—	(8,831,643)
Infrastructure	(37,195,750)	(3,700,250)	46,935	—	(40,849,065)
<b>Total accumulated depreciation</b>	<b>(62,849,116)</b>	<b>( 7,185,295)</b>	<b>1,436,727</b>	<b>—</b>	<b>(68,597,684)</b>
<b>Total assets, being depreciated, net</b>	<b>144,844,607</b>	<b>(2,987,306)</b>	<b>(1,033,203)</b>	<b>4,349,850</b>	<b>145,173,948</b>
<b>Governmental activities capital assets, net</b>	<b>\$201,620,850</b>	<b>\$8,473,419</b>	<b>\$(1,162,401)</b>	<b>—</b>	<b>\$208,931,868</b>

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

<i>Governmental activities:</i>	
General government	\$4,275,332
Public safety	1,338,199
Public works	729,976
Community development	68,741
Culture and recreation	773,047
<b>Total depreciation expense - governmental activities</b>	<b>\$7,185,295</b>

**Construction Commitments.** The government has active construction projects as of June 30, 2008. The projects include street construction in areas with high congestion and commute times, sidewalks and pedestrian pathways

in areas previously void of such amenities, park improvements, and the construction of public safety facilities. At year end the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Park improvements	\$6,255,636	\$625,966
Sidewalk and pedestrian projects	1,078,492	241,296
Street and transportation improvements	14,004,480	3,139,405
Public safety facilities	1,694,001	99,819
Machinery, equipment and technology	1,024,755	164,120
Economic development	46,374	3,500
General administrative facilities	40,627	7,010
<b>Total</b>	<b>\$24,144,365</b>	<b>\$4,281,116</b>

The projects above are being financed primarily through the Capital Project Fund, using pay-as-you-go funding sources. Expenditures have also been incurred in the Bond

IV capital project fund primarily for street and transportation improvements as well as the public safety improvements.



## D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

*Due to/from other funds:*

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$202,881
General fund	Capital grant fund	500,000
Capital project fund	Capital grant fund	63,703
Nonmajor governmental funds	General fund	4,152
<b>Total</b>		<b>\$770,736</b>

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

Interfund transfers:

Transfers in:	Transfers out:			Total
	General Fund	Bond IV Fund	Nonmajor Governmental Funds	
General Fund	—	—	\$1,469,671	\$1,469,671
Debt Service fund	—	\$7,662	2,000,000	2,007,662
Capital Projects fund	\$4,586,184	—	—	4,586,184
Grants Capital fund	20,000	—	65,235	85,235
Solid Waste fund	605	—	—	605
Nonmajor governmental funds	383,294	—	—	383,294
<b>Total</b>	<b>\$4,990,083</b>	<b>\$7,662</b>	<b>\$3,534,906</b>	<b>\$8,532,651</b>

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

## E. Leases

**Operating Leases.** The government leases building and office facilities and other equipment under non-cancelable operating leases. Total costs for such leases were \$227,027 for the fiscal year ended June 30, 2008. The future minimum lease payments for these leases are as shown at the right:

Fiscal Year Ending June 30	Amount
2009	\$37,713

## F. Long-term Debt

**General Obligation Bonds.** The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The general obligation bonds issued are for governmental activities. The original amount of general obligation bonds issued as of June 30, 2008 is \$90,690,000.

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

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 25-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	4.0 - 6.5%	\$40,290,000
Governmental activities - refunding	2.0 - 4.375%	8,930,000
<b>Total</b>		<b>\$49,220,000</b>

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

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2009	\$ 7,265,000	\$ 2,290,206
2010	7,635,000	1,924,994
2011	8,030,000	1,537,531
2012	6,010,000	1,181,131
2013	1,100,000	937,850
2014-2018	6,200,000	3,910,400
2019-2023	7,570,000	2,444,740
2024-2026	5,410,000	520,725
<b>Total</b>	<b>\$49,220,000</b>	<b>\$14,747,577</b>

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

**Advance and current refundings.** During the 2005 fiscal year the government purchased \$1,614,042 of United States Treasury Obligations – State and Local Government Series securities that were placed in an irrevocable escrow fund for the purposes of generating resources for all future debt payments of \$1,550,000 of revenue bonds. As a result, the refunded bonds are considered to be legally defeased and the liability has been removed from the business-type activities column of the statement of net assets. This advance refunding was undertaken to facilitate the sale of the government's water system. The current outstanding amount of debt considered legally defeased equals \$840,000.

The government issued \$13,000,000 of general obligation bonds to refund existing bonds during fiscal year 2003. As a result, the refunded bonds which were originally issued in 1995 are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$1,027,732. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The current balance of the deferred charge resulting from the reacquisition price exceeding the net carrying amount of the old debt is \$782,262. The advance refunding was undertaken to reduce total debt service payments and resulted in an economic gain and a present value cash flow of \$615,644. The current outstanding amount of debt considered legally defeased equals \$8,790,000.

**Development Authority of Alpharetta Revenue Bonds.** During fiscal year 1999, the Development Authority of Alpharetta entered into an agreement with Georgia State University Foundation to construct and finance an education facility. As a result, 20-year revenue bonds were issued by the Authority in the original amount of \$10,600,000. The government has a contract with the Development Authority in which it is obligated to pay 16.5% of the total principal and interest payments on the bonds. In conjunction with this agreement, the Foundation entered into a direct financing lease in which the Foundation's lease payments cover the remaining 83.5% of the annual principal and interest payments on the bonds. The bonds are payable on May 1 and November 1, serially to fiscal year 2019.

The annual requirements to amortize the Development Authority's revenue bonds outstanding as of June 30, 2008 are as follows:

Fiscal Year Ending June 30	Principal	Interest
2009	\$525,000	\$319,107
2010	545,000	296,900
2011	565,000	273,166
2012	590,000	247,750
2013	620,000	220,673
2014-2018	3,540,000	633,461
2019	815,000	19,560
<b>Total</b>	<b>\$7,200,000</b>	<b>\$2,010,617</b>

**Notes Payable.** The annual requirements to amortize the note payable to the Development Authority for the government's share (16.5%) of the bonds as of June 30, 2008 are as follows:

Fiscal Year Ending June 30	Principal	Interest
2009	\$86,625	\$52,653
2010	89,925	48,989
2011	93,225	45,072
2012	97,350	40,879
2013	102,300	36,411
2014-2018	584,100	104,521
2019	134,475	3,227
<b>Total</b>	<b>\$1,188,000</b>	<b>\$331,752</b>

**Capital Leases.** The City has entered into two lease agreements as lessee for financing the acquisition of machinery and equipment, including communication equipment and a fire truck, which are used in governmental activities. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. As of June 30, 2008, the City had \$2,427,366 of machinery and equipment under capital leases.

The City's total capital lease debt service requirements to maturity are as shown to the right:

Fiscal Year Ending June 30	Governmental Activities
2009	\$369,184
2010	369,184
2011	369,184
2012	369,184
2013	217,804
2014-2017	871,216
Total minimum lease payments	2,565,756
Less amount representing interest	446,883
<b>Present value of future minimum lease payments</b>	<b>\$2,118,873</b>

**Changes in Long-term Liabilities.** Long-term liability activity for the fiscal year ended June 30, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental activities:</i>					
Bonds payable:					
General obligation bonds	\$56,145,000	–	\$(6,925,000)	\$49,220,000	\$7,265,000
Less deferred charges on refunding	(782,262)	–	76,289	(705,973)	
Plus issuance premium	483,254	–	(42,267)	440,987	
<b>Net bonds payable</b>	<b>55,845,992</b>	<b>–</b>	<b>(6,890,978)</b>	<b>48,955,014</b>	
Notes payable	1,271,325	–	(83,325)	1,188,000	86,625
Capital lease	–	2,427,366	(308,493)	2,118,873	273,312
Arbitrage payable	100,398	78,452	–	178,850	
Claims and judgments	303,463	529,626	(250,512)	582,577	480,924
Compensated absences	1,550,027	1,688,966	(1,550,211)	1,688,782	1,550,210
<b>Governmental activity     Long-term liabilities</b>	<b>\$59,071,205</b>	<b>\$4,724,410</b>	<b>\$(9,083,519)</b>	<b>\$54,712,096</b>	<b>\$9,656,071</b>
<i>Business-type activities:</i>					
Compensated absences	\$683	–	–	\$683	\$683
<b>Business-type activity     Long-term liabilities</b>	<b>\$683</b>	<b>–</b>	<b>–</b>	<b>\$683</b>	<b>\$683</b>

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

Long-term liability activity for the Development Authority for the fiscal year ended June 30, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$7,705,000	–	\$(505,000)	\$7,200,000	\$525,000



## V. Other Information

### A. Risk Management

The government is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission; and natural disasters for which the government carries commercial insurance. The government previously established a limited risk management program for workers' compensation.

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

	Fiscal Year Ended June 30, 2008	Fiscal Year Ended June 30, 2007
Unpaid claims, beginning of fiscal year	\$303,463	\$477,540
Claims incurred	529,626	502,907
Claims paid	(250,512)	(676,984)
Unpaid claims, end of fiscal year	\$582,577	\$303,463

Health insurance claims are paid by an independent carrier under a fully-insured program. Settlements have not exceeded coverages for each of the past three fiscal years.

### B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

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

The government has contracted with Browning-Ferris Industries, Inc. for refuse collection, including recycling, until March 31, 2010.

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

### C. Fund Deficits

The following fund had deficit fund balances at June 30, 2008:

Capital Grant Fund	\$347,685
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Grant reimbursements yet to be recognized under modified accrual accounting are sufficient to cover the deficit.

## D. Related Organizations

The City Administrator of the government serves as the President of the Board for the Alpharetta Business Community, Inc. and nominates members of the community to the board. The Alpharetta Business Community is a legally separate entity, incorporated in the state of Georgia for the purpose of expending a portion of the hotel occupancy tax, which is collected through the government's taxing authority. The government does not control the operations of the corporation. Separate financial statements for the corporation are not prepared.

The Alpharetta Convention and Visitors Bureau is also a separate legal entity from the government. Incorporated to promote tourism within the City of Alpharetta, the Mayor and Council appoint four of the ten directors to this entity. The government does not control the operations of the corporation and is not entitled to or otherwise have access to the bureau's economic resources. Separate financial statements are available by contacting the Alpharetta Convention and Visitors Bureau's administrative offices.

Alpharetta Convention and Visitors Bureau  
3060 Royal Blvd. South  
Suite 145  
Alpharetta, Georgia 30022  
(678) 297-2811

## E. Joint Venture

Under Georgia law, the government, in conjunction with other cities around the Metropolitan Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which the City of Atlanta has paid on behalf of the City of Alpharetta since the 2004 fiscal year. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

## F. Retirement Plans

### Defined Benefit Pension Plan.

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

The Plan covers all full-time government employees, government officials and the judge of the Municipal Court. Employees become eligible to participate in the Plan after one year of employment and are fully vested after five years of employment. Benefit provisions are established by a resolution of City Council. The Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan does not issue a separate stand-alone financial report. At January 1, 2007, the date of the most recent actuarial valuation, there were 461 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	47
Vested terminated employees not yet receiving benefits	84
Active employees	330
<b>Total</b>	<b>461</b>

*Summary of significant accounting policies.* The financial statements of the Plan are prepared using the accrual basis of accounting. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made as part of the budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued

at the latest reported sales price. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

**Contributions.** Only the City makes contributions to the Plan. The City is required to contribute at an actuarially determined rate; the current rate is 13.8% of annual covered payroll. The actuarial value of assets is the market value of assets plus the discounted value of the contributions scheduled for the preceding fiscal year. The annual required contribution for the current year was determined as part of the January 1, 2007, actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) a rate of return on the investments of present and future assets of 8.0% per year, compounded annually and net of investment expenses and (b) projected salary increases of 5.5% per year, which includes 0.5% due to merit and 5% for inflation.

The period for amortizing the unfunded actuarial accrued liability is 15 years for gains and losses, 20 years for plan changes and 30 years for assumption changes. The method used to amortize the unfunded actuarial accrued liability is level dollar. This amortization period is closed for this plan year.

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

	For the Plan Year Ending June 30, 2008	For the Plan Year Ending June 30, 2007
Annual required contribution (ARC)	\$2,279,042	\$1,027,306
Interest on net pension obligation (asset)	(64,277)	(31,034)
Annual pension cost	2,214,765	996,272
Contribution made	2,279,042	1,948,525
Increase (decrease) in NPO	(64,277)	(952,253)
NPO at beginning of year	(952,253)	—
<b>NPO (asset) at end of year</b>	<b>\$(1,016,530)</b>	<b>\$(952,253)</b>

#### History of Annual Pension Cost and Net Pension Obligation

Fiscal Period Ending	Annual Pension Cost	Percentage Contributed	Net Pension Asset
2008	\$2,214,765	103%	\$(1,016,530)
2007	996,272	196%	(952,253)
2006	1,048,519	100%	—

The following is a schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (U A A L) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
2007	\$1 7,767,828	\$23,539,742	\$5,771,914	75.5%	\$17,127,360	33.7%

The above schedule of funding progress serves as a surrogate for the funded status and the funding progress of

the Plan. See requirement supplementary information for a history of funding progress.

**Enhanced defined benefit pension plan.**

*Plan description.* During the year ended June 30, 2008, the City of Alpharetta established a new single employer defined benefit pension plan, the City of Alpharetta Enhanced Defined Benefit Pension Plan (the “Enhanced Plan”), for the employees of the City of Alpharetta. The Plan is administered by a Board of Trustees, who have executed a trust agreement with a financial institution to hold, manage, invest, and distribute contributions in accordance with the provision of the Plan. Benefit provisions are established and may be amended by the City Council. Annual contributions are determined through an actuarial valuation of the Plan and are approved by City Council as part of the annual budgeting process.

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

*Summary of significant accounting policies.* The financial statements of the Plan are prepared using the accrual basis of accounting. The City’s contributions are recognized when due and a formal commitment to provide the contributions has been made as part of the budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the latest reported sales price. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value. An actuary valuation and required contributions have not yet been performed for the Enhanced Defined Benefit Pension Plan.

**Defined contribution plan.**

*Plan description.* The government maintains a supplemental retirement plan for all employees entitled the deferred compensation plan, a single-employer, defined contribution plan. Both full-time and part-time employees of the government are eligible to participate. This plan is administered by Hartford Life Insurance Company as a 401(a) and 457 plan, as defined by the Internal Revenue Service. At June 30, 2008, there were 374 plan members.

Employees may elect to contribute a portion of their pay, not to exceed the IRS guidelines, into the 457 plan. Upon completion of one year of employment for full-time employees and three years of employment for part-time employees, the government will match the employee’s contribution, up to 5% of the employee’s annual salary, into the 401(a) plan. The government has the ability to amend the plan provisions. For the fiscal year ended June 30, 2008, the government’s contribution to the 401(a) plan was \$657,321. The amount contributed by employees into the 457 plan was \$1,097,532.

**G. Hotel/Motel Lodging Tax**

The City imposes a hotel/motel tax on lodging facilities within the City. The tax is assessed at 6%. Revenues were \$3,674,176 for the year ended June 30, 2008. Of this amount 100%, or \$3,674,176, was expended. Expenditures of the tax were used to promote tourism as required by O.C.G.A. 48-13-51.

## **Financial Section**

# **Required Supplementary Information**



**City of Alpharetta**  
**Required Supplementary Information**  
**Retirement Plan**

**Schedule of Funding Progress**

**City of Alpharetta Defined Benefit Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (U A A L) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
2007	\$17,767,828	\$23,539,742	\$5,771,914	75.5%	\$17,127,360	33.7%
2006	14,649,982	14,447,850	( 202,132)	101.4%	15,699,449	-1.3%
2005	12,064,621	13,203,862	1,139,241	91.4%	14,425,871	7.9%
2004	9,947,926	12,096,568	2,148,642	82.2%	13,961,803	15.4%
2003	7,122,434	10,369,057	3,246,623	68.7%	12,311,080	26.4%
2002	6,502,639	8,385,510	1,882,871	77.5%	10,423,331	18.1%
2001	5,462,900	7,050,281	1,587,381	77.5%	9,113,462	17.4%

*See assumptions used and disclosed in Note V-F to the financial statements.*

*Note: In 2007 we lowered our discount rate from 8% to 6.75% as a more conservative funding policy. For comparative purposes, the funded ratio for 2007 would be 107.2% using the former 8% rate.*

**City of Alpharetta**  
**Required Supplementary Information**  
**Retirement Plan**

**Schedule of Employer Contributions**

**City of Alpharetta Defined Benefit Pension Plan**

Actuarial Valuation Date	Annual Required Contribution (ARC)	% of ARC Contributed
2007	2,279,042	100%
2006	1,027,306	190%
2005	1,048,519	100%

*See assumptions used and disclosed in Note V-F to the financial statements.*

*Note: Prior to 2005, the City participated in an agent multiple employer defined benefit pension plan.*

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

For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>Revenues</b>				
Property taxes	\$17,062,959	\$17,062,959	\$18,214,162	\$1,151,203
Sales and use taxes	9,685,000	10,278,631	11,263,805	985,174
Franchise taxes	4,100,000	4,100,000	5,378,667	1,278,667
Business taxes	2,955,416	2,955,416	3,138,828	183,412
Other taxes	1,860,000	1,860,000	1,841,631	(18,369)
Licenses and permits	2,546,513	2,146,513	2,241,052	94,539
Intergovernmental	103,502	103,502	91,447	(12,055)
Fines and forfeitures	3,166,161	3,713,161	3,733,499	20,338
Charges for services	2,963,659	2,980,479	2,998,867	18,388
Investment earnings	555,000	555,000	749,391	194,391
Contributions and donations	—	—	33,918	33,918
Other revenues	78,000	291,185	263,007	(28,178)
<b>Total revenues</b>	<b>45,076,210</b>	<b>46,046,846</b>	<b>49,948,274</b>	<b>3,901,428</b>
<b>Expenditures</b>				
Current:				
General government:				
City clerk	302,820	383,421	309,806	73,615
Contingency	820,000	774,413	22,749	751,664
Mayor and council	276,864	276,864	237,623	39,241
Municipal court	882,965	918,197	857,517	60,680
Legal	400,000	445,587	482,040	(36,453)
City administrator	1,357,707	1,388,398	1,125,997	262,401
Finance	2,253,371	2,310,964	2,000,280	310,684
Human resources	794,729	802,173	723,575	78,598
Risk management	1,216,707	1,216,707	941,582	275,125
Technology services	1,194,737	1,330,557	1,259,184	71,373
Internal audit	137,646	139,644	136,794	2,850
Non-departmental	45,000	45,000	45,000	—
<b>Total general government</b>	<b>9,682,546</b>	<b>10,031,925</b>	<b>8,142,147</b>	<b>1,889,778</b>
Public safety	20,721,587	20,694,149	19,845,496	848,653
Engineering and public works	7,376,828	7,358,261	6,854,946	503,315
Community development	1,954,456	1,978,747	1,879,108	99,639
Culture and recreation	6,708,538	6,803,179	6,353,547	449,632
Debt service				
Principal	—	308,493	308,493	—
Interest	—	60,692	60,692	—
<b>Total expenditures</b>	<b>46,443,955</b>	<b>47,235,446</b>	<b>43,444,429</b>	<b>3,791,017</b>
Excess (deficiency) of revenues over expenditures	(1,367,745)	(1,188,600)	6,503,845	7,692,445
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	—	—	53,396	53,396
Transfers in	1,250,000	1,250,000	1,469,671	219,671
Transfers out	(4,464,813)	(4,990,083)	(4,990,083)	—
<b>Total other financing sources (uses)</b>	<b>(3,214,813)</b>	<b>(3,740,083)</b>	<b>(3,467,016)</b>	<b>273,067</b>
Net change in fund balances	(4,582,558)	(4,928,683)	3,036,829	7,965,512
Fund balances, beginning of year	19,846,379	19,846,379	19,846,379	—
<b>Fund balances, end of year</b>	<b>\$15,263,821</b>	<b>\$14,917,696</b>	<b>\$22,883,208</b>	<b>\$7,965,512</b>

# Nonmajor Governmental Funds

## Special Revenue Funds

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

### Hotel/Motel Fund

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

### Emergency 911 Fund

This fund is used to account for funds received from users, or potential users, of the Emergency 911 System. Revenues received by the City of Alpharetta are paid directly from wired or wireless telecommunication providers, with expenditures occurring to maintain and run the system within the government.

### Impact Fee Fund

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

### Drug Enforcement Fund

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

### Grant Operating Fund

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

## Capital Project Funds

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

### Bond III Fund

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

**City of Alpharetta**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

June 30, 2008

	Special Revenue Funds					Capital Projects Funds	Total Nonmajor Governmental Funds
	Hotel Motel	Emergency 911	Impact Fee	Drug Enforcement	Grant Operating	Bond III	
<b>Assets</b>							
Cash and cash equivalents	\$440	\$100,737	\$13,726	\$438,856	\$865	—	\$554,624
Investments	10,506	2,403,212	327,454	—	20,630	—	2,761,802
Taxes receivable	302,945	—	—	—	—	—	302,945
Accounts receivable	—	265,626	—	—	—	—	265,626
Due from other funds	—	4,152	—	—	—	—	4,152
Restricted:							
Cash	—	—	—	—	—	824,676	824,676
Intergovernmenta	—	—	—	—	29,296	—	29,296
<b>Total assets</b>	<b>\$313,891</b>	<b>\$2,773,727</b>	<b>\$341,180</b>	<b>\$438,856</b>	<b>\$50,791</b>	<b>\$824,676</b>	<b>\$4,743,121</b>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	\$181,766	\$448,345	—	\$ 5,443	—	\$115,828	\$751,382
Retainage payable	—	—	—	—	—	3,668	3,668
Accrued salaries	—	45,209	—	—	—	—	45,209
Due to other funds	121,178	—	—	—	—	81,703	202,881
Deferred revenue	—	—	—	—	29,296	—	29,296
<b>Total liabilities</b>	<b>302,944</b>	<b>493,554</b>	<b>—</b>	<b>5,443</b>	<b>29,296</b>	<b>201,199</b>	<b>1,032,436</b>
Fund Balances:							
Reserved for:							
Encumbrances	—	—	—	—	—	318,078	318,078
Capital projects	—	—	341,180	—	—	—	341,180
Unreserved, designated for operations	10,947	2,280,173	—	433,413	21,495	—	2,746,028
Unreserved, undesignated	—	—	—	—	—	305,399	305,399
<b>Total fund balances</b>	<b>10,947</b>	<b>2,280,173</b>	<b>341,180</b>	<b>433,413</b>	<b>21,495</b>	<b>623,477</b>	<b>3,710,685</b>
<b>Total liabilities &amp; fund balances</b>	<b>\$313,891</b>	<b>\$2,773,727</b>	<b>\$341,180</b>	<b>\$438,856</b>	<b>\$50,791</b>	<b>\$824,676</b>	<b>\$4,743,121</b>

# City of Alpharetta

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2008

For the fiscal year ended June 30, 2008

	Special Revenue Funds					Capital Projects Funds	Total Nonmajor Governmental Funds
	Hotel Motel	Emergency 911	Impact Fee	Drug Enforcement	Grant Operating	Bond III	
Revenues							
Hotel/Motel taxes	\$3,674,176	—	—	—	—	—	\$3,674,176
Charges for services	—	1,864,279	—	—	—	—	1,864,279
Impact fees	—	—	453,917	—	—	—	453,917
Forfeiture income	—	—	—	203,174	—	—	203,174
Intergovernmental	—	—	—	—	143,458	—	143,458
Contributions and donations	—	—	—	—	5,000	—	5,000
Investment earnings	—	93,277	56,677	11,595	—	30,900	192,449
Total revenues	3,674,176	1,957,556	510,594	214,769	148,458	30,900	6,536,453
Expenditures							
Current:							
General government	—	—	14,724	—	14,781	2,641	32,146
Public works	—	—	—	—	75,000	—	75,000
Culture and recreation	—	—	—	—	100,095	—	100,095
Public safety	—	1,636,157	—	87,222	15,896	—	1,739,275
Community development	2,204,505	—	—	—	—	—	2,204,505
Capital outlay	—	—	—	—	—	261,432	261,432
Total expenditures	2,204,505	1,636,157	14,724	87,222	205,772	264,073	4,412,453
Excess (deficiency) of revenues over expenditures	1,469,671	321,399	495,870	127,547	(57,314)	(233,173)	2,124,000
Other financing sources (uses)							
Transfers in	—	340,344	—	—	42,950	—	383,294
Transfers out	(1,469,671)	—	(2,000,000)	—	(65,235)	—	(3,534,906)
Total other financing sources (uses)	(1,469,671)	340,344	(2,000,000)	—	(22,285)	—	(3,151,612)
Net change in fund balances	—	661,743	(1,504,130)	127,547	(79,599)	(233,173)	(1,027,612)
Fund balances, beginning of year	10,947	1,618,430	1,845,310	305,866	101,094	856,650	4,738,297
Fund balances, end of year	\$10,947	\$2,280,173	\$341,180	\$433,413	\$21,495	\$623,477	\$3,710,685



# City of Alpharetta Hotel Motel Fund

## Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2008

	Budget			
	Original	Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Hotel/Motel taxes	\$3,125,000	\$3,125,000	\$3,674,176	\$549,176
<b>Total revenues</b>	<b>3,125,000</b>	<b>3,125,000</b>	<b>3,674,176</b>	<b>549,176</b>
<b>Expenditures</b>				
Current:				
Community development	1,875,000	1,875,000	2,204,505	(329,505)
<b>Total expenditures</b>	<b>1,875,000</b>	<b>1,875,000</b>	<b>2,204,505</b>	<b>(329,505)</b>
Excess of revenues over expenditures	1,250,000	1,250,000	1,469,671	219,671
<b>Other Financing Uses</b>				
Transfers out	(1,250,000)	(1,250,000)	(1,469,671)	(219,671)
<b>Total other financing uses</b>	<b>(1,250,000)</b>	<b>(1,250,000)</b>	<b>(1,469,671)</b>	<b>(219,671)</b>
Net changes in fund balances	—	—	—	—
Fund balances - beginning of year	10,947	10,947	10,947	—
<b>Fund balances - end of year</b>	<b>\$10,947</b>	<b>\$10,947</b>	<b>\$10,947</b>	<b>—</b>

# City of Alpharetta Emergency 911 Fund

## Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2008

	Budget			
	Original	Final	Actual	Variance with Final Budget
<b><i>Revenues</i></b>				
Charges for services	\$1,500,000	\$1,500,000	\$1,864,279	\$364,279
Investment earnings	21,500	21,500	93,277	71,777
<b>Total revenues</b>	<b>1,521,500</b>	<b>1,521,500</b>	<b>1,957,556</b>	<b>436,056</b>
<b><i>Expenditures</i></b>				
Current:				
Public safety	1,840,805	1,861,844	1,636,157	225,687
<b>Total expenditures</b>	<b>1,840,805</b>	<b>1,861,844</b>	<b>1,636,157</b>	<b>225,687</b>
Excess (deficiency) of revenues over expenditures	(319,305)	(340,344)	321,399	661,743
<b><i>Other Financing Sources</i></b>				
Transfers in	319,305	340,344	340,344	—
<b>Total other financing sources</b>	<b>319,305</b>	<b>340,344</b>	<b>340,344</b>	<b>—</b>
Net changes in fund balances	—	—	661,743	661,743
Fund balances - beginning of year	1,618,430	1,618,430	1,618,430	—
<b>Fund balances - end of year</b>	<b>\$1,618,430</b>	<b>\$1,618,430</b>	<b>\$2,280,173</b>	<b>\$661,743</b>

# City of Alpharetta Impact Fee Fund

## Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2008

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>Revenues</b>				
Impact fees	\$1,020,000	\$1,020,000	\$453,917	\$(566,083)
Investment earnings	25,000	25,000	56,677	31,677
<b>Total revenues</b>	<b>1,045,000</b>	<b>1,045,000</b>	<b>510,594</b>	<b>(534,406)</b>
<b>Expenditures</b>				
Current:				
General government	45,000	45,000	14,724	30,276
<b>Total expenditures</b>	<b>45,000</b>	<b>45,000</b>	<b>14,724</b>	<b>30,276</b>
Excess of revenues over expenditures	1,000,000	1,000,000	495,870	(504,130)
<b>Other Financing Uses</b>				
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	—
<b>Total other financing sources</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>—</b>
Net changes in fund balances	(1,000,000)	(1,000,000)	(1,504,130)	(504,130)
Fund balances - beginning of year	1,845,310	1,845,310	1,845,310	—
<b>Fund balances - end of year</b>	<b>\$845,310</b>	<b>\$845,310</b>	<b>\$341,180</b>	<b>\$(504,130)</b>

# City of Alpharetta Drug Enforcement Fund

## Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><i>Revenues</i></b>				
Forfeiture income	\$65,000	\$65,000	\$203,174	\$138,174
Investment earnings	2,500	2,500	11,595	9,095
<b>Total revenues</b>	<b>67,500</b>	<b>67,500</b>	<b>214,769</b>	<b>147,269</b>
<b><i>Expenditures</i></b>				
Current:				
Public safety	67,500	202,500	87,222	115,278
<b>Total expenditures</b>	<b>67,500</b>	<b>202,500</b>	<b>87,222</b>	<b>115,278</b>
Net changes in fund balances	—	(135,000)	127,547	262,547
Fund balances - beginning of year	305,866	305,866	305,866	—
<b>Fund balances - end of year</b>	<b>\$305,866</b>	<b>\$170,866</b>	<b>\$433,413</b>	<b>\$262,547</b>

# City of Alpharetta Grant Operating Fund

## Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2008

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$129,575	\$423,368	\$143,458	\$(279,910)
Contributions and donations	5,000	5,000	5,000	—
<b>Total revenues</b>	<b>134,575</b>	<b>428,368</b>	<b>148,458</b>	<b>(279,910)</b>
<b>Expenditures</b>				
Current:				
General government	—	15,107	14,781	326
Public works	—	100,000	75,000	25,000
Public safety	—	230,726	15,896	214,830
Culture and recreation	—	111,060	100,095	10,965
Contingencies	216,650	50,284	—	50,284
<b>Total expenditures</b>	<b>216,650</b>	<b>507,177</b>	<b>205,772</b>	<b>301,405</b>
Excess (deficiency) of revenues over expenditures	(82,075)	(78,809)	(57,314)	21,495
<b>Other Financing Uses</b>				
Transfers in	42,950	42,950	42,950	—
Transfers out	—	(65,235)	(65,235)	—
<b>Total other financing sources</b>	<b>42,950</b>	<b>(22,285)</b>	<b>(22,285)</b>	<b>—</b>
Net changes in fund balances	(39,125)	(101,094)	(79,599)	21,495
Fund balances - beginning of year	101,094	1 01,094	101,094	—
<b>Fund balances - end of year</b>	<b>\$61,969</b>	<b>—</b>	<b>\$21,495</b>	<b>\$21,495</b>



## City of Alpharetta Debt Service Fund

### Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2008

	Budget			
	Original	Final	Actual	Variance with Final Budget
<b><i>Revenues</i></b>				
Property taxes	\$6,586,073	\$6,586,073	\$7,062,817	\$476,744
Investment earnings	150,000	150,000	565,381	415,381
<b>Total revenues</b>	<b>6,736,073</b>	<b>6,736,073</b>	<b>7,628,198</b>	<b>892,125</b>
<b><i>Expenditures</i></b>				
Current:				
General government	15,000	15,000	3,175	11,825
Debt service:				
Principal	7,008,325	7,008,325	7,008,325	—
Interest	2,686,576	2,686,576	2,684,956	1,620
<b>Total expenditures</b>	<b>9,709,901</b>	<b>9,709,901</b>	<b>9,696,456</b>	<b>13,445</b>
Excess (deficiency) of revenues over expenditures	(2,973,828)	(2,973,828)	(2,068,258)	905,570
<b><i>Other Financing Sources</i></b>				
Transfers in	2,000,000	2,000,000	2,007,662	7,662
<b>Total other financing sources</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,007,662</b>	<b>7,662</b>
Net changes in fund balances	(973,828)	(973,828)	(60,596)	913,232
Fund balances - beginning of year	10,709,090	10,709,090	10,709,090	—
<b>Fund balances - end of year</b>	<b>\$9,735,262</b>	<b>\$9,735,262</b>	<b>\$10,648,494</b>	<b>\$913,232</b>

## Fiduciary Funds

### Pension Trust Funds

Fiduciary funds are used to account for assets held by the government as a trustee or agent.

#### Regular Pension Fund

This fund is used to account for assets, city contributions and disbursements of the City's Regular Pension plan.

#### Enhanced Pension Fund

This fund is used to account for assets, city and employee contributions and disbursements of the City's Enhanced Pension plan.

### City of Alpharetta Fiduciary Funds Combining Statement of Fiduciary Net Assets June 30, 2008

	Regular Plan	Enhanced Plan	Total Fiduciary Funds
<b>Assets</b>			
Mutual funds	\$8,791,173	\$10,440,550	\$19,231,723
Receivables	48,434	—	48,434
<b>Total assets</b>	<b>8,839,607</b>	<b>10,440,550</b>	<b>19,280,157</b>
<b>Liabilities</b>			
Accounts payable	48,433	—	48,433
<b>Total liabilities</b>	<b>48,433</b>	<b>—</b>	<b>48,433</b>
<b>Net Assets</b>			
Assets held in trust for pension benefits	\$8,791,174	\$10,440,550	\$19,231,724

**City of Alpharetta**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Fiscal Year Ended June 30, 2008**

	Regular Plan	Enhanced Plan	Total Fiduciary Funds
<b>Additions</b>			
Contributions:			
Employee contributions	—	\$96,045	\$96,045
Employer contributions	2,279,042	—	2,279,042
Transfer in of plan assets from regular plan	—	11,058,319	11,058,319
<b>Total contributions</b>	<b>2,279,042</b>	<b>11,154,364</b>	<b>13,433,406</b>
Investment income:			
Net depreciation in fair value of investments	(1,903,937)	(857,860)	(2,761,797)
Interest and dividends	1,793,441	175,000	1,968,441
<b>Total investment income</b>	<b>(110,496)</b>	<b>(682,860)</b>	<b>(793,356)</b>
<b>Total additions</b>	<b>2,168,546</b>	<b>10,471,504</b>	<b>12,640,050</b>
<b>Deductions</b>			
Benefit payments	628,674	—	628,674
Administrative fees	61,629	30,954	92,583
Transfer out of plan assets to enhanced plan	11,058,319	—	11,058,319
<b>Total deductions</b>	<b>11,748,622</b>	<b>30,954</b>	<b>11,779,576</b>
Net increase (decrease)	( 9,580,076)	10,440,550	860,474
<b>Net Assets Held In Trust for Pension Benefits</b>			
Beginning of year	18,371,250	—	18,371,250
<b>End of year</b>	<b>\$8,791,174</b>	<b>\$10,440,550</b>	<b>\$19,231,724</b>

# Discretely Presented Component Unit – Development Authority of Alpharetta

## City of Alpharetta Balance Sheet Component Unit - Development Authority June 30, 2008

### *Assets*

Cash	\$89,766
<b>Total assets</b>	<b>89,766</b>

### *Fund Balance*

Unreserved, undesignated	89,766
<b>Total fund balance</b>	<b>\$89,766</b>

## City of Alpharetta Statement of Revenues, Expenditures, and Changes in Fund Balance Component Unit - Development Authority For the Fiscal Year Ended June 30, 2008

### *Revenues*

Investment earnings	\$934,736
<b>Total assets</b>	<b>934,736</b>

### *Expenditures*

Debt service:	
Principal	505,000
Interest	339,970
<b>Total expenditures</b>	<b>844,970</b>

Net change in fund balance	89,766
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Fund balance, beginning of year	—
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Fund balance, end of year	\$89,766
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# Statistical Section





# Statistical Section

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

<i>Contents</i>	<i>Pages</i>
<b>Financial Trends</b> .....	85 - 90
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	91 - 93
These schedules contain information to help the reader assess the government’s most significant local revenue source, property tax.	
<b>Debt Capacity</b> .....	94 - 95
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b> .....	96
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
<b>Operating Information</b> .....	97 - 99
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

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

# City of Alpharetta

## Net Assets by Component

### Last Six Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
<i><b>Governmental activities</b></i>						
Invested in capital assets, net of related debt <sup>2</sup>	\$167,306,416	\$159,669,387	\$82,695,772	\$31,096,624	\$18,081,075	\$15,452,957
Restricted	18,140,239	14,174,532	14,392,861	12,951,724	12,540,493	16,990,626
Unrestricted	25,645,599	24,814,424	22,444,151	14,828,584	13,125,220	5,389,140
Total governmental activities net assets	\$211,092,254	\$198,658,343	\$119,532,784	\$58,876,932	\$43,746,788	\$37,832,723
<i><b>Business-type activities<sup>1</sup></b></i>						
Invested in capital assets, net of related debt	—	—	—	—	\$2,598,670	\$2,597,943
Restricted	—	—	—	—	1,649,342	1,645,519
Unrestricted	843,883	630,455	467,185	435,139	460,343	269,267
Total business-type activities net assets	\$843,883	\$630,455	\$467,185	\$435,139	\$4,708,355	\$4,512,729
<i><b>Primary government</b></i>						
Invested in capital assets, net of related debt	\$167,306,416	\$159,669,387	\$82,695,772	\$31,096,624	\$20,679,745	\$18,050,900
Restricted	18,140,239	14,174,532	14,392,861	12,951,724	14,189,835	18,636,145
Unrestricted	26,489,482	25,444,879	22,911,336	15,263,723	13,585,563	5,658,407
Total primary government net assets	\$211,936,137	\$199,288,798	\$119,999,969	\$59,312,071	\$48,455,143	\$42,345,452

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

# City of Alpharetta

## Changes in Net Assets

### Last Six Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year					
<i>Expenses</i>	2008	2007	2006	2005	2004	2003
Governmental activities <sup>1</sup> :						
General government	\$12,534,856	\$11,261,061	\$8,990,207	\$8,380,030	\$5,736,222	\$7,089,104
Public safety	22,676,999	20,667,092	19,095,508	15,904,517	14,391,972	14,149,504
Public works	10,119,284	9,634,496	5,662,936	3,469,265	7,375,964	1,676,631
Community development	4,121,134	3,821,709	3,836,608	2,937,850	4,111,451	4,064,468
Culture and recreation	7,107,174	6,884,913	6,495,895	4,571,699	5,958,248	7,164,113
Interest on long-term debt	2,736,354	3,104,426	2,043,045	2,233,542	2,391,175	2,944,647
Total governmental activities expenses	59,295,801	55,373,697	46,124,199	37,496,903	39,965,032	37,088,467
Business-type activities:						
Water <sup>2</sup>	—	—	—	7,641,035	3,495,165	3,713,758
Solid Waste	2,489,734	2,499,994	2,231,660	1,934,505	1,823,049	1,742,504
Total business-type activities expenses	2,489,734	2,499,994	2,231,660	9,575,540	5,318,214	5,456,262
Total primary government expenses	\$61,785,535	\$57,873,691	\$48,355,859	\$47,072,443	\$45,283,246	\$42,544,729
<i>Program Revenues</i>						
Governmental activities:						
Charges for services <sup>3</sup> :						
General government	\$4,169,775	\$4,053,626	\$4,299,561	\$641,391	\$560,148	\$465,150
Public safety	3,320,904	3,202,515	1,584,186	3,332,420	3,831,618	4,084,155
Public works	64,874	228,036	110,457	172,052	134,418	5,808
Community development	2,198,050	2,842,438	2,432,818	3,721,024	1,491,721	1,646,156
Culture and recreation	2,061,190	1,985,418	1,962,193	2,089,562	1,654,132	1,699,412
Operating grants and contributions	273,823	1,129,000	116,537	74,860	68,360	65,818
Capital grants and contributions <sup>4</sup>	6,758,541	10,554,478	53,542,116	5,819,430	514,766	77,594
Total governmental activities program revenues	18,847,157	23,995,511	64,047,868	15,850,739	8,255,163	8,044,093
Business-type activities:						
Charges for service:						
Water <sup>2</sup>	—	—	—	3,470,393	3,806,501	3,543,892
Solid waste	2,643,367	2,621,405	1,985,355	1,838,047	1,686,477	1,621,302
Total business-type activities program revenues	2,643,367	2,621,405	1,985,355	5,308,440	5,492,978	5,165,194
Total primary government program revenues	\$21,490,524	\$26,616,916	\$66,033,223	\$21,159,179	\$13,748,141	\$13,209,287
<i>Net (Expense)/Revenue:</i>						
Governmental activities	\$(40,448,644)	\$(31,378,186)	\$17,923,669	\$(21,646,164)	\$(31,709,869)	\$(29,044,374)
Business-type activities	153,633	121,411	(246,305)	(4,267,100)	174,764	(291,068)
Total primary government net expense	\$(40,295,011)	\$(31,256,775)	\$17,677,364	\$(25,913,264)	\$(31,535,105)	\$(29,335,442)

*continued*

# City of Alpharetta

## Changes in Net Assets

### Last Six Fiscal Years

(Accrual Basis of Accounting)

*continued*

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Property taxes	\$25,223,033	\$22,438,746	\$21,015,938	\$18,591,907	\$17,327,608	\$17,441,980
Sales taxes	11,263,805	9,992,908	8,838,133	8,892,107	7,353,813	5,638,618
Franchise taxes <sup>5</sup>	5,378,667	5,065,549	4,170,781	2,938,193	—	—
Hotel/Motel occupancy tax <sup>5</sup>	3,674,176	3,479,163	3,130,740	2,705,566	—	—
Business taxes <sup>5</sup>	3,138,828	3,054,027	2,835,449	2,632,855	—	—
Other taxes <sup>5</sup>	1,841,631	1,937,671	1,886,529	1,614,539	12,223,068	11,359,475
Unrestricted investment earnings	2,363,020	3,179,417	1,105,481	975,868	204,192	660,410
Gain on sale of capital assets	—	—	—	23,351	14,095	35,303
Miscellaneous	—	—	—	80,706	501,158	878,320
Transfers	(605)	—	(250,868)	28,317	—	(60,000)
<b>Total governmental activities</b>	<b>52,882,555</b>	<b>49,147,481</b>	<b>42,732,183</b>	<b>38,483,409</b>	<b>37,623,934</b>	<b>35,954,106</b>
Business-type activities:						
Unrestricted investment earnings	59,190	41,859	27,483	22,201	10,643	26,211
Miscellaneous	—	—	—	—	10,189	4,581
Transfers	605	—	250,868	(28,317)	—	60,000
<b>Total business-type activities</b>	<b>59,795</b>	<b>41,859</b>	<b>278,351</b>	<b>(6,116)</b>	<b>20,832</b>	<b>90,792</b>
<b>Total primary government</b>	<b>\$52,942,350</b>	<b>\$49,189,340</b>	<b>\$ 43,010,534</b>	<b>\$38,477,293</b>	<b>\$37,644,766</b>	<b>\$36,044,898</b>
<b>Change in Net Assets</b>						
Governmental activities	\$12,433,911	\$17,769,295	\$60,655,852	\$16,837,245	\$5,914,065	\$6,909,732
Business-type activities	213,428	163,270	32,046	(4,273,216)	195,596	(200,276)
<b>Total primary government</b>	<b>\$12,647,339</b>	<b>\$17,932,565</b>	<b>\$60,687,898</b>	<b>\$12,564,029</b>	<b>\$6,109,661</b>	<b>\$6,709,456</b>

1. The changes in expenses are primarily due to capital expenditure variances from year to year.
2. The government sold the water system in 2005.
3. In 2006, charges for services were allocated among the functions differently than in prior years.
4. In 2006, the government's increased annexations resulted in a large addition to infrastructure which is reported as a capital contribution.
5. Franchise, Hotel/Motel occupancy, and Business taxes were included with Other taxes in 2003 and 2004

**City of Alpharetta**  
**Governmental Activities Tax Revenues By Source**  
**Last Six Fiscal Years**  
 (Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax <sup>1</sup>	Hotel/Motel Occupancy Tax <sup>1</sup>	Business Taxes <sup>1</sup>	Other Tax	Total
2003	\$17,441,980	\$5,638,618	—	—	—	\$11,359,475	\$34,440,073
2004	17,327,608	7,353,813	—	—	—	12,223,068	36,904,489
2005	18,591,907	8,892,107	\$2,938,193	\$2,705,566	\$2,632,855	1,614,539	37,375,167
2006	21,015,938	8,838,133	4,170,781	3,130,740	2,835,449	1,886,529	41,877,570
2007	22,438,746	9,992,908	5,065,549	3,479,163	3,054,027	1,937,671	45,968,064
2008	25,223,033	11,263,805	5,378,667	3,674,176	3,138,828	1,841,631	50,520,140

1. These taxes previously reported under "Other Taxes" category for fiscal years 2003 and 2004.

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

	2008	2007	2006	2005	2004
General fund					
Reserved	\$49,466	\$411,191	\$416,165	\$381,148	\$910,188
Unreserved	22,833,742	19,435,188	21,989,576	20,565,210	17,675,936
Total general fund	\$22,883,208	\$19,846,379	\$22,405,741	\$20,946,358	18,586,124
All other governmental funds					
Reserved	\$15,270,790	\$14,809,412	\$15,644,487	\$13,927,318	\$ 13,303,127
Unreserved, reported in:					
Special revenue funds	2,746,028	2,035,713 <sup>2</sup>	129,081	46,402	10,722
Capital projects funds <sup>1</sup>	13,698,188	18,023,349	20,494,549	(2,687,361)	—
Total all other governmental funds	\$31,715,006	\$34,868,474	\$36,268,117	\$11,286,359	\$13,313,849
	2003	2002	2001	2000	1999
General fund					
Reserved	\$746,100	\$360,366	\$435,748	\$606,811	\$283,240
Unreserved	13,182,532	11,755,347	9,913,396	7,947,610	6,721,484
Total general fund	\$13,928,632	\$12,115,713	\$10,349,144	\$8,554,421	\$7,004,724
All other governmental funds					
Reserved	\$17,064,512	\$17,207,639	\$25,540,210	\$30,416,250	\$32,112,772
Unreserved, reported in:					
Special revenue funds	813,753	867,236	1,112,966	868,323	107,262
Capital project funds	—	—	—	—	82,099
Total all other governmental funds	\$17,878,265	\$18,074,875	\$26,653,176	\$31,284,573	\$32,302,133

1. The increase in 2006 is due to the issuance of the 2006 General Obligation Bonds.

2. During 2007, the City re-evaluated the reserved fund balances in its special revenues, and as a result is reporting more amounts as unreserved than in prior years.

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

(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005	2004
<b>Revenues</b>					
Property taxes	\$25,276,979	\$22,498,377	\$20,918,071	\$18,723,147	\$17,230,919
Sales tax	11,263,805	9,992,908	8,838,133	7,748,031	7,353,813
Other taxes	14,033,302	13,536,410	12,023,499	11,147,065	12,111,232
Licenses and permits	2,241,052	2,650,990	2,428,720	2,276,966	1,321,281
Intergovernmental	4,789,371 <sup>2</sup>	190,137	416,456	196,872	1,171,126
Contributions and donations	1,401,217	1,194,078 <sup>1</sup>	—	—	—
Charges for services	4,863,146	4,899,304	4,189,487	3,919,248	3,311,125
Impact fees	453,917	1,115,177	724,847	1,312,996	425,190
Fines and forfeitures	3,936,673	3,477,753	2,820,273	1,952,446	2,358,334
Investment earnings	2,363,020	3,179,417	1,105,481	975,868	204,192
Miscellaneous	320,005	1,207,870	566,229	604,288	508,612
<b>Total revenues</b>	<b>70,942,487</b>	<b>63,942,421</b>	<b>54,031,196</b>	<b>48,856,927</b>	<b>45,995,824</b>
<b>Expenditures</b>					
General government	8,178,118	7,223,771	8,303,827	8,364,720	8,242,792
Public safety	21,584,771	19,858,875	16,924,195	14,540,215	13,349,993
Public works	6,929,946	5,762,199	3,595,196	3,381,817	3,001,165
Community development	4,083,613	3,890,550	3,557,433	2,863,836	2,659,983
Environmental services	—	—	—	—	—
Culture and recreation	6,453,642	6,043,546	5,466,088	5,643,779	5,452,189
Other	—	—	—	—	—
Capital outlay	16,246,727	16,189,652	9,274,131	8,090,107	7,030,850
Debt service:					
Principal	7,316,818	6,345,025	4,856,725	4,309,250	3,800,950
Interest	2,745,648	2,807,337	2,006,528	2,194,637	2,378,921
Other charges	—	—	171,700	—	—
<b>Total expenditures</b>	<b>73,539,283</b>	<b>68,120,955</b>	<b>54,155,823</b>	<b>49,388,361</b>	<b>45,916,843</b>
Excess (deficiency) of revenues over (under) expenditures	(2,596,796)	(4,178,534)	(124,627)	(531,434)	78,981
<b>Other financing sources (uses)</b>					
Transfers in	8,532,046	13,195,113	7,984,514	6,012,438	3,193,088
Transfers out	(8,532,651)	(13,195,113)	(8,235,382)	(5,984,082)	(3,193,088)
General obligation bond proceeds	—	—	26,290,000	—	—
Premium on bond issuance	—	—	520,136	—	—
Capital leases	2,427,366	—	—	—	—
Sale of capital assets	53,396	219,529	6,500	227,259	14,095
<b>Total other financing sources (uses)</b>	<b>2,480,157</b>	<b>219,529</b>	<b>26,565,768</b>	<b>255,615</b>	<b>14,095</b>
<b>Net change in fund balances</b>	<b>(116,639)</b>	<b>(3,959,005)</b>	<b>\$26,441,141</b>	<b>\$(275,819)</b>	<b>\$93,076</b>
<b>Debt service as a percentage of noncapital expenditures</b>					
	21.0%	19.8%	18.6%	18.7%	18.9%
Total debt service expenditures	10,062,466	9,152,362	7,034,953	6,503,887	6,179,871
Total non-capital expenditures	47,833,103	46,322,696	37,846,739	34,794,367	32,706,122

1. Contributions and donations were included in Miscellaneous revenues in prior years. Contributions increased significantly in 2007 due to a one-time contribution of approximately \$1 million.

2. The City received more grant funding in 2008 than in prior years.

continued



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

(Modified Accrual Basis of Accounting)

	2003	2002	2001	2000	1999
<i>Revenues</i>					
Property taxes	\$17,594,524	\$17,594,368	\$16,657,914	\$16,538,295	\$10,380,518
Sales tax	5,638,618	—	—	—	—
Other taxes	11,359,475	12,724,882	13,229,960	10,176,359	9,060,404
Licenses and permits	1,096,780	1,433,757	2,198,676	2,587,950	2,647,561
Intergovernmental	470,698	1,177,823	958,311	418,308	653,197
Contributions and donations	—	—	—	—	—
Charges for services	3,292,827	3,362,948	3,422,067	4,078,572	3,460,738
Impact fees	760,135	722,324	1,258,504	2,861,705	2,616,989
Fines and forfeitures	2,084,267	936,527	468,886	462,580	522,299
Investment earnings	660,410	900,452	2,306,975	2,248,737	1,937,724
Miscellaneous	868,793	169,299	427,064	500,863	1,767,038
<b>Total revenues</b>	<b>43,826,527</b>	<b>39,022,380</b>	<b>40,928,357</b>	<b>39,873,369</b>	<b>33,046,468</b>
<i>Expenditures</i>					
General government	7,468,563	6,623,667	7,967,575	7,075,001	5,742,474
Public safety	12,375,049	11,753,268	10,088,217	7,468,974	6,475,452
Public works	3,150,609	3,858,352	3,730,234	4,407,066	4,341,789
Community development	3,807,186	—	—	—	—
Environmental services	—	352,538	329,794	240,963	—
Culture and recreation	4,976,514	4,591,862	4,375,821	3,606,710	2,957,415
Other	—	2,218,559	—	5,158	551,899
Capital outlay	4,004,921	10,880,338	11,043,110	11,301,944	10,529,285
Debt service:					
Principal	3,840,106	3,314,503	2,555,498	2,532,019	2,533,809
Interest	2,529,581	2,453,714	3,507,597	3,098,360	3,395,980
Other charges	32,992	—	—	—	—
<b>Total expenditures</b>	<b>42,185,521</b>	<b>46,046,801</b>	<b>43,597,846</b>	<b>39,736,195</b>	<b>36,528,103</b>
Excess (deficiency) of revenues over (under) expenditures	1,641,006	(7,024,421)	(2,669,489)	137,174	(3,481,635)
<i>Other financing sources (uses)</i>					
Transfers in	4,705,000	4,596,140	2,960,349	7,231,960	7,976,922
Transfers out	(4,765,000)	(4,763,444)	(3,390,149)	(7,231,960)	(7,976,922)
General obligation bond proceeds	—	—	—	—	—
Premium on bond issuance	—	—	—	—	—
Capital leases	—	—	260,089	312,724	—
Sale of capital assets	35,303	379,993	2,526	82,238	1,699,156
<b>Total other financing sources (uses)</b>	<b>(24,697)</b>	<b>212,689</b>	<b>(167,185)</b>	<b>394,962</b>	<b>1,699,156</b>
<b>Net change in fund balances</b>	<b>1,616,309</b>	<b>\$(6,811,732)</b>	<b>\$(2,836,674)</b>	<b>\$532,136</b>	<b>\$(1,782,479)</b>
Debt service as a percentage of noncapital expenditures					
	20.1%	19.6%	22.9%	24.7%	29.5%
Total debt service expenditures	6,402,679	5,768,217	6,063,095	5,630,379	5,929,789
Total non-capital expenditures	31,777,921	29,398,246	26,491,641	22,803,872	20,069,029

**City of Alpharetta**  
**General Governmental Tax Revenues by Source**  
**Last Six Fiscal Years**

(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Vehicle Tax	Alcoholic Beverage Tax	Other Taxes	Total
2003	\$17,594,524	\$5,638,618	\$3,072,835	\$1,208,121	\$1,018,646	\$6,059,873	\$34,592,617
2004	17,230,919	7,353,813	3,209,350	1,273,631	1,071,032	6,557,219	36,695,964
2005	18,723,147	7,748,031	2,938,193	1,259,788	1,144,076	5,805,008	37,618,243
2006	20,918,071	8,838,133	4,170,781	1,422,656	1,247,570	5,182,492	41,779,703
2007	22,498,377	9,992,908	5,065,549	1,428,013	1,274,349	5,768,499	46,027,695
2008	25,276,979	11,263,805	5,378,667	1,360,329	1,309,253	5,985,053	50,574,086

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

**City of Alpharetta**  
**Assessed and Estimated Actual Value – All Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Motor Vehicles	Other					
1999	\$624,615,142	\$1,006,166,435	\$82,902,406	180	\$85,349,972	\$1,628,334,191	7.88	\$4,284,210,408	40.00%
2000	679,825,149	1,199,760,731	82,902,406	180	149,173,042	1,813,315,424	7.88	4,906,221,165	40.00%
2001	734,164,270	1,384,443,620	105,730,867	180	130,818,443	2,093,520,494	7.88	5,560,847,343	40.00%
2002	824,109,741	1,555,238,056	125,069,600	—	134,442,791	2,369,974,606	7.48	6,261,043,493	40.00%
2003	950,097,600	1,655,525,492	149,126,970	180	193,552,450	2,561,197,792	7.23	6,886,875,605	40.00%
2004	1,039,727,230	1,719,450,312	162,044,513	45,870	287,138,088	2,634,129,837	7.00	7,303,169,813	40.00%
2005	1,101,782,470	1,852,175,974	166,615,420	18,563	291,445,159	2,829,147,268	7.00	7,801,481,068	40.00%
2006	1,240,207,540	1,825,547,513	180,951,120	72,799	317,149,382	2,929,629,590	7.00	8,116,947,430	40.00%
2007	1,518,944,750	2,040,496,402	191,384,580	11,180	357,722,090	3,393,114,822	6.60	9,377,092,280	40.00%
2008	2,014,574,410	2,223,045,288	208,677,560	24,087	436,052,018	4,010,269,327	6.25	11,115,803,363	40.00%

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

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

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

*Real property values include tax-exempt property.*

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

**City of Alpharetta**  
**Property Tax Rates - All Overlapping Governments**  
**Per \$1,000 of Assessed Value**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	City of Alpharetta			Fulton County			School District			Grady Hospital	State	Direct & Overlapping Rates
		General Obligation			General Obligation			General Obligation					
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage			
1999	1998	5.560	2.320	7.880	9.580	0.660	10.240	19.260	1.500	20.760	3.450	0.250	42.580
2000	1999	5.170	2.710	7.880	13.030	0.660	13.690	19.860	0.900	20.760	—	0.250	42.580
2001	2000	4.930	2.950	7.880	13.310	0.380	13.690	19.350	0.800	20.150	—	0.250	41.970
2002	2001	5.060	2.420	7.480	13.040	0.300	13.340	18.260	0.760	19.020	—	0.250	40.090
2003	2002	4.900	2.330	7.230	12.527	0.280	12.807	18.460	0.310	18.770	—	0.250	39.057
2004	2003	4.750	2.250	7.000	12.052	0.270	12.322	17.758	0.298	18.056	—	0.250	37.628
2005	2004	4.700	2.300	7.000	11.581	0.066	11.647	17.315	0.291	17.606	—	0.250	36.503
2006	2005	4.550	2.450	7.000	11.581	0.064	11.645	17.825	0.282	18.107	—	0.250	37.002
2007	2006	4.150	2.450	6.600	11.407	0.063	11.470	17.825	0.282	18.107	—	0.250	36.427
2008	2007	4.508	1.740	6.248	10.281	0.000	10.281	16.904	1.189	18.093	—	0.250	34.872

Source: Georgia Department of Revenue, Property Tax Division

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

**City of Alpharetta**  
**Sales Tax Rates - All Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	State of Georgia	Local Option Sales Tax	Metropolitan Atlanta Regional Transportation	Fulton County Board of Education	Total Overlapping Rates
1999	4 %	1 %	1 %	1 %	7%
2000	4	1	1	1	7
2001	4	1	1	1	7
2002	4	1	1	1	7
2003	4	1	1	1	7
2004	4	1	1	1	7
2005	4	1	1	1	7
2006	4	1	1	1	7
2007	4	1	1	1	7
2008	4	1	1	1	7

Source: Georgia Department of Revenue, Property Tax Division

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

The City of Alpharetta received 5.2% of the Local Option Sales Tax collected on a county-wide basis.

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

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GGP Northpont	\$30,658,680	1	0.76%	\$29,091,320	1	1.67%
Gardner Drive LLC	29,903,240	2	0.75	12,734,600	4	0.73
AT&T Resource Mgmt Corp	19,800,000	3	0.49	25,261,440	2	0.97
Imperatum Georgia LLC	18,911,400	4	0.47			
HBO & Company of GA	18,379,680	5	0.46	9,150,000	8	0.52
Digital Equipment Corp.	17,805,000	6	0.44	11,532,250	5	0.66
Weeks Realty LP	15,501,400	7	0.39			
Huntington Farms Associates LLC	15,449,320	8	0.39	8,124,240	10	0.47
State Farm Mutual Auto Inc.	15,302,120	9	0.38	14,600,000	3	0.84
Diamond Rock Alpharetta	15,230,760	10	0.38			
CP Venture Two LLC				9,232,960	6	0.53
Wade William J. TR Equifax				9,167,160	7	0.53
Highwoods Forsyth LTD Partnership				8,453,080	9	0.48
	<b>\$196,941,600</b>		<b>4.91%</b>	<b>\$137,347,050</b>		<b>7.40%</b>

Source: Fulton County Board of Assessors

## City of Alpharetta Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Tax Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Pct. of Levy		Amount	Pct. of Levy
1999	1998	\$12,177,953	\$9,695,428	79.61 %	\$2,477,588	\$12,173,016	99.96%
2000	1999	13,992,591	13,194,833	94.30	790,420	13,985,253	99.95
2001	2000	15,596,114	15,143,169	97.10	444,707	15,587,876	99.95
2002	2001	16,654,812	16,279,679	97.75	340,949	16,620,628	99.79
2003	2002	17,449,713	17,136,171	98.20	285,762	17,421,933	99.84
2004	2003	17,242,314	16,935,962	98.22	257,194	17,193,156	99.71
2005	2004	18,264,892	18,188,800	99.58	(19,622) <sup>1</sup>	18,169,178	99.48
2006	2005	19,464,408	19,277,210	99.04	248,474	19,525,684	100.31
2007	2006	21,101,305	20,926,995	99.17	355,420	21,282,415	100.86
2008	2007	23,529,629	23,144,721	98.36	—	23,144,721	98.36

1. There was a change to the 2004 digest which resulted in refunds.

## City of Alpharetta Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Capital Leases	Notes Payable	Revenue Bonds	Capital Leases			
1999	\$57,190,000	\$1,579,740	—	\$ 2,470,000	\$ 4,701	\$ 61,244,441	7.92%	\$ 2,595
2000	55,500,000	1,288,188	1,749,000	2,320,000	18,328	60,875,516	5.88	2,041
2001	53,640,000	899,897	1,707,750	2,160,000	12,627	58,420,274	5.15	2,029
2002	51,185,000	455,810	1,641,750	1,995,000	—	55,277,560	4.07	1,650
2003	48,865,000	—	1,573,275	1,825,000	—	52,263,275	3.82	1,532
2004	45,135,000	—	1,502,325	1,645,000	—	48,282,325	3.57	1,409
2005	40,900,000	—	1,428,075	—	—	42,328,075	3.30	1,301
2006	62,410,000	—	1,351,350	—	—	63,761,350	2.80	1,106
2007	56,145,000	—	1,271,325	—	—	57,416,325	2.40	1,120
2008	49,220,000	2,118,873	1,188,000	-	-	52,526,873	2.15	1,005

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

*1. See the Schedule of Demographic and Economic Statistics within this section for personal income and population data.*

## City of Alpharetta Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>
1999	\$57,190,000	1.33%	\$1,906
2000	55,500,000	1.13	1,850
2001	53,640,000	0.96	1,515
2002	51,185,000	0.82	1,419
2003	48,865,000	0.71	1,317
2004	45,135,000	0.62	1,216
2005	40,900,000	0.52	1,069
2006	62,410,000	0.77	1,294
2007	56,145,000	0.60	1,096
2008	49,220,000	0.44	941

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

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

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

## City of Alpharetta Direct and Overlapping Governmental Activities Debt

As of June 30, 2008

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Alpharetta <sup>1</sup>	Amount Applicable to City of Alpharetta
Overlapping General Obligation Debt:			
Fulton County	\$4,581,000	8.1%	\$371,061
Fulton County School District	191,360,000	13.7%	26,216,320
Subtotal, overlapping debt	195,941,000		26,587,381
City of Alpharetta direct debt	49,220,000	100.0%	49,220,000
<b>Total direct and overlapping debt</b>	<b>\$245,161,000</b>		<b>\$75,807,381</b>

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

Debt outstanding data provided by Fulton County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

1. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

## City of Alpharetta Legal Debt Margin Information Last Ten Fiscal Years

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Debt limit	\$444,632,135	\$375,083,691	\$324,677,897	\$312,059,243	\$292,126,793	\$285,307,902	\$250,441,740	\$233,798,932	\$159,193,770	\$148,975,975
Total net debt applicable to limit	38,571,506	45,435,910	55,542,002	37,264,279	43,713,374	47,740,553	51,805,520	54,607,811	56,490,402	57,495,900
Legal debt margin	\$406,060,629	\$329,647,781	\$269,135,895	\$274,794,964	\$248,413,419	\$237,567,349	\$198,636,220	\$179,191,121	\$102,703,368	\$91,480,075
Total net debt applicable to the limit as a percentage of debt limit	9%	12%	17%	12%	15%	17%	21%	23%	35%	39%

### Legal Debt Margin Calculation For Fiscal Year 2008

Assessed value	\$4,010,269,327
Add back: exempt real property	436,052,018
Total assessed value	4,446,321,345
Debt limit (10% of total assessed value)	444,632,135
Debt applicable to limit:	
General obligation bonds	49,220,000
Less: Amount set aside for repayment of general obligation debt	(10,648,494)
Total net debt applicable to limit	38,571,506
Legal debt margin	\$406,060,629



# City of Alpharetta Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>2</sup>	Median Age <sup>3</sup>	Education Levels in Years of Formal Schooling <sup>4</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>2</sup>
1999	30,000	\$1,041,570,000	\$34,719	34.5	16.0	16,796	2.6%
2000	30,000	1,182,960,000	39,432	34.0	16.0	17,067	2.5
2001	35,406	1,435,465,458	40,543	33.3	16.0	18,723	2.9
2002	36,079	1,445,649,451	40,069	35.0	16.0	19,592	4.4
2003	37,090	1,462,532,880	39,432	33.0	16.0	19,154	2.4
2004	37,124	1,463,873,568	39,432	33.3	16.0	19,536	2.1
2005	38,274	1,509,220,368	39,432	33.0	16.0	19,567	4.5
2006	48,240	1,902,199,680	39,432	33.0	16.0	19,598	3.5
2007	51,243	2,393,048,100	46,700	35.6	16.0	18,966	3.0
2008	52,282	2,441,569,400	46,700	35.7	16.0	18,354	3.7

*Data sources:*

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

(2) *State Department of Labor*

(3) *State Department of Commerce*

(4) School District, with school enrollment for fiscal year 2006 estimated based upon trend data

*Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year.*

*Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.*

**City of Alpharetta  
Principal Employers  
Current Year and Seven Years Ago**

As of December 31

Employer	2008			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
AT & T Mobility	\$3,300	1	3.08%	\$2,700	1	2.32 %
ADP	2,000	2	1.87			
McKesson HBOC	1,526	3	1.43	1,722	4	1.48
Hewlett Packard	1,264	4	1.18			
Choice Point	1,130	5	1.06	650	10	0.56
IBM Technologies	1,009	6	0.94			
Lucent Technologies	772	7	0.72	1,119	6	0.96
UPS Supply Chain Solutions	720	8	0.67			
Equifax Information Services	610	9	0.57			
GE Consumer Finance	586	10	0.55			
Nortel Networks				2,700	2	2.32
Compaq				1,810	3	1.55
Verizon				1,500	5	1.29
WorldCom				1,000	7	0.86
Radiant Systems				1,000	8	0.86
MetLife				800	9	0.69
	\$12,917		12.07%	\$15,001		12.89 %

*Source: City of Alpharetta Community Development Department*

*Note: Data for periods prior to 2001 is not available*

# City of Alpharetta

## Full-time Equivalent City Government Employees by Function

### Last Ten Fiscal Years

<i>Function</i>	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government										
Mayor and City Council										
Elected officials	7	7	6	7	7	7	7	7	7	7
City Administrator										
Full-time personnel	6	7	7	5	8	9	7	7	7	7
Part-time personnel	1	2	2	1	-	-	-	-	-	-
City Clerk										
Full-time personnel	2	2	2	3	-	-	-	-	-	-
Engineering										
Full-time personnel	26	28	23	23	21	20	20	17	17	12
Environmental Services										
Full-time personnel	-	-	-	-	-	-	-	5	-	-
Finance										
Full-time personnel	24	22	21	21	22	22	20	14	13	12
Part-time personnel	-	-	-	2	2	1	2	-	-	-
Human Resources										
Full-time personnel	3	6	6	6	6	6	6	5	4	4
Municipal Court										
Elected officials	1	1	1	1	1	1	1	1	1	1
Full-time personnel	8	8	6	6	6	5	3	3	3	3
Part-time personnel	-	-	-	1	-	-	1	1	1	-
Public Information										
Full-time personnel	1	1	1	2	2	2	-	-	-	-
Technology Services										
Full-time personnel	12	9	8	8	6	5	5	5	5	4
Part-time personnel	-	-	-	-	-	1	1	1	-	-
Community Development										
Full-time personnel	21	21	18	20	20	20	20	20	20	20
Public Safety										
Police										
Full-time certified officers	104	102	84	76	74	72	70	62	66	66
Full-time uncertified officers	-	-	3	1	-	-	1	2	-	-
Full-time civilian	32	30	27	30	30	27	34	36	29	29
Part-time civilian	3	8	2	3	3	3	-	-	-	-
Fire										
Full-time certified firefighters	94	86	77	83	81	74	69	64	62	45
Part-time certified firefighters	-	3	3	3	3	3	3	4	4	21
Full-time uncertified firefighters	-	3	6	1	-	4	5	2	5	8
Full-time support personnel	-	1	1	1	1	1	1	1	1	1
Public works										
Full-time personnel	33	28	31	35	35	35	31	24	22	35
Culture and recreation										
Full-time personnel	51	51	50	50	50	50	49	44	44	36
<b>Total</b>	<b>429</b>	<b>426</b>	<b>385</b>	<b>389</b>	<b>378</b>	<b>368</b>	<b>356</b>	<b>325</b>	<b>311</b>	<b>311</b>

Source: City of Alpharetta Budget Office

# City of Alpharetta

## Operating Indicators by Function

### Last Six Fiscal Years

<i>Function</i>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General government						
Ordinances approved	40	30	30	25	30	22
Special events held	61	35	38	39	38	38
Court cases heard	12,428	12,527	12,342	12,499	12,342	11,733
Bond rating	Aa1-AAA	Aa1-AAA	Aa1-AA+	Aa1-AA+	Aa1-AA+	Aa1-AA+
Software applications supported	80	70	68	66	60	55
Grants managed	34	34	26	17	16	-
Police						
Calls for service	98,223	80,229	52,056	45,731	52,056	50,266
Part 1 crimes reported	1,899	2,077	1,922	1,445	1,727	1,661
Traffic citations issued	17,519	19,197	16,100	15,290	22,860	24,757
Fire						
Incident responses	5,939	5,590	5,113	5,119	4,909	4,472
Average response time	4:23	5:24	5:29	12:04	12:04	12:04
Fire safety programs conducted	100	395	203	299	203	321
Inspections conducted	5,093	6,456	4,646	5,753	4,646	3,619
Highways and streets						
Traffic signals timed	N/A	82	N/A	41	N/A	N/A
Average days to repair pothole	1	2	25	2	25	N/A
Stormwater plans reviewed	260	224	68	60	68	82
Community development						
New building permits issued	3,692	4,821	3,855	3,800	3,855	3,794
Parcels annexed	2	36	352	352	352	91
Culture and recreation						
Park acres maintained	306	306	300	306	300	300
Greenway acres maintained	200	200	200	200	200	200
Annual program registrants	23,597	23,777	23,500	23,791	23,500	23,612

*Source: Various City departments*

*Note: Indicators are not available prior to 2003*

# City of Alpharetta

## Capital Asset Statistics by Function

### Last Ten Fiscal Years

<i>Function</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units and support vehicles	138	115	110	97	89	86	72	75	58	63
Police motorcycles	6	5	6	6	4	6	6	2	3	7
Fire										
Fire stations	6	6	6	4	5	5	5	5	5	5
Ladder units - in service	1	2	2	3	2	2	2	2	2	2
Ladder units - reserve	1	-	-	1	1	1	1	1	-	-
Pumper units - in service	6	6	6	5	5	5	5	5	5	5
Pumper units - reserve	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets - paved (miles)	270	270	257	217	211	206	200	194	189	183
Streets - unpaved (miles)	2	2	2	1	2	2	2	2	2	2
Sidewalk (miles)	204	170	143	116	N/A	N/A	N/A	N/A	N/A	N/A
Drainage - piped (miles)	99	99	90	40	40	40	35	34	35	35
Drainage - open (miles)	165	165	157	140	140	140	143	143	143	143
Culture and recreation										
Parks - active and passive	9	9	9	9	7	7	7	7	7	7
Park acreage	757	760	769	769	769	764	537	537	537	440
Greenway and walking trails (miles)	11	11	11	11	10	6	6	6	4	4
Adaptive athletic fields	1	1	1	1	-	-	-	-	-	-
Athletic fields	29	29	29	29	29	28	28	28	28	28
Equestrian facilities	1	1	1	1	1	1	1	1	1	1
Hockey rinks	2	2	2	2	2	2	2	2	2	2
Swimming pools	2	2	2	2	2	2	1	1	1	1
Tennis courts	17	17	17	17	17	17	11	11	3	7
Recreation buildings	18	11	11	11	11	11	7	7	7	7
Playgrounds	7	7	6	6	5	4	4	4	4	4
Picnic shelters/restrooms	29	24	23	23	23	21	15	15	15	14

*Sources: Various government departments*

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

## Notes







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