



**CITY OF ALPHARETTA, GEORGIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**

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

Submitted By:  
Chris Lagerbloom  
City Administrator



## INTRODUCTORY SECTION

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**CITY OF ALPHARETTA, GEORGIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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# CITY OF ALPHARETTA, GEORGIA

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MAYOR  
JIM GILVIN

MAYOR PRO TEM  
DAN MERKEL

COUNCIL MEMBERS  
JASON BINDER  
DOUGLAS J. DERITO  
JOHN HIPES  
DONALD F. MITCHELL  
BRIAN WILL

CITY ADMINISTRATOR  
CHRIS LAGERBLOOM

December 21, 2023

## 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, 2023. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, LLC, have issued an unmodified (“clean”) opinion on the City of Alpharetta’s financial statements for the year ended June 30, 2023. The independent auditor’s report is located at the front of the financial section of this report.

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

## OUR HISTORY

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

Located approximately 25 miles north of the City of Atlanta, Alpharetta occupies a land area of approximately 27 square miles and serves an estimated population of 66,127. Population growth has been fueled in part by the City’s strong economic base as well as the annexation of surrounding communities.

## GOVERNMENT PROFILE

The City operates under a strong mayoral form of government, whereby the mayor possesses all the executive and administrative powers granted to the government under the constitution and laws of the State of Georgia

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

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

## BUDGET BASIS AND STRUCTURE

The annual budget serves as the foundation for the City's financial plan and assists in control of the financial stability and health of the government. The Mayor and Council are legally required to adopt a balanced budget (i.e., revenues = expenditures) no later than the close of the fiscal year. The City legally adopts annual budgets for all Governmental Funds (with the exception of the Capital Project Funds which are adopted on a project-length basis) Proprietary, and Fiduciary Funds. The City's fiscal year runs from July 1st through June 30th.

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

## 2023 CITY COUNCIL PRIORITIES AND ANNUAL ACTION PLAN

The City Council conducts a strategic planning retreat annually in January to set strategic priorities over the coming year and guide operational decisions. The January 2023 City Council Retreat set forth priorities to guide the construction of the FY 2024 budget including operations and capital investment. These priorities were condensed into an Annual Action Plan with the components set forth below:

- Safe and Welcoming Community.
- The Alpha Loop and Greenway.
- Strategic Growth and Redevelopment.
- Communications that Connect.

- Downtown Alpharetta.
- Recreation, Parks, and Culture.
- Infrastructure and Facilities Maintenance.
- Transportation and Traffic.
- People Focused Workforce.
- Economic Development.

## STRATEGIC FINANCIAL PLANNING

The City Council, City Administration, and City departments have displayed impressive financial stewardship over the years through an established philosophy of budgetary evaluation. This philosophy entails reviewing the needs of the City relative to the standard that services and associated costs should not be appropriated unless they are justified as strategic priorities of the organization (e.g., Annual Action Plan items). This philosophy is a foundation of our budget process as evidenced by the Finance Department's direction to departments that base operating budgets should be submitted in line with the City's revenue trends and forecasted service delivery needs.

The City of Alpharetta, like many cities in our region and through- out the world, is in the midst of multiple disruptive economic pressures. As quickly as the COVID-19 pandemic and its associated social distancing measures drove a decline in economic activity, the current phase of post-lockdown economic activity coupled with Federal stimulus has resulted in a spike of economic growth. This strong economic growth can be witnessed in our revenue trends as well as our expenditure trends which seek to meet a spiking service demand from our customers while also covering inflationary (e.g., labor costs) and market-based cost pressures (e.g., steel, concrete, wood, asphalt, etc.).

Today, more than ever, governments need to be nimble to respond to market conditions.

Alpharetta's financial planning is focused on City Council priorities (2023 Annual Action Plan) and responding to market conditions in a sustainable manner including maintaining a competitive compensation package for its staff and keeping up with market prices from our private service providers. Proactive fiscal management has positioned us to approach the challenges more effectively in the FY 2024 Budget resulting from the inflationary (e.g., labor costs) and market-based cost pressures (e.g., steel, concrete, wood, etc.). The issue of sustainability also is addressed through a diversification of revenue sources. While property taxes do represent the largest single source of revenue, significant discussion is centered on how to further diversify the City's revenue base and lessen reliance on property taxes. Existing revenue sources are evaluated on a periodic basis to ensure the underlying rate is reasonable and justifiable. Examples of revenue sources that are reevaluated periodically include all user fee-based revenue sources (i.e., permits, licenses, recreation fees, etc.).

The City has historically acknowledged the need to provide a taxation rate commensurate with the government's level of service while ensuring tax relief through efficient and effective management practices. The City levied a millage rate of 5.75 mills (General Fund – 4.785 mills; debt service – 0.965 mills) in fiscal year 2023 which was flat with fiscal year 2022. For fiscal year 2024, the City maintained the millage rate at 5.75 mills (General Fund – 4.951 mills; debt service – 0.799 mills). The city's competitive tax rate, coupled with a substantial Homestead



Exemption, goes to great lengths in keeping Alpharetta not only an affordable place to live, but also strategically positions us relative to neighboring areas.

The City offers multiple homestead exemptions which is estimated to save our homeowners over \$8 million annually and include:

- Floating Homestead exemption that caps the taxable value growth of homesteaded properties to the lesser of 3% or CPI;
- Basic Homestead exemption of \$45,000 off the assessed value of homesteaded properties which is among the highest in the State;
- Senior Basic Homestead exemption of \$25,000 off the assessed value of homesteaded properties for residents age 65 and older;
- Senior full-value exemption available to residents age 70 and older who meet certain income requirements.

In order to promote economic development, the City grants tax abatements that ultimately increase the tax base and result in greater property tax revenue, sales taxes, and other occupational taxes and related fees.

At the end of the current fiscal year, total fund balance for the General Fund was \$42,565,605 which is a decrease of \$322,014 from the prior year. This balance represents approximately 47% of 2024 budgeted operating expenditures. Approximately 25% of total fund balance, or \$10,547,818, constitutes assigned fund balance for 2024 fiscal year expenditures.

Approximately 75% of total fund balance, or \$32,017,787, constitutes unassigned fund balance. This balance represents approximately 36% of 2024 budgeted operating expenditures. By ordinance, the City has mandated that such balance not be less than 16% of budgeted operating expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. Historically, the City has set the minimum for the emergency reserve at a level in excess of the ordinance requirement. For fiscal year end 2023, the emergency reserve requirement totals 25% which equates to \$22,570,000. The surplus after such emergency reserve and other allowances will enable the City to fund onetime future capital in the amount of \$9,447,787 as part of the annual budget to be developed for fiscal year 2025.

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

#### RELEVANT FINANCIAL POLICIES

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

## MAJOR INITIATIVES COMPLETED DURING FISCAL YEAR 2023

The City continued its aggressive infrastructure/facility maintenance plan including funding the milling and resurfacing of multiple city streets, traffic signal system replacement, traffic control system replacement, sidewalk repair, facility roof repair and replacement, tree planting and landscape improvements, park facility renovations, etc. as well as multiple drainage and stormwater repair/ improvement projects.

As the City's economic development efforts continue to fuel growth, the need to ensure vehicular and pedestrian safety is tantamount. 2023 saw multiple vehicular/pedestrian safety projects completed including mid-block crosswalks at Alpharetta Elementary School, Cogburn Road Park, Mid-Broadwell Road at Charlotte Drive, and the 92-Milton Avenue Parking Deck (to North side of Milton Avenue). Additional work done in 2023 includes the approval of roadway improvement designs for Webb Bridge Road (one of our major thoroughfares) that will be bid out for construction starting in 2023/2024.

The city's focus on quality of life culminated in multiple recreational improvements including completion of park/wayfinding signage enhancements, park security enhancements (automatic restroom locks and security lighting), Wills Park pool enhancements and repairs, Wills Park trail repairs, Wills Park Turf baseball field replacement, etc.

## MAJOR INITIATIVES PLANNED FOR FISCAL YEAR 2024

The City's capital plan for FY 2024 totals \$16.9 million and includes recommended capital initiatives totaling \$15.7 million with an additional \$1.2 million set aside for future capital investment. Specific initiatives include:

- Transportation (\$5.5 million) – Initiatives funded include: infrastructure maintenance initiatives (milling and resurfacing of streets, signal system, striping, traffic calming, landscaping, etc.); technology improvements for the Traffic Control Center; continued maintenance of our bridge infrastructure; multiple design projects including the North Point Infrastructure Framework Plan, South Main District Gateway, and the Brookside Parkway Road Diet; etc.
- Drainage/Stormwater (\$4 million) – Initiatives funded include: storm-water system inspections and maintenance; pipe repair and replacement; design of drainage control measures; etc.
- Facility (\$0.9 million) - Initiatives funded include: fire station facility assessments; parking garage maintenance; roof replacements for the Public Works Headquarters (1 segment) and Adult Activity Center; etc.
- Recreation (\$2.3 million) - Initiatives funded include: general park enhancements (fence replacement and repair, signage, new benches, and trash cans, etc.); synthetic turf field replacement (Miracle League Field); athletic courts resurfacing (multiple); playground equipment replacement (Webb Zone); Webb Bridge Park Sewer Connection; multiple cultural arts initiatives including public art exhibits and Cultural Master Plan development funding; etc.
- Fleet/Equipment/Technology Replacement (\$3 million) – Initiatives funded include: replacement of fleet that balances the maximization of public investment in terms of years and mileage while ensuring fleet assets are reliable and functional to ensure continued service capabilities to our customers (public safety, public works, etc.); equipment aimed at maintaining an efficient (general technology replacement for city staff) environment including equipment for new operating initiatives approved in 2024 (e.g. Real-Time Crime Center); 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 Annual Comprehensive Financial Report (“ACFR”) for the fiscal year ended June 30, 2022. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare ACFR’s that represent the spirit of transparency and full disclosure. This award is valid for a period of one year only. We believe that our current ACFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

The City also received the GFOA Popular Annual Financial Reporting Award (“PAFR”) for our annual citizens’ report for the fiscal year ended June 30, 2022.

This program recognizes those governments that produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. This award is valid for a period of one year only. We believe that our current PAFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

Last but certainly not least, the City also received the GFOA’s Distinguished Budget Presentation Award for its annual budget narrative for the fiscal year ended June 30, 2022. This program recognizes those governments that prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s recommended practices on budgeting. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and have submitted it to GFOA to determine its eligibility for another award.

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

Respectfully submitted,

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

Thomas G. Harris

Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Alpharetta  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**CITY OF ALPHARETTA, GEORGIA**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**JUNE 30, 2022**

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**Elected Officials**

Mayor ..... Jim Gilvin

Council Member – Post 1 ..... Donald Mitchell

Council Member – Post 2 ..... Brian Will

Council Member – Post 3 ..... Douglas J. DeRito

Council Member – Post 4 ..... John Hipes

Council Member – Post 5 ..... Jason Binder

Council Member – Post 6 ..... Dan Merkel

**Appointed Officials**

City Administrator ..... Chris Lagerbloom

City Attorney ..... Molly Esswein

City Clerk ..... Lauren Shapiro

Finance Director ..... Thomas G. Harris

Assistant City Administrator ..... James Drinkard

Public Works Director ..... Pete Sewczwicz

Information Technology Director ..... Adam Montgomery

Recreation, Parks & Cultural Services Director.... Morgan Rodgers

Chief Clerk of the Municipal Court ..... Brooke Lappin

Public Safety Director ..... John Robison

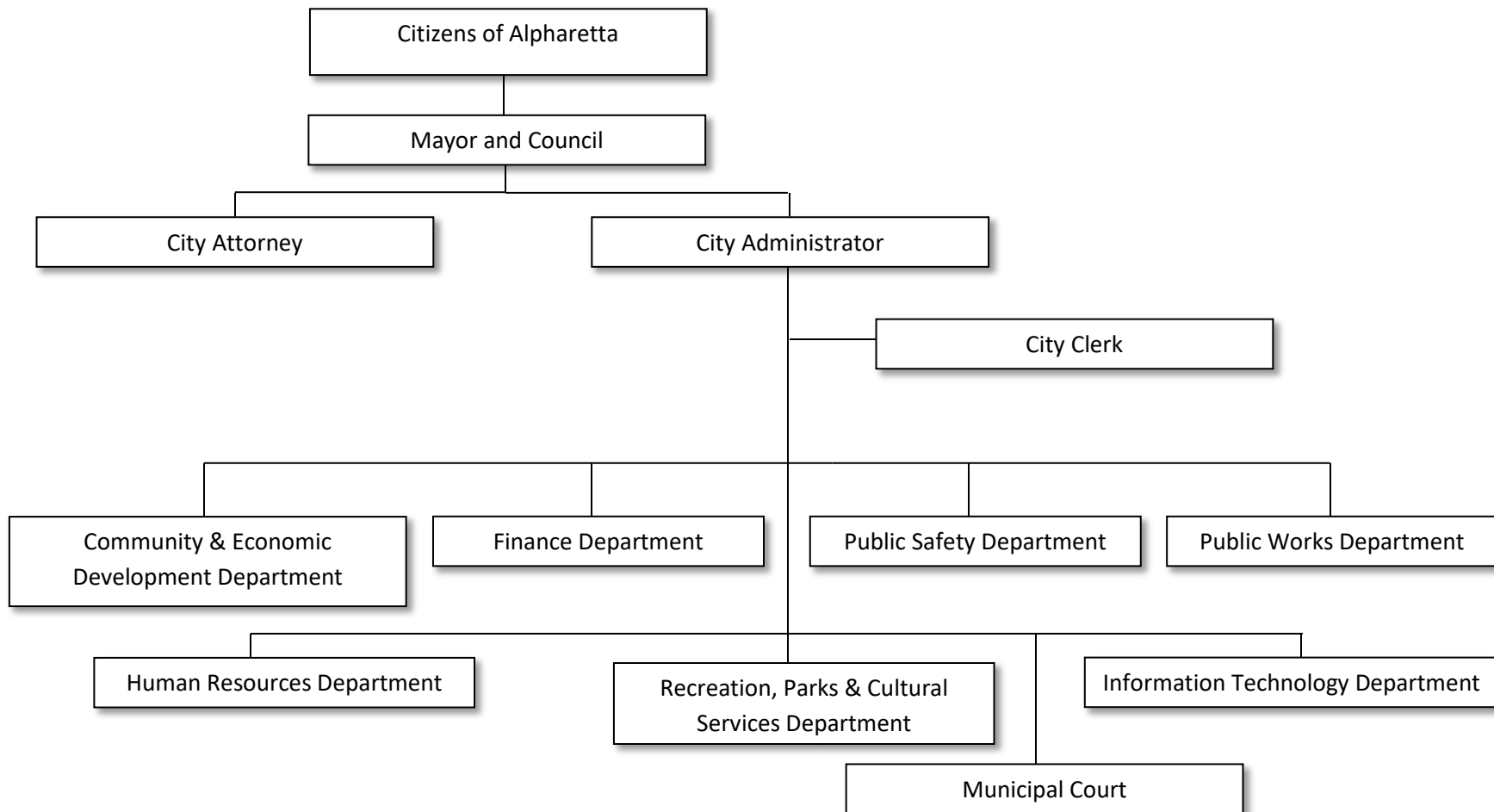
Community Development Director ..... Kathi Cook

Municipal Judge ..... David Will

# CITY OF ALPHARETTA, GEORGIA

## ORGANIZATIONAL CHART

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# FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Alpharetta, Georgia** (the "City"), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter - Change in Accounting Principal***

As described in Note 1 to the financial statements, during the fiscal year ended June 30, 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.



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### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- 
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
  - Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, and the schedules of projects constructed with transportation special purpose local option sales tax proceeds as required by the Official Code of Georgia 48-8-121 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules and the schedules of projects constructed with transportation special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with the *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the City of Alpharetta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 20, 2023

# 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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the beginning of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

## FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$348,977,815 (total net position). Of this amount \$36,506,186 (unrestricted net position) may be used to meet the ongoing obligations of the government.
- The City's total net position increased by \$25,817,308.
- As of the close of the current fiscal year, the City of Alpharetta's governmental funds reported combined ending fund balances of \$145,186,060, an increase of \$6,695,618 from the prior year.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$32,017,787 which represents approximately 35% of 2024 budgeted expenditures. By ordinance, the City has mandated that such balance not be less than 16% of budgeted expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. Historically, when budgeting, the City has set the minimum for the emergency reserve at a level in excess of the ordinance requirement. For Fiscal year end 2023, the emergency reserve requirement totals 25% which equates to \$22,570,000. The surplus after such emergency reserve and other allowances will enable the City to fund one-time future capital in the amount of \$9,447,787 as part of the annual budget to be developed for fiscal year 2025.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

The government-wide financial statements can be found on pages 13 through 15 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 sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, 2017 T-SPLOST Fund, 2022 Bond Construction Fund, American Rescue Plan Fund, and the 2022 T-SPLOST Fund all of which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 16 through 18 of this report.

**Proprietary funds.** The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its solid waste collection operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions of a government. The City uses internal service funds to account for risk management and medical insurance. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste activities and for risk management and medical insurance internal service funds.

The basic proprietary fund financial statements can be found on pages 19 through 21 of this report.

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

The basic fiduciary fund financial statements can be found on pages 22 and 23 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 24 through 74 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Alpharetta pertaining to the City's pension and other postemployment benefits to its employees. In addition, a budgetary comparison schedule for the General Fund is presented on a generally accepted accounting principal basis in this section. This schedule is intended to demonstrate the government's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 75 through 82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 83 through 100 of this report.

## CITY OF ALPHARETTA'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 163,261,381	\$ 157,119,212	\$ 1,926,900	\$ 2,256,207	\$ 165,188,281	\$ 159,375,419
Capital assets	358,488,619	340,104,182	-	-	358,488,619	340,104,182
<b>Total assets</b>	<b>521,750,000</b>	<b>497,223,394</b>	<b>1,926,900</b>	<b>2,256,207</b>	<b>523,676,900</b>	<b>499,479,601</b>
Deferred outflow of resources	12,548,722	15,339,108	-	-	12,548,722	15,339,108
<b>Total deferred outflow of resources</b>	<b>12,548,722</b>	<b>15,339,108</b>	<b>-</b>	<b>-</b>	<b>12,548,722</b>	<b>15,339,108</b>
Current liabilities	12,138,971	14,235,370	1,915,373	2,140,010	14,054,344	16,375,380
Non-current liabilities outstanding	167,182,190	173,914,923	588	222	167,182,778	173,915,145
<b>Total liabilities</b>	<b>179,321,161</b>	<b>188,150,293</b>	<b>1,915,961</b>	<b>2,140,232</b>	<b>181,237,122</b>	<b>190,290,525</b>
Deferred inflow of resources	6,010,685	1,367,677	-	-	6,010,685	1,367,677
<b>Total deferred inflow of resources</b>	<b>6,010,685</b>	<b>1,367,677</b>	<b>-</b>	<b>-</b>	<b>6,010,685</b>	<b>1,367,677</b>
Net investment in capital assets	249,955,561	229,294,901	-	-	249,955,561	229,294,901
Restricted	62,516,068	56,076,310	-	-	62,516,068	56,076,310
Unrestricted	36,495,247	37,673,321	10,939	115,975	36,506,186	37,789,296
<b>Total net position</b>	<b>\$ 348,966,876</b>	<b>\$ 323,044,532</b>	<b>\$ 10,939</b>	<b>\$ 115,975</b>	<b>\$ 348,977,815</b>	<b>\$ 323,160,507</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Alpharetta, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$ 348,977,815 at the close of the most recent fiscal year. The largest portion of the City's net position (72%) reflects its net investment in capital assets (i.e., land, buildings, infrastructure, machinery, and equipment less any outstanding related debt used to acquire those assets). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (18%) represents resources that are subject to external restrictions on how they may be used. At the close of fiscal year 2023, the City's restricted net position was \$62,516,068 representing \$56,380,508 obligated for capital projects, \$962,046 restricted for tourism, \$1,529,393 restricted for the repayment of general obligation bond debt, \$313,684 restricted for law enforcement activities, \$2,765,099 for emergency telephone activities, and \$565,338 for OPEB.

The remaining balance in unrestricted net position of \$36,506,186 (10%) may be used to meet the City's ongoing obligations to citizens and creditors.

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

## CITY OF ALPHARETTA'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 17,522,255	\$ 17,594,045	\$ 5,169,746	\$ 5,129,955	\$ 22,692,001	\$ 22,724,000
Operating grants and contributions	226,068	343,255	-	-	226,068	343,255
Capital grants and contributions	13,627,626	1,728,113	-	-	13,627,626	1,728,113
General revenues:					-	-
Property tax	38,665,089	35,491,615	-	-	38,665,089	35,491,615
Local option sales tax	36,059,503	34,444,987	-	-	36,059,503	34,444,987
Other taxes	26,993,079	25,039,126	-	-	26,993,079	25,039,126
Unrestricted inv. earnings (losses)	2,922,453	(779,913)	15,066	(27,994)	2,937,519	(807,907)
Gain on sale of assets	26,769	93,964	-	-	26,769	93,964
<b>Total revenues</b>	<b>136,042,842</b>	<b>113,955,192</b>	<b>5,184,812</b>	<b>5,101,961</b>	<b>141,227,654</b>	<b>119,057,153</b>
<b>Expenses</b>						
General government	15,037,785	15,956,849	-	-	15,037,785	15,956,849
Public safety	40,533,076	38,314,600	-	-	40,533,076	38,314,600
Public works	33,044,657	26,051,729	-	-	33,044,657	26,051,729
Community development	8,549,533	8,716,191	-	-	8,549,533	8,716,191
Culture and recreation	9,393,984	8,069,132	-	-	9,393,984	8,069,132
Interest on long-term debt	3,561,463	3,127,954	-	-	3,561,463	3,127,954
Solid waste	-	-	5,289,848	5,788,277	5,289,848	5,788,277
<b>Total expenses</b>	<b>110,120,498</b>	<b>100,236,455</b>	<b>5,289,848</b>	<b>5,788,277</b>	<b>115,410,346</b>	<b>106,024,732</b>
<b>Increase (decrease) in net position</b>	<b>25,922,344</b>	<b>13,718,737</b>	<b>(105,036)</b>	<b>(686,316)</b>	<b>25,817,308</b>	<b>13,032,421</b>
Net position - beginning	323,044,532	309,325,795	115,975	802,291	323,160,507	310,128,086
Net position - ending	<u>\$ 348,966,876</u>	<u>\$ 323,044,532</u>	<u>\$ 10,939</u>	<u>\$ 115,975</u>	<u>\$ 348,977,815</u>	<u>\$ 323,160,507</u>

**Governmental activities.** Governmental activities increased the City's net position by \$25,922,344 (compared to an increase of \$13,718,737 in the prior year) accounting for all of the increase in the net position of the City (business-type activities had a decrease in net position of \$105,036). Key elements of this change from year to year are as follows:

- Total governmental program revenues increased by \$11,710,536 primarily due to an increase in capital grants and contributions of \$11,899,513 offset by a decrease in charges for services and operating grants by \$188,977.
- Total general revenues increased by \$10,377,114 from the prior year primarily due to an increase in hotel/motel occupancy tax proceeds, property taxes, sales taxes, and investment earnings resulting from improving financial conditions as the overall economy continued to recover from the pandemic spurred by Federal stimulus measures.
- Total expenses of the governmental activities increased by \$9,884,043. Public works increased by \$7.0 million, public safety increased by \$2.2 million, and Culture and recreation increased by \$1.4 million. This is offset by a decrease in general government expense of \$.9 million.

**Business-type activities.** Business-type activities decreased the City of Alpharetta's net position by \$105,036 as stated earlier.

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of fiscal year 2023, the City reported governmental funds combined ending fund balance of \$145,186,060 an increase of \$6,695,618 from the prior year. Approximately 22% of this balance or \$31,664,980 constitutes unassigned fund balance.

The remainder of the fund balance is categorized as restricted or assigned. Restricted fund balance consists of amounts restricted for capital projects of \$81296,800, law enforcement of \$313,684, emergency telephone activities of \$2,765,099, tourism of \$962,046, and debt service of \$1,529,393. Assigned fund balance consists of amounts assigned for grant projects of \$93,138, capital projects of \$15,656,140, economic development \$356,962, and 2023 fiscal year expenditures of \$10,547,818.

General fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was \$42,565,605 which is a decrease of \$322,014 from the prior year. In terms of liquidity, total fund balance represents approximately 47% of 2023 budgeted expenditures.

Approximately 75% of total fund balance, or \$32,017,787 constitutes unassigned fund balance. This balance represents approximately 35% of 2023 budgeted expenditures. By ordinance, the City has mandated that such balance not be less than 16% of budgeted expenditures. This requirement allows the City to maintain an adequate reserve to cover unforeseen emergencies and/or revenue shortfalls. Historically, when budgeting, the City has set the minimum for the emergency reserve at a level in excess of the ordinance requirement. For fiscal year end 2023, the emergency reserve requirement totals 25% which equates to \$22,570,000. The surplus after such emergency reserve and other allowances will enable the City to fund one-time future capital in the amount of \$9,447,787 as part of the annual budget to be developed for fiscal year 2025.

The fund balance of the City's General Fund decreased during fiscal year 2023 by \$322,014. Revenues exceeded expenditures by \$11,783,769; however, net transfers out were \$12,158,898 and offset in part by proceeds from sale of capital assets of \$53,115. Council approved the utilization of prior year fund balance for capital projects (\$10,547,819).

Other significant variances are explained below:

- From a year-to-year operational perspective, total revenues increased by \$6,023,746 primarily due to increases in sales and property tax proceeds.
- Revenues of \$84,090,829 exceeded amounts budgeted by \$6,872,975. Specific revenue variances include the following: property taxes (\$2,313,004 greater than budget); sales and use taxes (\$2,331,574 greater than budget); investment earnings (\$919,677 greater than budget); licenses and permits (\$759,861 greater than budget); and fines and forfeitures (\$922,775 greater than budget).
- Total expenditures increased by \$5,858,800 from the prior year primarily due to the following growth drivers: (1) general salary growth; (2) increases in healthcare costs; and (3) increases in overtime, seasonal/temporary salaries, and general benefits.
- Expenditures came in well under budget, at \$ 72,307,060. With \$4,793,837 of the budgetary appropriation unspent. Management continues to work with department heads to ensure only necessary purchases are made, and to ensure all departments do not exceed budget appropriations, which creates a budget conscious atmosphere throughout the City.

Capital Projects 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, \$11,439,800 was transferred to this fund from the General Fund, while expenditures amounted to \$12,231,545. The above along with \$1,051,008 in additional revenue, increased fund balance by \$2,612,514 to \$11,213,866 at year-end as compared to \$8,601,352 at end of the prior year.

2017 T-SPLOST Capital Fund. During fiscal year 2023, the 2017 TSPLOST Capital Fund generated \$1,488,641 in investment income. Current expenditures amounted to \$7,786,159. The net amount resulted in a decrease in fund balance of \$6,297,518 from \$41,589,779 to an ending fund balance of \$35,292,261.

2022 Bond Construction Fund. This fund is a capital project fund used to account for proceeds from issuance of 2022 General Obligation Bonds for the acquisition and construction of parks and greenways. Capital outlay expenditures in the amount of \$1,914,177 offset by investment earnings of \$1,089,571 resulted in a fund balance restricted for capital projects in the amount of \$28,451,393 at year end.



2022 T-SPLOST Capital Fund. During fiscal year 2023, the 2022 TSPLOST Capital Fund received \$14,542,856 in sales tax proceeds and generated \$354,746 in investment income for a total revenue amount of \$14,897,602. Current expenditures amounted to \$5,000,573. The net amount resulted in an increase in fund balance of \$9,897,029 from \$3,648,409 to an ending fund balance of \$13,545,438.

American Rescue Plan Fund. This is a capital projects fund used to account for the proceeds that the City received from the American Rescue Plan Act which will fund various infrastructure improvements. The City received a total of \$6,644,511. Revenue in this fund is recognized as funds are expended which results in a zero ending fund balance. The City expended \$1,460,341 which is offset by revenue in the same amount which leaves an amount of \$2,738,859 to be used in subsequent years.

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

Solid Waste Fund. Unrestricted net position of the Solid Waste Fund at the end of the year amounted to \$10,939. The total decrease in net position for the Solid Waste Fund was \$105,036 compared to \$345,233 decrease in the prior year. Total operating revenue increased by \$39,791 to \$5,169,746. Investment earnings decreased by \$12,878 compared to \$29,617 decrease in the prior year. Total expenses decreased by \$498,429 to \$5,289,848.

Risk Management Fund. The Risk Management Fund is an internal service fund created to account for the risk management costs incurred by the City. Unrestricted net position of the risk management fund increased in the amount of \$688,872 from \$1,341,541 to \$2,030,413 as compared to a prior year increase in the amount of \$169,635. Total operating revenues increased by \$233,734 to \$1,888,849 while total operating expenses decreased by \$205,030 to \$1,254,846. Investment earnings increased by \$29,265.

Medical Insurance Fund. The Medical Insurance Fund is an internal service fund created to account for the amounts charged to the City and its employees to pay for the medical insurance plan. The City's medical insurance plan is a fully insured medical plan that is funded through the carrier as a shared return minimum premium arrangement. Funding to the medical insurance fund is based on the City's maximum exposure on the policy. Expenses reflect actual claims and administrative costs. Charges for services and investment earnings amounted to \$8,064,455 and operating expenses amounted to \$7,948,244 resulting in an increase in net position of \$116,211 (as compared to a decrease of \$1,230 in the prior year) yielding a net position of \$75,608 at year-end.

## GENERAL FUND BUDGETARY HIGHLIGHTS

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

- During the year, there was an increase in total budgeted revenues in the amount of \$ 1,368,561 which consisted in part of increases of \$593,627 for Business taxes, \$260,073 for sales and use taxes, and \$483,405 for Charges for services. Total budgeted expenditures increased by \$1,356,104 from the beginning of the year consisting of an increase to total Public Safety for \$51,388, Public Works for \$98,500, Community Development for \$1,000, and Culture and Recreation for \$813,125. General Government budgeted expenditures increased for \$388,169.
- Property taxes were \$2,313,004 more than budgeted, sales and uses taxes were \$2,331,574 more than budgeted, licenses and permits were \$759,861 more than budgeted. Fines and forfeitures were also \$922,775 more than budgeted and investment earnings \$919, 677 more than budgeted. However, franchise taxes were \$256,358 less than budgeted and other taxes \$227,938 less than budgeted. The net result of all the revenue variances was that actual total revenues exceeded final budget total revenues by \$6,872,975.
- Total actual expenditures were \$4,793,837 less than final budgeted total expenditures. Management continues to work with department heads to ensure only necessary purchases are made and to ensure departments do not exceed budget appropriations, which generates a budget conscious atmosphere throughout the City. Among departments with larger favorable

variances in expenditures were General Government which expended \$1,671,738 less than final budget, Public Safety which expended \$1,624,008 less than final budget, and Public Works which expended \$786,972 less than final budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Alpharetta's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$358,488,619 (net of accumulated depreciation). This investment in capital assets includes land and permanent improvements, buildings, improvements other than buildings, machinery and equipment, and infrastructure (park facilities, roads, highways, and bridges).

Larger additions to Capital Assets include:

- Additions to construction in progress for AlphaLoop (\$4,375,725)
- Additions to construction in progress for Webb Bridge Road Improvements (\$3,024,100)
- Additions for Davis Drive Extension (\$2,978,800)
- Additions to construction in progress for 3 Fire Truck Pumper Unites (\$2,353,251)
- Additions to construction in progress for GA 400 Bridges (\$1,382,858)

## CITY OF ALPHARETTA'S CAPITAL ASSETS

(Net of Accumulated Depreciation)

	Governmental Activities	
	2023	2022
Land and permanent improvements	\$ 99,956,713	\$ 94,979,917
Buildings	57,374,963	59,248,865
Improvements other than buildings	13,902,350	13,967,682
Machinery and equipment	9,298,445	10,180,329
Infrastructure	147,927,916	103,304,869
Subscription assets	301,553	-
Construction in progress	29,726,679	58,422,520
Total	<u>\$ 358,488,619</u>	<u>\$ 340,104,182</u>

Long-term debt. At the end of the fiscal year 2023, the City's total outstanding debt was \$136,801,686. Total outstanding debt consists of \$129,761,489 of bonds, \$6,924,983 of financed purchases payable, and \$115,214 of SBITAs.

## CITY OF ALPHARETTA'S OUTSTANDING DEBT

### City of Alpharetta's Outstanding Debt

General Obligation Bonds and Notes

	Governmental Activities	
	2023	2022
General obligation bonds	\$ 104,130,535	\$ 108,047,699
Revenue bonds	25,630,934	26,555,278
Financed purchases payable	6,924,983	5,240,293
SBITAs	115,214	452,329
Total	<u>\$ 136,801,666</u>	<u>\$ 140,295,599</u>

The City's total debt decreased by \$3,493,933 during the 2023 fiscal year. The City currently has an uninsured "AAA" rating from Standard & Poor's and an "Aaa" rating from Moody's for its general obligation debt. Keys to such elite ratings are a result of strong and proactive administration; effective debt management policies with moderate to low debt ratios; a vibrant and diverse economy; and a strong track record of managing the financial positions supported by sufficient reserves.

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 \$747,366,776.

Additional information on the City's long-term debt can be found in note IV.F on pages 52 through 57 of this report.

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

The City of Alpharetta, like many cities in our region and throughout the world, is in the midst of multiple disruptive economic pressures. As quickly as the COVID-19 pandemic and its associated social distancing measures drove a decline in economic activity, the current phase of post-lockdown economic activity coupled with Federal stimulus has resulted in a spike of economic growth. This strong economic growth can be witnessed in our revenue trends as well as our expenditure trends which seek to meet a spiking service demand from our customers while also covering unprecedented inflationary (e.g., labor costs) and market-based cost pressures (e.g., steel, concrete, wood, asphalt, etc.).

Today, more than ever, governments need to be nimble to respond to market conditions.

Alpharetta's 2024 budget is focused on City Council priorities (2023 Annual Action Plan) and responding to market conditions in a prudent manner including maintaining a competitive compensation package for our staff and keeping up with market prices from private service providers. Highlights include:

- Tax-burden reductions for our homeowners in excess of \$8 million annually from our homestead exemption offerings.
- Maintenance of the city's millage rate at 5.750 mills (flat with FY 2023) including funding \$3 million for expanded service levels for our citizenry, business owners, and stakeholders and funding \$4 million from General Fund operations for capital investment (e.g., maintenance of our stormwater infrastructure).
- Funding totaling \$3 million for expanded service levels within multiple departments. The expanded service levels highlight our priority focus on public safety and includes leveraging advancements in technology to continue our effective and efficient service to our community (the recommended Real Time Crime Center initiative).
- Capital investment focused on maintaining and improving city infrastructure and assets (\$15.7 million when including potential grant sources) while reserving sufficient funds to provide flexibility for future prioritized capital investment (\$1.2 million) and described in detail under the Capital Initiative Requests section of this document.
- Continuation of the same high service levels our citizenry, business owners, and stakeholders expect from our city.

## **BASIC FINANCIAL STATEMENTS**

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# CITY OF ALPHARETTA, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2023

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 102,443,647	\$ 1,112,031	\$ 103,555,678
Investments	22,894,374	503,002	23,397,376
Receivables, net of allowance for uncollectibles	8,272,527	311,867	8,584,394
Prepaid items	307,596	-	307,596
Restricted cash equivalents	28,777,899	-	28,777,899
Net OPEB asset	565,338	-	565,338
Capital assets, non-depreciable	129,683,392	-	129,683,392
Capital assets, depreciable, net of accumulated depreciation	228,805,227	-	228,805,227
Total assets	521,750,000	1,926,900	523,676,900
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	177,859	-	177,859
Pension related items	12,277,157	-	12,277,157
OPEB related items	93,706	-	93,706
Total deferred outflows of resources	12,548,722	-	12,548,722
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	8,653,404	438,325	9,091,729
Unearned revenue	2,869,119	1,477,048	4,346,167
Interest payable	616,448	-	616,448
Noncurrent liabilities:			
Bonds payable, due within one year	4,215,000	-	4,215,000
Bonds payable, due in more than one year	125,546,469	-	125,546,469
Financed purchases payable, due within one year	949,864	-	949,864
Financed purchases payable, due in more than one year	5,975,119	-	5,975,119
SBITAs, due within one year	56,696	-	56,696
SBITAs, due in more than one year	58,518	-	58,518
Net pension liability, due in more than one year	25,587,464	-	25,587,464
Other noncurrent liabilities, due within one year	3,976,104	588	3,976,692
Other noncurrent liabilities, due in more than one year	816,956	-	816,956
Total liabilities	179,321,161	1,915,961	181,237,122
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	5,647,214	-	5,647,214
OPEB related items	363,471	-	363,471
Total deferred inflows of resources	6,010,685	-	6,010,685
<b>NET POSITION</b>			
Net investment in capital assets	249,955,561	-	249,955,561
Restricted for:			
Capital projects	56,380,508	-	56,380,508
Tourism	962,046	-	962,046
Debt service	1,529,393	-	1,529,393
Law enforcement	313,684	-	313,684
Emergency telephone activities	2,765,099	-	2,765,099
OPEB	565,338	-	565,338
Unrestricted	36,495,247	10,939	36,506,186
Total net position	\$ 348,966,876	\$ 10,939	\$ 348,977,815

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

# CITY OF ALPHARETTA, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>
			<u>Contributions</u>	<u>Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 15,037,785	\$ 515,790	\$ 26,205	\$ -
Public safety	40,533,076	8,838,667	29,439	-
Public works	33,044,657	-	71,642	13,168,883
Community development	8,549,533	5,598,172	1,500	458,743
Culture and recreation	9,393,984	2,569,626	97,282	-
Interest on long-term debt	3,561,463	-	-	-
Total governmental activities	<u>110,120,498</u>	<u>17,522,255</u>	<u>226,068</u>	<u>13,627,626</u>
Business-type activities:				
Solid waste	<u>5,289,848</u>	<u>5,169,746</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>5,289,848</u>	<u>5,169,746</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 115,410,346</u>	<u>\$ 22,692,001</u>	<u>\$ 226,068</u>	<u>\$ 13,627,626</u>

General revenues:

Property taxes  
 Sales taxes  
 Franchise taxes  
 Hotel/Motel occupancy taxes  
 Business taxes  
 Other taxes  
 Gain on sale of assets  
 Unrestricted investment earnings  
 Total general revenues  
 Change in net position  
 Net position, beginning of year  
 Net position, end of year

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

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**Net (Expenses) Revenues and  
Changes in Net Position**

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**Primary Government**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (14,495,790)	\$ -	\$ (14,495,790)
(31,664,970)	-	(31,664,970)
(19,804,132)	-	(19,804,132)
(2,491,118)	-	(2,491,118)
(6,727,076)	-	(6,727,076)
(3,561,463)	-	(3,561,463)
<u>(78,744,549)</u>	<u>-</u>	<u>(78,744,549)</u>
-	(120,102)	(120,102)
-	(120,102)	(120,102)
<u>\$ (78,744,549)</u>	<u>\$ (120,102)</u>	<u>\$ (78,864,651)</u>
38,665,089	-	38,665,089
36,059,503	-	36,059,503
6,843,642	-	6,843,642
9,277,072	-	9,277,072
7,075,153	-	7,075,153
3,797,212	-	3,797,212
26,769	-	26,769
2,922,453	15,066	2,937,519
<u>104,666,893</u>	<u>15,066</u>	<u>104,681,959</u>
25,922,344	(105,036)	25,817,308
323,044,532	115,975	323,160,507
<u>\$ 348,966,876</u>	<u>\$ 10,939</u>	<u>\$ 348,977,815</u>

# CITY OF ALPHARETTA, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

			2017		American	2022	Nonmajor	Total
			T-SPLOST	2022 Bond	Rescue	T-SPLOST	Governmental	Governmental
ASSETS	General	Capital Project	Capital Fund	Construction Fund	Plan Fund	Fund	Funds	Funds
Cash and cash equivalents	\$ 29,413,494	\$ 8,420,096	\$ 35,770,927	\$ -	\$ 2,126,172	\$ 14,328,665	\$ 9,719,752	\$ 99,779,106
Investments	13,128,425	3,674,900	-	-	961,725	-	4,100,652	21,865,702
Taxes receivable, net	3,247,423	-	-	-	-	-	934,091	4,181,514
Accounts receivable, net	323,151	-	-	-	-	-	566,076	889,227
Intergovernmental	8,199	705,022	-	-	-	1,234,525	886,259	2,834,005
Due from other funds	494,794	-	-	-	-	-	-	494,794
Restricted cash equivalents	-	-	-	28,777,899	-	-	-	28,777,899
Total assets	\$ 46,615,486	\$ 12,800,018	\$ 35,770,927	\$ 28,777,899	\$ 3,087,897	\$ 15,563,190	\$ 16,206,830	\$ 158,822,247
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ 2,674,962	\$ 710,904	\$ 292,586	\$ 305,268	\$ 315,481	1,542,757	\$ 417,194	\$ 6,259,152
Retainage payable	-	170,226	186,080	21,238	33,757	145,242	130,607	687,150
Accrued liabilities	961,990	-	-	-	-	329,753	412,390	1,704,133
Unearned revenue	-	-	-	-	2,738,659	-	130,460	2,869,119
Due to other funds	-	-	-	-	-	-	494,794	494,794
Total liabilities	3,636,952	881,130	478,666	326,506	3,087,897	2,017,752	1,585,445	12,014,348
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - property taxes	370,129	-	-	-	-	-	71,711	441,840
Unavailable revenue - other	42,800	705,022	-	-	-	-	432,177	1,179,999
Total deferred inflows of resources	412,929	705,022	-	-	-	-	503,888	1,621,839
<b>FUND BALANCES</b>								
Restricted for:								
Capital projects	-	295,664	35,292,261	28,451,393	-	13,545,438	3,712,044	81,296,800
Law enforcement	-	-	-	-	-	-	313,684	313,684
Emergency telephone activities	-	-	-	-	-	-	2,765,099	2,765,099
Tourism	-	-	-	-	-	-	962,046	962,046
Debt service	-	-	-	-	-	-	1,529,393	1,529,393
Assigned for:								
Grant projects	-	-	-	-	-	-	93,138	93,138
Capital projects	-	10,918,202	-	-	-	-	4,737,938	15,656,140
Economic development	-	-	-	-	-	-	356,962	356,962
Fiscal year 2024 budget	10,547,818	-	-	-	-	-	-	10,547,818
Unassigned	32,017,787	-	-	-	-	-	(352,807)	31,664,980
Total fund balances	42,565,605	11,213,866	35,292,261	28,451,393	-	13,545,438	14,117,497	145,186,060
Total liabilities, deferred inflows of resources, and fund balances	\$ 46,615,486	\$ 12,800,018	\$ 35,770,927	\$ 28,777,899	\$ 3,087,897	\$ 15,563,190	\$ 16,206,830	
Amounts reported for governmental activities in the statement of net position are different because:								
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.								358,488,619
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the governmental funds.								1,621,839
Internal service funds are used by the City to charge costs to other funds. The assets and liabilities are included in the government activities.								2,106,021
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.								(140,081,311)
Prepaid items are costs applicable to future periods and, therefore, are not reported in governmental funds.								307,596
Net pension liability is not due and payable in the current period and is, therefore, not reported in governmental funds, along with deferred inflows/outflows to the Plan.								(18,957,521)
Net OPEB asset is not collectible in the current period and is, therefore, not reported in governmental funds, along with deferred inflows/outflows to the Plan.								295,573
Net position of governmental activities								\$ 348,966,876

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



**CITY OF ALPHARETTA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General	Capital Project	2017 T-SPLOST Capital Fund	2022 Bond Construction Fund	American Rescue Plan Fund	2022 T-SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Taxes:								
Property taxes	\$ 31,815,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,916,841	\$ 38,731,845
Sales and use taxes	21,516,647	-	-	-	-	14,542,856	-	36,059,503
Other taxes	17,716,007	-	-	-	-	-	9,277,072	26,993,079
Licenses and permits	3,750,861	-	-	-	-	-	-	3,750,861
Charges for services	4,468,495	-	-	-	-	-	3,809,370	8,277,865
Impact fees	-	-	-	-	-	-	465,276	465,276
Fines and forfeitures	3,294,775	-	-	-	-	-	75,281	3,370,056
Intergovernmental	186,554	298,753	-	-	1,460,341	-	3,760,458	5,706,106
Contributions and donations	125,742	458,743	-	-	-	-	74,483	658,968
Investment earnings (losses)	1,119,677	293,112	1,488,641	1,089,571	-	354,746	420,093	4,765,840
Other revenues	97,067	400	-	-	-	-	347,115	444,582
Total revenues	84,090,829	1,051,008	1,488,641	1,089,571	1,460,341	14,897,602	25,145,989	129,223,981
<b>Expenditures</b>								
Current:								
General government	10,930,907	-	-	-	-	-	211,787	11,142,694
Public safety	34,500,609	-	-	-	-	-	4,867,271	39,367,880
Public works	9,424,101	-	-	-	-	-	1,764,689	11,188,790
Community development	4,288,651	-	-	-	-	-	4,642,251	8,930,902
Culture and recreation	11,877,838	-	-	-	-	-	84,779	11,962,617
Capital outlay	-	12,231,545	7,786,159	1,914,177	1,460,341	5,000,573	4,627,076	33,019,871
Debt service:								
Principal	1,132,408	-	-	-	-	-	3,743,268	4,875,676
Interest and fiscal charges	152,546	-	-	-	-	-	4,293,753	4,446,299
Total expenditures	72,307,060	12,231,545	7,786,159	1,914,177	1,460,341	5,000,573	24,234,874	124,934,729
Excess (deficiency) of revenues over expenditures	11,783,769	(11,180,537)	(6,297,518)	(824,606)	-	9,897,029	911,115	4,289,252
<b>Other financing sources (uses):</b>								
Proceeds from sale of capital assets	53,115	-	-	-	-	-	-	53,115
Financed purchases	-	2,353,251	-	-	-	-	-	2,353,251
Transfers in	3,480,902	11,439,800	-	-	-	-	4,200,000	19,120,702
Transfers out	(15,639,800)	-	-	-	-	-	(3,480,902)	(19,120,702)
Total other financing sources (uses)	(12,105,783)	13,793,051	-	-	-	-	719,098	2,406,366
Net change in fund balances	(322,014)	2,612,514	(6,297,518)	(824,606)	-	9,897,029	1,630,213	6,695,618
<b>Fund balances, beginning of year</b>	42,887,619	8,601,352	41,589,779	29,275,999	-	3,648,409	12,487,284	138,490,442
<b>Fund balances, end of year</b>	\$ 42,565,605	\$ 11,213,866	\$ 35,292,261	\$ 28,451,393	\$ -	\$ 13,545,438	\$ 14,117,497	\$ 145,186,060

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

**CITY OF ALPHARETTA, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Net change in fund balances - total governmental funds	\$ 6,695,618
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.	12,183,553
The net effect of various miscellaneous transactions involving capital assets (i.e. donations and sales) is to increase net position.	5,748,555
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	907,455
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,434,647
Internal service funds are used by management to charge the costs of insurance plans and workers' compensation insurance to individual funds. The net expense of the internal service funds is reported with governmental activities.	805,083
Prepaid items are costs applicable to future periods and, therefore, are not reported in the governmental funds.	10,247
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.	(3,862,814)
Change in net position - governmental activities	\$ 25,922,344

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

**CITY OF ALPHARETTA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities</b>
	<b>Solid Waste Fund</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,112,031	\$ 2,664,541
Investments	503,002	1,028,672
Accounts receivable, net of allowance for uncollectibles	311,867	367,781
Total assets	<u>1,926,900</u>	<u>4,060,994</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	437,795	2,969
Accrued salaries	530	-
Unearned revenue	1,477,048	-
Compensated absences payable	588	-
Claims payable, due within one year	-	1,532,796
Total current liabilities	<u>1,915,961</u>	<u>1,535,765</u>
<b>NONCURRENT LIABILITIES</b>		
Claims payable, due in more than one year	-	419,208
Total noncurrent liabilities	<u>-</u>	<u>419,208</u>
Total liabilities	<u>1,915,961</u>	<u>1,954,973</u>
<b>NET POSITION</b>		
Unrestricted	10,939	2,106,021
Total net position	<u>\$ 10,939</u>	<u>\$ 2,106,021</u>

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

**CITY OF ALPHARETTA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities</b>
	<b>Solid Waste Fund</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Charges for services:		
Refuse collection charges	\$ 5,077,159	\$ -
Charges for service	-	9,742,755
Miscellaneous revenue	92,587	210,549
Total operating revenues	<u>5,169,746</u>	<u>9,953,304</u>
<b>OPERATING EXPENSES</b>		
Administration	5,289,848	79,288
Claims and judgements	-	6,332,894
Premiums	-	2,790,908
Total operating expenses	<u>5,289,848</u>	<u>9,203,090</u>
Operating income (loss)	(120,102)	750,214
<b>NON-OPERATING REVENUES</b>		
Investment earnings	15,066	54,869
Total non-operating revenues	<u>15,066</u>	<u>54,869</u>
Change in net position	(105,036)	805,083
<b>NET POSITION, beginning of year</b>	<u>115,975</u>	<u>1,300,938</u>
<b>NET POSITION, end of year</b>	<u><u>\$ 10,939</u></u>	<u><u>\$ 2,106,021</u></u>

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

**CITY OF ALPHARETTA, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities</b>
	<b>Solid Waste Fund</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 4,957,329	\$ 10,341,177
Payments to vendors/suppliers	(5,264,146)	(2,808,857)
Payments on claims	-	(6,663,037)
Payments to employees	(70,872)	-
Net cash provided by (used in) operating activities	<u>(377,689)</u>	<u>869,283</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	546,887	335,696
Purchase of investments	-	(66,566)
Interest and dividends received	15,066	54,869
Net cash used in investing activities	<u>561,953</u>	<u>323,999</u>
Decrease in cash and cash equivalents	184,264	1,193,282
<b>Cash and cash equivalents, beginning of year</b>	<u>927,767</u>	<u>1,471,259</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 1,112,031</u></u>	<u><u>\$ 2,664,541</u></u>
<b>Reconciliation of operating income (loss) to net cash used in operating activities:</b>		
Operating income (loss)	\$ (120,102)	\$ 750,214
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Increase in accounts receivable	(33,316)	-
Decrease in due from other funds	-	387,873
Decrease in accounts payable	(43,593)	(17,949)
Decrease in other accrued liabilities	(181,044)	-
Increase in compensated absence	366	-
Decrease in claims payable	-	(250,855)
Net cash used in operating activities	<u><u>\$ (377,689)</u></u>	<u><u>\$ 869,283</u></u>

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

**CITY OF ALPHARETTA, GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2022**

<b>ASSETS</b>	<b>Fiduciary Funds</b>
Cash	\$ 1,909,147
Accounts receivable	382,980
Investments:	
U.S. Treasuries	6,856,689
U.S. Agencies	7,164,537
Corporate and Foreign Agencies	8,294,084
Common Equity Securities	72,823,371
Equity Mutual Funds	1,190,895
Exchange Traded Funds	81,468
	<hr/>
Total assets	98,703,171
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	419,822
	<hr/>
Total liabilities	419,822
	<hr/>
<b>NET POSITION</b>	
Restricted for:	
Pensions	91,285,181
Postemployment benefits other than pensions	6,998,168
Net position restricted for retiree benefits	\$ 98,283,349
	<hr/> <hr/>

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

**CITY OF ALPHARETTA, GEORGIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Fiduciary Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employee contributions	\$ 311,837
Employer contributions	3,699,468
Other	21,965
	<hr/>
Total contributions	4,033,270
	<hr/>
Investment income:	
Net appreciation of fair value of investments	8,225,792
Interest and dividends	2,450,873
Less investment expense	(657,790)
	<hr/>
Net investment income	10,018,875
	<hr/>
Total additions	14,052,145
	<hr/>
<b>DEDUCTIONS</b>	
Benefit payments	4,197,188
Administrative expenses	113,380
	<hr/>
Total deductions	4,310,568
	<hr/>
Change in net position	9,741,577
	<hr/>
<b>NET POSITION RESTRICTED FOR RETIREE BENEFITS</b>	
Beginning of year	88,541,772
	<hr/>
End of year	\$ 98,283,349
	<hr/> <hr/>

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

**CITY OF ALPHARETTA, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting entity**

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

**Blended component unit.** The Development Authority of Alpharetta (the “Authority”) promotes the industrial and economic development of the City. The Authority is legally separate from the City; however, the City appoints all of the Authority’s Board members, and the City is obligated to fund a significant portion of the debt of the Authority through intergovernmental agreements. Separate financial statements for the Development Authority are not prepared.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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



## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The **2017 Transportation Special Purpose Local Option Sales Tax (T-SPLOST) Fund** is used to account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum.

The **2022 Bond Construction Fund** is used to account for the 2022 General Obligation Bond proceeds for the acquisition and construction of parks, greenways, and the acquisition and construction of roads, streets, and bridges.

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

The **2022 Transportation Special Purpose Local Option Sales Tax (T-SPLOST) Fund** is used to account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum.

The City reports the following major proprietary fund:

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

The City also reports the following fund types:

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

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

The **capital project funds** account for the capital projects expenditures as they relate to proceeds from capital grants, transportation special purpose local option sales tax, 2016 and 2022 general obligation bonds, and transfers from other funds of the City.

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

## NOTES TO FINANCIAL STATEMENTS

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### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

##### ***1. Cash, cash equivalents, and investments***

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

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

## NOTES TO FINANCIAL STATEMENTS

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### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

All property tax receivables are shown net of an allowance for uncollectibles. Property taxes are levied on assessed property values as of January 1. The levy date is the date that the millage rate is set by the City Council and occurs on or about June 15. Tax notices are then mailed on or about October 1 of each year and are due 60 days from the billing date. The billings are considered past due if the payment is not rendered within the 60 day period after the respective tax billing date, at which time penalties and interest are assessed. Delinquent tax payments subject the property to lien. The City bills and collects its own property taxes.

##### ***3. Prepaid items***

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

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### **4. Restricted assets**

Proceeds of the 2016 Series Bond Construction Issue and the 2022 Series Bond Construction Issue are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by applicable bond covenants. The “bond construction” account is used to report those proceeds that are restricted for use in the construction of voter approved projects.

##### **5. Capital assets**

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 6. *Subscription-Based Information Technology Arrangements*

The City has entered into noncancelable long-term subscription-based information technology arrangements (SBITA) for various software programs. The City recognizes a right-to-use subscription asset and corresponding subscription liability in the government-wide financial statements.

At the commencement of the subscription term, the City measures the subscription liability at the present value of minimum payments required to be paid during the subscription term. The right-to-use subscription asset is initially measured as the sum of the initial subscription liability amount plus payments made to the vendor before commencement of the subscription term and capitalizable implementation costs, less any incentives received from the vendor at or before commencement.

The City's SBITA activities, other than making subscription payments, are accounted for as follows:

Preliminary project stage activities include evaluating alternatives, determining the needed technology, and vendor selection are expensed as incurred.

Initial implementation stage activities include all ancillary charges necessary to place the subscription asset into service and are capitalized in addition to the subscription asset.

Operation and additional implementation stage activities such as maintenance and support are expensed as incurred.

Key estimates and judgments related to the City's subscription assets and liabilities include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments:

The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate.

The lease term includes the noncancellable period of the subscription term. Subscription payments included in the measurement of the subscription assets and liabilities are composed of fixed payments due to the vendor over the subscription term.

The City monitors changes in circumstances that would require a remeasurement of its subscription assets and liabilities and will remeasure them if changes occur that are expected to significantly affect the reported amount of subscription assets and liabilities.

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 7. *Deferred outflows/inflows of resources*

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### **8. *Compensated absences***

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

##### **9. *Long-term obligations***

In the government-wide financial statements, and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

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

##### **10. *Pensions***

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



## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 11. OPEB

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

##### 12. Fund equity

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

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

Fund balances are classified as follows:

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

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

*Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote of the City Council. Only the City Council may modify or rescind the commitment. The City's Council would effectively commit fund balance through the approval of an ordinance; however, there are no commitments as of the fiscal year ended June 30, 2023.

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 12. Fund equity (Continued)

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

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

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

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

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

##### 13. Management estimates

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

## NOTES TO FINANCIAL STATEMENTS

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### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$140,081,311 difference are as follows:

Bonds payable	\$ (122,065,000)
Plus: Issuance premium	(7,696,469)
Deferred charge on refunding	393,765
Deferred gain on refunding	(215,906)
Financed purchases payable	(6,924,983)
Subscription based information technology arrangements	(115,214)
Accrued interest payable	(616,448)
Compensated absences	<u>(2,841,056)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (140,081,311)</u></u>

Another element of that reconciliation explains that “Net pension liability is not due and payable in the current period and is therefore not reported in governmental funds, along with related amounts.” The details of this \$18,957,521 difference are as follows:

Net pension liability	\$ (25,587,464)
Deferred outflows of resources:	
Difference between expected and actual experience	4,663,867
Assumption changes in plan	3,048,731
Net difference between projected and actual investment earnings - pensions	4,564,559
Deferred inflows of resources:	
Difference between expected and actual experience	(472,542)
Assumption changes in plan	<u>(5,174,672)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (18,957,521)</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Another element of that reconciliation explains that “Net OPEB liability (asset) is not due and payable in the current period and is therefore not reported in governmental funds, along with related amounts.” The details of this \$295,573 difference are as follows:

Net OPEB asset	\$	565,338
Deferred outflows of resources:		
Difference between expected and actual experience		27,103
Assumption changes in plan		66,603
Deferred inflow of resources:		
Difference between expected and actual experience		(131,602)
Assumption changes in plan		(153,513)
Net difference between projected and actual investment earnings - OPEB		<u>(78,356)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>295,573</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.” The details of this \$12,183,553 difference are as follows:

Capital outlay	\$	22,289,619
Depreciation and amortization expense		<u>(10,106,066)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$	<u>12,183,553</u>

## NOTES TO FINANCIAL STATEMENTS

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### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., donations and sales) is to increase net position.” The details of this \$5,748,555 difference are as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	\$ (136,083)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not current financial resources.	<u>5,884,638</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 5,748,555</u>

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 \$3,862,814 difference are as follows:

Compensated absences	\$ 122,881
Accrued interest	27,386
OPEB expense	(29,646)
Pension expense	<u>3,742,193</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 3,862,814</u>

## NOTES TO FINANCIAL STATEMENTS

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### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$3,434,647 difference are as follows:

Principal repayments:

Bonds payable	\$ 3,870,000
Financed purchase payable	668,561
Subscription based information technology arrangements	337,115
Issuance of financed purchases	(2,353,251)
Amortization of deferred gain on refunding	71,969
Amortization of deferred charges on refunding	(131,255)
Amortization of bond premium	<u>971,508</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u><u>\$ 3,434,647</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary information

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

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

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

The following General Fund's department and special revenue fund had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2023:

General Fund		
City clerk	\$	8,776
Hotel/Motel Fund		762,814

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

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

#### B. Deficit Fund Balance

The Grant Capital Fund has a deficit fund balance of \$ 352,807 at June 30, 2023. This deficit will be eliminated next year by recognition of grant revenues and transfer from other funds.

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS

#### A. Cash, cash equivalents, and investments

##### Primary government

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

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

As of June 30, 2023, the City of Alpharetta had the following cash equivalents and investments:

Investment	Standards & Poor Rating	Weighted Average Maturity	Fair Value
Georgia Fund 1	AAAf	28 days	\$ 121,840,667
U.S. Treasuries	AA+	2.8 years	23,214,461
Fidelity Money Market Account	N/A	-	182,915
Deposits with financial institutions	N/A	-	10,492,910
		Total	<u>\$ 155,730,953</u>

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

Cash and cash equivalents	\$ 103,555,678
Restricted cash and cash equivalents	28,777,899
Investments	<u>23,397,376</u>
Total	<u>\$ 155,730,953</u>

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



## NOTES TO FINANCIAL STATEMENTS

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### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

**Fair Value Measurements.** The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Fidelity Treasury money market mutual fund	\$ 182,915	\$ -	\$ 182,915
U.S. Treasuries	<u>23,214,461</u>	<u>-</u>	<u>23,214,461</u>
Total investments by fair value level	<u>\$ 23,397,376</u>	<u>\$ -</u>	<u>\$ 23,397,376</u>

The Fidelity Treasury money market mutual fund and the United States treasuries classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

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

**Custodial Credit Risk – Deposits:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, all of the City's bank balances were insured or collateralized as defined by GASB and State statutes.

#### Pension Plan Trust Fund

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

The City's Pension Plan Trust Fund's policy specifies a target asset allocation mix to guide the pursuit of an optimal level of risk in relation to obtaining the long-term average annual return target of 7.00%. This asset allocation mix is as follows: Total Fixed Income targeted at 30%, with an acceptable range of 25% to 40%; Domestic Equities targeted at 50%, with an acceptable range of 36% to 63%, International Equities targeted at 15%, with an acceptable range of 7.50% to 22.50%, Alternatives (Private Real Estate) targeted at 5%, with an acceptable range of 0% to 5%.

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

##### Pension Plan Trust Fund (Continued)

As of June 30, 2023, the Pension Plan Trust Fund had \$91,213,978 invested in the following types of investments:

Investment	Fair Value	S&P Rating
Money Market Funds	\$ 1,756,233	NR
U.S. Treasuries	6,278,498	NR
U.S. Government Agencies	7,164,537	NR
Corporate Bonds - Domestic	5,057,027	BBB- to A
Corporate Bonds - Foreign	995,805	BBB- to BBB+
Corporate Bonds - Variable	929,358	BBB- to A
Asset Backed Bonds	209,697	AA+ to AAA
Common Equity Securities	67,565,832	NR
Mutual Funds - ETF Equity	66,096	NR
Mutual Funds	1,190,895	NR
	<u>\$ 91,213,978</u>	

NR - these fund types are not rated.

Investment	Fair Value	Average Maturity
Money Market Funds	\$ 1,756,233	-
U.S. Treasuries	6,278,498	3.417
U.S. Government Agencies	7,164,537	4.976
Corporate Bonds - Domestic	5,057,027	2.203
Corporate Bonds - Foreign	995,805	0.190
Corporate Bonds - Variable	929,358	0.297
Asset Backed Bonds	209,697	0.028
Common Equity Securities	67,565,832	-
Mutual Funds	1,190,895	-
Mutual Funds - ETF Equity	66,096	-
	<u>\$ 91,213,978</u>	

Equity securities, mutual funds and exchange traded funds do not have a weighted average maturity.

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

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

##### Pension Plan Trust Fund (Continued)

**Concentration:** On June 30, 2023, the Pension Plan Trust Fund did not have any debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of Plan fiduciary net position.

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

**Fair Value Measurements.** The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
<b>Investments by Fair Value Level</b>				
U.S. treasuries	\$ -	\$ 6,278,498	\$ -	\$ 6,278,498
Money market funds	1,756,233	-	-	1,756,233
U.S government agencies	-	7,164,537	-	7,164,537
Common equity securities	67,480,176	85,656	-	67,565,832
Preferred equity securities	-	-	-	-
Mutual funds	1,190,895	-	-	1,190,895
Mutual Funds - ETF Equity	66,096	-	-	66,096
Corporate and foreign bonds	-	7,191,887	-	7,191,887
	-	-	-	-
Total investments by fair value level	<u>\$ 70,493,400</u>	<u>\$ 20,720,578</u>	<u>\$ -</u>	<u>\$ 91,213,978</u>

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

**Rate of Return:** For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on the Pension Trust Fund investments, net of investment expenses, was 11.68%. Over the trailing 3-year period through June 30, 2023, the Pension Fund's annualized money-weighted rate of return has averaged 7.51%/year net of investment expenses. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

##### OPEB Plan Trust Fund

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

The City's Retiree Health Benefit Plan's policy specifies a target asset allocation mix to guide the pursuit of an optimal level of risk in relation to obtaining the long-term average annual return target of 7.50%. This asset allocation mix is as follows: Total Fixed Income targeted at 35%, with an acceptable range of 25% to 40%; Domestic Equities targeted at 50%, with an acceptable range of 35% to 65%, International Equities targeted at 15%, with an acceptable range of 10% to 25%.

As of June 30, 2023, the OPEB Plan Trust Fund had \$1,818,902 invested in the following types of investments:

Investment	Fair Value	S&P Rating
Money Market Funds	\$ 34,317	NR
U.S. Treasuries	137,445	NR
Corporate Bonds - Domestic	231,505	BB to A
Corporate Bonds - Variable	31,612	BBB+ to A
Common Equity Securities	1,379,668	NR
Mutual Funds - ETF Equity	4,355	NR
Total	<u>\$ 1,818,902</u>	

NR- these fund types are not rated.

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

##### OPEB Plan Trust Fund (Continued)

Investment	Fair Value	Average Maturity
Money Market Funds	\$ 34,317	-
U.S. Treasuries	137,445	2.128
Corporate Bonds - Domestic	231,505	2.165
Corporate Bonds - Variable	31,612	2.912
Common Equity Securities	1,379,668	-
Mutual Funds - ETF Equity	4,355	-
	<u>\$ 1,818,902</u>	

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

**Concentration:** On June 30, 2023, the OPEB Plan Trust Fund did not have any debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of OPEB Plan fiduciary net position.

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

**Fair Value Measurements.** The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
<b>Investments by Fair Value Level</b>				
U.S. treasuries	\$ -	\$ 137,445	\$ -	\$ 137,445
Money market funds	34,317	-	-	34,317
Common equity securities	1,379,668	-	-	1,379,668
Mutual funds - ETF equity	4,355	-	-	4,355
Corporate and foreign bonds	-	263,117	-	263,117
Total investments by fair value level	<u>\$ 1,418,340</u>	<u>\$ 400,562</u>	<u>\$ -</u>	<u>\$ 1,818,902</u>

## NOTES TO FINANCIAL STATEMENTS

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### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

##### OPEB Plan Trust Fund (Continued)

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

**Rate of Return:** For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on the Retiree Health Benefit Plan's investments, net of investment expenses, was 12.97%. Over the trailing 3-year period through June 30, 2023, the Health Benefit Plan Fund's annualized money-weighted rate of return has averaged 8.34%/year net of investment expenses. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

##### OPEB Retirement Reimbursement Plan Fund

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

The City's Retiree Health Reimbursement Plan's policy specifies a target asset allocation mix to guide the pursuit of an optimal level of risk in relation to obtaining the long-term average annual return target of 7.50%. This asset allocation mix is as follows: Total Fixed Income targeted at 35%, with an acceptable range of 25% to 40%; Domestic Equities targeted at 50%, with an acceptable range of 35% to 65%; International Equities targeted at 15%, with an acceptable range of 10% to 25%.

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

##### OPEB Retirement Reimbursement Plan Fund (Continued)

As of June 30, 2023, the OPEB Retirement Reimbursement Plan Trust Fund had \$5,287,311 invested in the following types of investments:

Investment	Fair Value	S&P Rating
Money Market Funds	\$ 118,597	NR
U.S. Treasuries	440,746	NR
Corporate Bonds - Domestic	747,138	BBB- to A
Corporate Bonds - Variable	91,942	BBB+ to A-
Common Equity Securities	3,877,871	NR
Mutual Funds - ETF Equity	11,017	NR
Total	<u>\$ 5,287,311</u>	

N/A - these fund types are not rated.

Investment	Fair Value	Average Maturity
Money Market Funds	\$ 118,597	-
U.S. Treasuries	440,746	2.131
Corporate Bonds - Domestic	747,138	2.172
Corporate Bonds - Variable	91,942	2.899
Common Equity Securities	3,877,871	-
Mutual Funds - ETF Equity	11,017	-
	<u>\$ 5,287,311</u>	

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

**Concentration:** On June 30, 2023, the OPEB Plan Retirement Reimbursement Plan Trust Fund did not have any debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of OPEB Retirement Reimbursement Plan fiduciary net position.



## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

##### OPEB Retirement Reimbursement Plan Fund (Continued)

**Fair Value Measurements.** The OPEB Retirement Reimbursement Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
<b>Investments by Fair Value Level</b>				
U.S. treasuries	\$ -	\$ 440,746	\$ -	\$ 440,746
Money market funds	118,597	-	-	118,597
Common equity securities	3,877,871	-	-	3,877,871
Mutual funds - ETF equity	11,017	-	-	11,017
Corporate and foreign bonds	-	839,080	-	839,080
Total investments by fair value level	<u>\$ 4,007,485</u>	<u>\$ 1,279,826</u>	<u>\$ -</u>	<u>\$ 5,287,311</u>

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

**Rate of Return:** For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on the Retiree Health Reimbursement Plan's investments, net of investment expenses, was 15.05%. Over the trailing 3 year period through June 30, 2022, the Health Reimbursement Plan Fund's annualized money-weighted rate of return has averaged 8.28%/year net of investment expenses. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### B. Receivables

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

	General	Capital Projects	2022 T-SPLOST	Nonmajor	Solid Waste
Receivables					
Taxes	\$ 3,524,524	\$ -	\$ -	\$ 987,362	\$ -
Accounts	1,073,886	-	-	566,076	415,793
Intergovernmental	8,199	705,022	1,234,525	778,235	-
Gross receivables	4,606,609	705,022	1,234,525	2,331,673	415,793
Less allowance for uncollectibles	(1,033,086)	-	-	(53,271)	(103,926)
Total	<u>\$ 3,573,523</u>	<u>\$ 705,022</u>	<u>\$ 1,234,525</u>	<u>\$ 2,278,402</u>	<u>\$ 311,867</u>

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### C. Capital assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

##### Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land and permanent improvements	\$ 94,979,917	\$ 4,976,796	\$ -	\$ -	\$ 99,956,713
Construction in progress	58,422,520	18,616,684	-	(47,312,525)	29,726,679
Total assets, not being depreciated	153,402,437	23,593,480	-	(47,312,525)	129,683,392
Capital assets, being depreciated:					
Improvements	40,883,105	540,463	(13,544)	451,171	41,861,195
Infrastructure	206,336,146	2,978,800	(103,160)	46,605,016	255,816,802
Buildings	85,385,205	30,000	-	56,838	85,472,043
Machinery and equipment	29,745,112	1,031,514	(488,720)	199,500	30,487,406
Total assets, being depreciated	362,349,568	4,580,777	(605,424)	47,312,525	413,637,446
Less accumulated depreciation for:					
Improvements	(26,915,423)	(1,051,040)	7,618	-	(27,958,845)
Infrastructure	(103,031,277)	(4,859,543)	1,934	-	(107,888,886)
Buildings	(26,136,340)	(1,960,740)	-	-	(28,097,080)
Machinery and equipment	(19,564,783)	(2,083,967)	459,789	-	(21,188,961)
Total accumulated depreciation	(175,647,823)	(9,955,290)	469,341	-	(185,133,772)
Total assets, being depreciated, net	186,701,745	(5,374,513)	(136,083)	47,312,525	228,503,674
Governmental activities capital assets, net	\$ 340,104,182	\$ 18,218,967	\$ (136,083)	\$ -	\$ 358,187,066
				Subscription assets, net (note D)	301,553
					\$ 358,488,619

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

Governmental activities:	
General government	\$ 4,199,031
Public safety	2,046,459
Public works	1,973,966
Culture and recreation	1,478,672
Community development	257,162
Total depreciation expense - governmental activities	\$ 9,955,290

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### C. Capital assets (Continued)

##### Construction commitments

The City has active construction projects as of June 30, 2023. 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 general administration facilities. At fiscal year end the City's commitments with contractors include:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Park, recreation, and art improvements	\$ 3,246,997	\$ 5,151,123
Sidewalk and pedestrian projects	4,116,765	10,777,070
Street and transportation improvements	31,863,813	19,951,778
Machinery, equipment, and technology	16,812,094	5,732,946
Economic development	60,113	15,140
General administrative facilities	479,943	125,484
Total	<u>\$ 56,579,725</u>	<u>\$ 41,753,541</u>

The projects above are being financed primarily through the Capital Projects Fund, the Stormwater Capital Fund, the American Rescue Plan Fund, the Grant Capital Fund, the 2022 Bond Construction Fund, and the 2017 and 2022 TSPLOST Funds.

#### D. Subscription based information technology arrangements

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
<b>Subscription assets:</b>				
Subscription assets, being amortized				
Software subscriptions	\$ 452,329	\$ -	\$ -	\$ 452,329
Total subscription assets	<u>452,329</u>	<u>-</u>	<u>-</u>	<u>452,329</u>
Less accumulated amortization				
Software subscriptions	-	(150,776)	-	(150,776)
Total accumulated amortization	<u>-</u>	<u>(150,776)</u>	<u>-</u>	<u>(150,776)</u>
Total subscription assets	<u>\$ 452,329</u>	<u>\$ (150,776)</u>	<u>\$ -</u>	<u>\$ 301,553</u>

Amortization expense of \$150,776 was charged to the public safety function.

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### E. Interfund receivables, payables, and transfers

The composition of due to/from other fund balances as of June 30, 2023, is as follows:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	\$ 494,794
		<u>\$ 494,794</u>

Interfund transfers for the fiscal year ended June 30, 2023:

Transfers in	Transfers out	Amount
General Fund	Nonmajor governmental funds	\$ 3,480,902
Capital Project Fund	General Fund	11,439,800
Nonmajor governmental funds	General Fund	4,200,000
		<u>\$ 19,120,702</u>

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

#### F. Long-term debt

##### General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The general obligation bonds issued are for governmental activities. The original amount of general obligation bonds issued as of June 30, 2023 is \$113,660,000.

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

The reacquisition price exceeded the net carrying amount of the old debt by \$1,706,316. This amount is being amortized over the remaining life of the refunded debt. The current balance of the deferred charge resulting from the reacquisition price exceeding the net carrying amount of the old debt is \$393,765. The advance refunding was undertaken to reduce total debt service payments by \$960,303 and resulted in an economic gain and a present value of cash flow savings of \$846,536. The bonds were called and paid in full in November 2016 and there are no outstanding balances at June 30, 2023.

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### F. Long-term debt (Continued)

##### General Obligation Bonds (Continued)

In 2016, the City issued \$50,855,000 of general obligation bonds for the purpose of (i) financing the acquisition and construction of improvements, expansions and extension to roads, streets, and bridges (the "Transportation Projects"), (ii) financing the acquisition, construction, and renovations for parks, recreation and cultural facilities, sidewalks and greenways, and (iii) paying all or a portion of the costs of issuance. The 2016 Series were issued with interest rates of 2.00% - 5.00% and a maturity of May 1, 2041. The bonds are payable on May 1 and November 1.

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

The net carrying amount of the old debt exceeds the reacquisition price by \$503,781. This amount is being amortized over the remaining life of the refunding debt. The current balance of the deferred gain resulting from the net carrying amount of the old debt exceeding the reacquisition price is \$215,906. The current refunding was undertaken to reduce total debt service payments by \$4,711,528 and resulted in an economic gain and a present value of cash flow savings of \$3,316,612. The bonds were called and paid in full in April 2020 and there are no outstanding balances at June 30, 2023.

In 2022, the City issued \$27,335,000 of general obligation bonds for the purpose of (i) financing the acquisition, construction, and renovations for parks, recreation and cultural facilities, sidewalks and greenways, and (ii) paying all or a portion of the costs of issuance incident thereto. The 2022 Series were issued with interest rates of 3.00% - 5.00% and a maturity of May 1, 2046. The bonds are payable on May 1 and November 1.

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

Purpose	Maturity	Interest Rates	Amount
Partial Refunding of Series 2006 Bonds	May 2026	2.34%	\$ 5,440,000
Road, Parks and Recreation Improvements	May 2041	2.0 - 5.0%	47,780,000
Refunding of Series 2012	May 2032	3.0 - 5.0%	17,085,000
Road, Parks and Recreation Improvements	May 2046	3.0 - 5.0%	26,805,000
			<u>\$ 97,110,000</u>

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### F. Long-term debt (Continued)

##### General Obligation Bonds (Continued)

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

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,295,000	\$ 3,300,401
2025	3,420,000	3,188,099
2026	3,540,000	3,070,545
2027	3,745,000	2,948,255
2028	3,940,000	2,778,105
2029-2033	23,500,000	10,992,638
2034-2038	29,785,000	6,415,018
2034-2043	21,265,000	2,126,248
2044-2046	4,620,000	279,900
Total	<u>\$ 97,110,000</u>	<u>\$ 35,099,209</u>

##### Revenue Bonds

During fiscal year 2013, the Development Authority of Alpharetta issued \$4,130,000 of revenue bonds to finance the construction of an educational facility in the City of Alpharetta for Gwinnett Technical College. The 2013 series were issued with interest rates from 2% to 3.5% and a maturity date of May 1, 2033. The bonds are payable on May 1 and November 1, serially to fiscal year 2033. As of June 30, 2023, the outstanding amount on the bond is \$2,420,000.

During fiscal year 2016, the Development Authority of Alpharetta issued \$24,720,000 of revenue bonds to finance the construction of a conference center. The 2016 series were issued with interest rates from 2% to 5.0% and a maturity date of May 1, 2041. The bonds are payable on May 1 and November 1, serially to fiscal year 2041. As of June 30, 2023, the outstanding amount on the bond is \$22,535,000.

The annual requirements to amortize the Development Authority's revenue bonds outstanding as of June 30, 2023 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 920,000	\$ 760,203
2025	985,000	719,190
2026	1,065,000	674,778
2027	1,140,000	626,028
2028	1,195,000	600,640
2029-2033	6,910,000	2,532,345
2034-2038	7,340,000	1,493,850
2039-2041	5,400,000	329,400
Total	<u>\$ 24,955,000</u>	<u>\$ 7,736,434</u>

## NOTES TO FINANCIAL STATEMENTS

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### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### F. Long-term debt (Continued)

##### Financed Purchases – Direct Borrowing

The City has entered into various agreements for equipment that qualifies as financed purchases (titles transfer at the end of the agreements). Following is a description of these agreements.

In 2016, the City entered into a financed purchase agreement for financing the acquisition of a new fire truck. The financed purchase agreement bears interest of 2.43%. The term for the fire truck is 10 years and matures in November 2024.

In 2017, the City entered into three (3) financed purchase agreements for financing the acquisition of three new fire trucks. The financed purchase agreements bear interest of 2.08% - 2.93% and mature in November 2025, November 2026, and November 2029.

In 2018, the City entered into a financed purchase agreement for financing the acquisition of mobile radios for public safety employees. The financed agreement bears interest of 2.73% and matures in November 2023.

In 2020, the City entered into a new financed purchase agreement for financing the acquisition of a scorpion sculpture. The agreement bears interest of 2% and matures October 2023.

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

In 2022, the City entered into a new financed purchase agreement for financing the acquisition of heart monitors and AED replacements, mobile radios, and fire extrication equipment. The financed purchase agreement for the heart monitors and AED replacements bears interest of 0.95% and matures in May 2026. The financed purchase agreement for the mobile radios bears interest of 2.49% and matures in July 2028. The financed purchase agreement for the fire extrication equipment bears interest of 1.31% and matures in May 2026.

In 2023, the City entered into a financed purchase agreement for financing the acquisition of three (3) fire trucks. The agreement bears interest of 4.21% and matures in November 2034.

## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### F. Long-term debt (Continued)

##### Financed Purchases – Direct Borrowing (Continued)

As of June 30, 2023, the City had \$11,422,924 of machinery and equipment under financed purchase agreements with accumulated depreciation of \$5,429,098. The amortization expense of \$602,127 for the financed purchases is included in depreciation expense.

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 949,864	\$ 135,967	\$ 1,085,831
2025	881,198	122,856	1,004,054
2026	893,674	111,434	1,005,108
2027	757,844	98,280	856,124
2028	631,932	95,614	727,546
2029-2033	2,156,614	261,774	2,418,388
2034-2035	653,857	28,789	682,646
Total	<u>\$ 6,924,983</u>	<u>\$ 854,714</u>	<u>\$ 7,779,697</u>

##### Subscription based information technology arrangements (SBITAs)

As of June 30, 2023, the City had \$9,274,615 of machinery and equipment under financed purchase agreements with accumulated depreciation of \$4,826,972. The amortization expense of \$743,643 for the financed purchases is included in depreciation expense.

The City entered into a 3 year subscription for the use of GIS software. The subscription term is July 1, 2022 through June 30, 2025 with a present value payable of \$175,764 at July 1, 2022 and an ending value of \$115,214 at June 30, 2023. The imputed interest rate is 3.3%.

The City entered into a 3 year subscription for the use of Microsoft software. The subscription term is July 1, 2020 through June 30, 2023 with a present value payable of \$276,565 at July 1, 2022 and an ending value of \$ 0 at June 30, 2023. The imputed interest rate is 3.3%.

Principal and interest requirements to maturity for the SBITAs as of June 30, 2023 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 56,696	\$ 18,110	\$ 74,806
2025	58,518	9,200	67,718
Total	<u>\$ 115,214</u>	<u>\$ 27,310</u>	<u>\$ 142,524</u>



## NOTES TO FINANCIAL STATEMENTS

### IV. DETAILED NOTES ON ALL FUNDS (Continued)

#### F. Long-term debt (Continued)

##### Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 100,125,000	\$ -	\$ (3,015,000)	\$ 97,110,000	\$ 3,295,000
Plus issuance premium	7,922,699	-	(902,164)	7,020,535	-
Net bonds payable	108,047,699	-	(3,917,164)	104,130,535	3,295,000
Revenue bonds payable	25,810,000	-	(855,000)	24,955,000	920,000
Plus issuance premium	745,278	-	(69,344)	675,934	-
Net bonds payable	26,555,278	-	(924,344)	25,630,934	920,000
Financed purchases payable	5,240,293	2,353,251	(668,561)	6,924,983	949,864
SBITAs	452,329	-	(337,115)	115,214	56,696
Net pension liability	29,150,619	16,570,832	(20,133,987)	25,587,464	-
Claims and judgments	2,202,859	6,545,705	(6,796,560)	1,952,004	1,532,796
Compensated absences	2,718,175	5,088,901	(4,966,020)	2,841,056	2,443,308
Governmental activity					
Long-term liabilities	\$ 174,367,252	\$ 30,558,689	\$ (37,743,751)	\$ 167,182,190	\$ 9,197,664

Beginning balances of governmental activities long-term debt have been restated for the implementation of Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITAs).

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Compensated absences	\$ 222	\$ 7,844	\$ (7,478)	\$ 588	\$ 588
Business-type activity					
Long-term liabilities	\$ 222	\$ 7,844	\$ (7,478)	\$ 588	\$ 588

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

##### Legal Debt Margin

The City is subject to a debt limit that is 10% of the total assessed value. At June 30, 2023, that amount was \$747,366,776. As of June 30, 2023, the total outstanding debt applicable to the debt limit was \$102,601,142 which is 13.72% of the total debt limit.

## NOTES TO FINANCIAL STATEMENTS

### V. OTHER INFORMATION

#### A. Risk management

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The City previously established a limited risk management program for workers' compensation.

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

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

	<b>Fiscal Year Ended June 30, 2023</b>	<b>Fiscal Year Ended June 30, 2022</b>
Unpaid claims, beginning of fiscal year	\$ 965,141	\$ 793,175
Claims incurred	477,000	733,500
Claims paid	(585,911)	(561,534)
Unpaid claims, end of fiscal year	<u>\$ 856,230</u>	<u>\$ 965,141</u>

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

## NOTES TO FINANCIAL STATEMENTS

### V. OTHER INFORMATION (Continued)

#### A. Risk management (Continued)

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Unpaid claims, beginning of fiscal year	\$ 1,237,718	\$ 1,088,921
Claims incurred	6,068,704	5,810,246
Claims paid	(6,210,648)	(5,661,449)
Unpaid claims, end of fiscal year	<u>\$ 1,095,774</u>	<u>\$ 1,237,718</u>

#### B. Contingent liabilities

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

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

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

Capital Projects Fund	\$ 6,320,213
2017 T-SPLOST Fund	7,299,069
2022 Bond Construction Fund	3,176,674
American Rescue Plan Fund	3,475,420
2022 T-SPLOST Fund	19,216,560
Nonmajor governmental funds	2,994,612

#### C. Related organizations

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

Alpharetta Convention and Visitors Bureau  
178 S. Main Street, Suite 200  
Alpharetta, Georgia 30009  
(678) 297-2811

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### C. Related organizations (Continued)

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

The cities of Alpharetta, Milton, Roswell, and Sandy Springs have created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority will provide an interoperable, high quality, reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability.

The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city.

The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: *The Financial Reporting Entity*, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. Of the estimated \$16 million required to initially capitalize the Authority, the City of Alpharetta is responsible for approximately \$3.7 million pursuant to the intergovernmental agreement between the cities. For the fiscal year ended June 30, 2023, the City of Alpharetta contributed \$475,681 to the Authority. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 1 Galambos Way, Sandy Springs, Georgia 30328.

#### D. Retirement plans

##### 1. Defined Benefit Pension Plan – Combined Plan

**Plan Administration.** The City of Alpharetta maintains a single-employer defined benefit pension plan, comprised of the City of Alpharetta Regular Defined Benefit Pension Plan (the "Regular Plan") and the City of Alpharetta Enhanced Defined Benefit Pension Plan (the "Enhanced Plan" or in combination the "Plans"), for the employees of the City of Alpharetta. For all reporting, funding, accounting and actuarial purposes, the Plans have been merged into a single plan, The City of Alpharetta Combined Defined Benefit Plan (the "Combined Plan") effective July 1, 2011 whereby the Plan assets are accumulated in aggregate and may legally be used to pay any benefits to any of the combined Plan members or beneficiaries. The Combined Plan is administered by a Board of Trustees, who has executed trust agreements with a financial institution to hold, manage, invest, and distribute

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### D. Retirement plans (Continued)

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

contributions in accordance with the provisions of the Plans. The Board of Trustees consists of five members, the City Administrator, City Council member liaison to the Finance Department, the Finance Director, the City Attorney, and the Mayor's designee. Benefit provisions are established and may be amended by the City Council. Annual contributions are determined through an actuarial valuation of the Combined Plan and are approved by City Council as part of the annual budgeting process. The Plans are closed to new entrants. The Regular Plan is funded by the City only while the Enhanced Plan is funded by both the City and the Plan participants.

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

**Plan Membership.** At January 1, 2023, the date of the most recent actuarial valuation, there were 529 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	198
Vested terminated employees not yet receiving benefits	151
Active employees	180
	<u>529</u>

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

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### D. Retirement plans (Continued)

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

**Contributions.** For the Regular Plan, only the City makes contributions. For the Enhanced Plan, both the City and the Employees (at 2.5% of payroll) make contributions to the Plan. For fiscal year 2023, employees contributed \$311,837 to the Enhanced Plan. The City is required to contribute at an actuarially determined rate: the contribution rate for 2023 was 19.09% of payroll for the Combined Plan. The annual required contributions for the current fiscal year were determined as part of the January 1, 2023 actuarial valuations using the projected unit credit method. The actuarial assumptions included (a) a rate of return on the investments of present and future assets of 7.5% per year, compounded annually and net of investment expenses and (b) projected salary increases of 2.10% - 4.20% per year, adjusted for employee age, which includes 1.0% due to merit and 2.5% for inflation.

**Financial statements.** As of June 30, 2023, the Combined Plan's statement of fiduciary net position was as follows:

<u>Assets</u>	
Cash	\$ 1,756,233
Accounts receivable	355,544
Investments	
U.S. treasuries	6,278,498
U.S agencies	7,164,537
Corporate and foreign bonds	7,191,887
Common equity securities	67,565,832
Mutual funds	1,190,895
Mutual funds - ETF equity	66,096
Total assets	<u>91,569,522</u>
<u>Liabilities</u>	
Accounts payable	<u>284,341</u>
<u>Fiduciary net position</u>	
Restricted for pension benefits	<u><u>\$ 91,285,181</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### D. Retirement plans (Continued)

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

For the fiscal year ended June 30, 2023, the Combined Plan's statement of changes in fiduciary net position was as follows:

<u>Additions</u>	
Contributions	
Employee	\$ 311,837
Employer	3,000,001
Total contributions	<u>3,311,838</u>
Investment earnings	
Net appreciation of fair value	7,499,020
Interest and dividends	2,246,766
Less investment expense	<u>(586,861)</u>
Net investment income	<u>9,158,925</u>
<u>Deductions</u>	
Benefit payments	4,031,631
Administrative expenses	76,063
Total deductions	<u>4,107,694</u>
Change in net position	8,363,069
Fiduciary net position - beginning	<u>82,922,112</u>
Fiduciary net position - ending	<u><u>\$ 91,285,181</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### D. Retirement plans (Continued)

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

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation as of January 1, 2023 with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2023. The following actuarial assumptions applied to all periods included in the measurement:

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

Mortality rates were based upon the PRI-2012 Employee Tables with the Retiree and Contingent Survivor Tables for annuitants projected forward with scale MP-2021 for all years.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of the most recent experience study which was performed in April 2015, taking into account ten years of data experience.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are: Equities – 9.2%, International Equities – 9%, Fixed Income – 3.9%, and Alternatives – 7.5%.

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



## NOTES TO FINANCIAL STATEMENTS

### V. OTHER INFORMATION (Continued)

#### D. Retirement plans (Continued)

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

**Changes in the Net Pension Liability of the City.** The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/22</b>	<b>\$ 112,072,731</b>	<b>\$ 82,922,112</b>	<b>\$ 29,150,619</b>
<b>Changes for the fiscal year:</b>			
Service cost	1,460,297	-	1,460,297
Interest	8,084,396	-	8,084,396
Differences between expected and actual experience	6,950,076	-	6,950,076
Assumption changes	(7,663,224)	-	(7,663,224)
Contributions - employer	-	3,000,001	(3,000,001)
Contributions - employee	-	311,837	(311,837)
Net investment income	-	9,158,925	(9,158,925)
Benefit payments, including refunds of employee contributions	(4,031,631)	(4,031,631)	-
Administrative expense	-	(76,063)	76,063
<b>Net Changes</b>	<b>4,799,914</b>	<b>8,363,069</b>	<b>(3,563,155)</b>
<b>Balances at 6/30/2023</b>	<b>\$ 116,872,645</b>	<b>\$ 91,285,181</b>	<b>\$ 25,587,464</b>

The Plan's fiduciary net position as a percentage of the total pension liability 78.1%

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

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

1% decrease (6.5%)	Discount Rate (7.5%)	1% increase (8.5%)
\$ 41,900,127	\$ 25,587,464	\$ 11,989,695

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### D. Retirement plans (Continued)

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

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

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$6,742,194. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,663,867	\$ 472,542
Changes in assumptions	3,048,731	5,174,672
Net difference between projected and actual earnings on pension plan investments	<u>4,564,559</u>	<u>-</u>
Total	<u>\$ 12,277,157</u>	<u>\$ 5,647,214</u>

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

Fiscal Year Ending June 30:	
2024	\$ 3,000,921
2025	845,136
2026	3,391,020
2027	<u>(607,134)</u>
	<u>\$ 6,629,943</u>

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### D. Retirement plans (Continued)

##### 2. *Defined Contribution Plan*

**Plan description and funding requirements.** The City maintains a supplemental retirement plan for all employees entitled to the deferred compensation plan, a single-employer, defined contribution plan. Both full-time and part-time employees of the City are eligible to participate. This Plan is administered by Transamerica as a 401(a) and 457 plan, as defined by the Internal Revenue Service. At June 30, 2023, there were 568 employees and 468 participants. Plan provisions and contribution requirements are established and may be amended by the City Council (the "Board").

Employees may elect to contribute a portion of their pay, not to exceed the IRS guidelines, into the 457 Plan. Upon completion of one year of employment for full-time employees and three years of employment for part-time employees, the City will match the employee's contribution, up to 5% of the employee's annual salary, into the 401(a) plan. Additionally, the City is required to contribute 10% of the annual salary of all employees hired subsequent to June 30, 2009. The City Council has the ability to amend the Plan provisions. For the fiscal year ended June 30, 2023, the City's contribution to the 401(a) plan was \$3,178,704. The amount contributed by employees into the 457 plan was \$2,893,063.

#### E. Other postemployment benefits

##### 1. *Defined Benefit Plan*

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

**Plan Membership.** Membership of the COARBP Plan consisted of the following at July 1, 2022, the date of the latest actuarial valuation:

Active participants	423
Retirees and beneficiaries currently receiving benefits	4
Total	<u>427</u>

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### E. Other postemployment benefits (Continued)

##### 1. Defined Benefit Plan (Continued)

**Contributions.** The City Council has the authority to establish and amend the contribution requirements of plan members. The Council establishes rates based on an actuarially determined rate. For the year ended June 30, 2023, the City's average contribution rate was .04% of covered payroll. Plan members are not required to contribute to the plan. The City's contribution is dependent on the employee's number of years of creditable service. Retirees pay 100% of the blended premium afforded to the City. The Council may amend the benefit provisions.

**Financial statements.** As of June 30, 2023, the City of Alpharetta Retiree Benefit Plan's statement of fiduciary net position was as follows:

<u>Assets</u>	
Cash	\$ 34,317
Accounts receivable	6,853
Investments	
U.S. treasuries	137,445
Corporate and foreign bonds	263,117
Common equity securities	1,379,668
Mutual funds - ETF equity	4,355
Total assets	<u>1,825,755</u>
<u>Liabilities</u>	
Accounts payable	<u>49,749</u>
<u>Fiduciary net position</u>	
Restricted for pension benefits	<u>\$ 1,776,006</u>

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### E. Other postemployment benefits (Continued)

##### 1. Defined Benefit Plan (Continued)

For the fiscal year ended June 30, 2023, the City of Alpharetta Retiree Benefit Plan's statement of changes in fiduciary net position was as follows:

<u>Additions</u>	
Contributions	
Employer	\$ 13,008
Other	21,965
Total contributions	<u>34,973</u>
Investment earnings	
Net appreciation of fair value	166,370
Interest and dividends	60,064
Less investment expense	<u>(21,126)</u>
Net investment income	<u>205,308</u>
<u>Deductions</u>	
Benefit payments	47,545
Administrative expenses	10,500
Total deductions	<u>58,045</u>
Change in net position	182,236
Fiduciary net position - beginning	<u>1,593,770</u>
Fiduciary net position - ending	<u>\$ 1,776,006</u>

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

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

**Changes in Net OPEB Liability (asset) of the City.** The City's Net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the Net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2022 with the actuary using standard techniques to roll forward the liability to the measurement date.

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### E. Other postemployment benefits (Continued)

##### 1. Defined Benefit Plan (Continued)

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.50%
Long-term expected rate of return on OPEB investments	3.5%, net of investment expense, including inflation
Healthcare Cost Trend Rate:	7.0% per annum, gradually decreasing to 3.50%
Inflation Rate:	2.50%
Salary increase:	2.10%-4.20% plus merit
Participation rate:	30%

The total OPEB liability was rolled forward to June 30, 2023, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates for pre-retirement were based on the RP-2014 Employee Tables for males and females; projected to be fully generational with MP-2017 Mortality Improvement Scale. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Tables for males and females; projected to be fully generational with MP-2017 Mortality Improvement Scale.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period ended December 31, 2005. The population is too small to justify a statistically significant result.

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

## NOTES TO FINANCIAL STATEMENTS

### V. OTHER INFORMATION (Continued)

#### E. Other postemployment benefits (Continued)

##### 1. Defined Benefit Plan (Continued)

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

The components of the net OPEB liability (asset) of the City at June 30, 2023 were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
<b>Balances at 6/30/22</b>	<b>\$ 1,126,838</b>	<b>\$ 1,593,770</b>	<b>\$ (466,932)</b>
<b>Changes for the fiscal year:</b>			
Service cost	70,931	-	70,931
Interest	39,849	-	39,849
Differences between expected and actual experience	20,595	-	20,595
Contributions - employer	-	13,008	(13,008)
Net investment income	-	205,308	(205,308)
Benefit payments, including refunds of employee contributions	(47,545)	(47,545)	-
Administrative expense	-	(10,500)	10,500
Other	-	21,965	(21,965)
<b>Net Changes</b>	<b>83,830</b>	<b>182,236</b>	<b>(98,406)</b>
<b>Balances at 6/30/2023</b>	<b>\$ 1,210,668</b>	<b>\$ 1,776,006</b>	<b>\$ (565,338)</b>

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

146.7%

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### E. Other postemployment benefits (Continued)

##### 1. Defined Benefit Plan (Continued)

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

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

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

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability (asset)	\$ (462,978)	\$ (565,338)	\$ (661,106)

**Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates.** The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower (6.0% decreasing to 2.5%) or 1-percentage-point higher (8.0% decreasing to 4.5%) than the current healthcare cost trend rates:

	1% Decrease	Current rates	1% Increase
Net OPEB liability (asset)	\$ (696,991)	\$ (565,338)	\$ (412,537)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2023 and the current sharing pattern of costs between employer and employee.



## NOTES TO FINANCIAL STATEMENTS

### V. OTHER INFORMATION (Continued)

#### E. Other postemployment benefits (Continued)

##### 1. Defined Benefit Plan (Continued)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the year ended June 30, 2023, the City recognized OPEB income of \$16,638. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,103	\$ 131,602
Change of assumptions	66,603	153,513
Net differences between expected and actual earnings on OPEB plan investments	-	78,356
Total	<u>\$ 93,706</u>	<u>\$ 363,471</u>

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

Year ending June 30:	
2024	\$ (61,891)
2025	(66,947)
2026	8,807
2027	(53,873)
2028	(26,899)
Thereafter	<u>(68,962)</u>
Total	<u>\$ (269,765)</u>

##### 2. Defined Contribution Plan

**Plan description and funding requirements.** In the fiscal year 2019, the City created the OPEB Reimbursement Fund to account for the new retiree reimbursement benefit. Only full-time employees of the City are eligible to participate. Plan provisions and contribution requirements are established and may be amended by the City Council (the "Board").

## NOTES TO FINANCIAL STATEMENTS

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### V. OTHER INFORMATION (Continued)

#### E. Other postemployment benefits (Continued)

##### 2. *Defined Contribution Plan (Continued)*

Full-time employees who terminate employment with a minimum of 15 years of service and reach the age of 55 will be eligible to receive a monthly health reimbursement benefit as periodically determined by the Board of Trustees. The monthly benefit is available to the participant to cover eligible medical expenses (of the participant or the participant's spouse or dependent) as defined under Section 213(d) of the IRS Code. The City funds this benefit at an amount equal to 2% of all Employees' annual regular wages. The City Council has the ability to amend the Plan provisions. For the fiscal year ended June 30, 2023, the City's contribution to the plan was \$686,459 (2% of the gross wages).

#### F. Hotel/Motel lodging tax

The City imposes a hotel/motel tax on lodging facilities within the City of Alpharetta. The tax is currently assessed at a rate of 8%. Revenues were \$9,277,072 for the fiscal year ended June 30, 2023. Of this amount 102%, or \$9,488,366, was expended. Expenditures of the tax were used to promote tourism as required by O.C.G.A. 48-13-51. A portion of the tax is being held to pay a portion of the debt service associated with the construction of the convention center in accordance with O.C.G.A. 48-13-50.

#### G. Tax abatements

For the year ended June 30, 2023, City's property tax revenues were reduced by \$230,553 and \$428,345 under agreements entered into by the City of Alpharetta Development Authority and Fulton County Development Authority, respectively. These authorities entered into agreements with various entities under the economic development laws of the State of Georgia which qualify for disclosure under GASB Statement No. 77, *Tax Abatement Disclosures*. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

#### H. Conduit Debt

To further the economic development in the City, the Development Authority has issued both traditional conduit tax-exempt private activity bonds (private activity bonds) for qualifying projects such as senior housing and bonds for title issued solely to provide property tax abatements (tax abatement bonds) to certain qualified developments. Neither the City nor the Development Authority, are liable for any conduit debt and neither make any form of commitment to make payments in the event of default. At June 30, 2023, the outstanding principal payable for conduit debt of both private activity bonds (\$12,344,681) and tax abatement bonds (\$482,095,080) total \$494,439,761.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	\$ 70,931	\$ 72,776	\$ 70,315	\$ 91,360	\$ 84,028
Interest on total OPEB liability	39,849	42,359	39,261	42,465	38,813
Differences between expected and actual experience	20,595	(27,767)	11,695	(94,539)	(6,715)
Changes of assumptions and other inputs	-	(117,781)	-	(91,920)	-
Benefit payments	(47,545)	(33,214)	(34,792)	(21,875)	(9,094)
Net change in total OPEB liability	83,830	(63,627)	86,479	(74,509)	107,032
Total OPEB liability - beginning	1,126,838	1,190,465	1,103,986	1,178,495	1,071,463
Total OPEB liability - ending (a)	<u>\$ 1,210,668</u>	<u>\$ 1,126,838</u>	<u>\$ 1,190,465</u>	<u>\$ 1,103,986</u>	<u>\$ 1,178,495</u>
Plan fiduciary net position					
Contributions - employer	\$ 13,008	\$ 12,600	\$ 76,589	\$ 68,015	\$ 85,000
Net investment income (loss)	205,308	(248,400)	428,561	22,207	37,843
Benefit payments	(47,545)	(33,214)	(34,792)	(21,875)	(9,094)
Administrative expenses	(10,500)	(9,128)	(569)	(298)	(3,832)
Other changes	21,965	-	-	-	-
Net change in plan fiduciary net position	182,236	(278,142)	469,789	68,049	109,917
Plan fiduciary net position - beginning	1,593,770	1,871,912	1,402,123	1,334,074	1,224,157
Plan fiduciary net position - ending (b)	<u>\$ 1,776,006</u>	<u>\$ 1,593,770</u>	<u>\$ 1,871,912</u>	<u>\$ 1,402,123</u>	<u>\$ 1,334,074</u>
City's net OPEB liability (asset) - ending (a) - (b)	<u>\$ (565,338)</u>	<u>\$ (466,932)</u>	<u>\$ (681,447)</u>	<u>\$ (298,137)</u>	<u>\$ (155,579)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	146.70%	141.44%	157.24%	127.01%	113.20%
Covered payroll	\$ 31,151,293	\$ 31,151,293	\$ 26,593,414	\$ 26,255,937	\$ 21,788,982
Net OPEB liability (asset) as a percentage of covered payroll	-1.8%	-1.5%	-2.6%	-1.1%	-0.7%
	2018				
Total OPEB liability					
Service cost	\$ 56,869				
Interest on total OPEB liability	38,402				
Differences between expected and actual experience	(109,895)				
Changes of assumptions and other inputs	158,319				
Benefit payments	(7,686)				
Net change in total OPEB liability	136,009				
Total OPEB liability - beginning	935,454				
Total OPEB liability - ending (a)	<u>\$ 1,071,463</u>				
Plan fiduciary net position					
Contributions - employer	\$ 85,200				
Net investment income (loss)	16,391				
Benefit payments	(7,686)				
Administrative expenses	-				
Net change in plan fiduciary net position	93,905				
Plan fiduciary net position - beginning	1,130,252				
Plan fiduciary net position - ending (b)	<u>\$ 1,224,157</u>				
City's net OPEB liability (asset) - ending (a) - (b)	<u>\$ (152,694)</u>				
Plan fiduciary net position as a percentage of the total OPEB liability	114.25%				
Covered payroll	\$ 21,788,982				
Net OPEB liability (asset) as a percentage of covered payroll	-0.7%				

**Notes to the Schedule:**

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

# CITY OF ALPHARETTA, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION

### OPEB RETIREMENT PLAN

#### SCHEDULE OF CITY CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ -	\$ 10,966	\$ -	\$ -	\$ 68,015
Contributions in relation to the actuarially determined contribution	<u>13,008</u>	<u>12,600</u>	<u>76,589</u>	<u>68,015</u>	<u>85,000</u>
Contribution deficiency (excess)	<u>\$ (13,008)</u>	<u>\$ (1,634)</u>	<u>\$ (76,589)</u>	<u>\$ (68,015)</u>	<u>\$ (16,985)</u>
Covered payroll	\$ 31,151,293	\$ 31,151,293	\$ 26,593,414	\$ 26,255,937	\$ 21,788,982
Contributions as a percentage of covered payroll	0.04%	0.04%	0.29%	0.26%	0.39%
	<u>2018</u>				
Actuarially determined contribution	\$ 60,889				
Contributions in relation to the actuarially determined contribution	<u>85,200</u>				
Contribution deficiency (excess)	<u>\$ (24,311)</u>				
Covered payroll	\$ 21,788,982				
Contributions as a percentage of covered payroll	0.39%				

**Notes to the Schedule:**

(1) Actuarial Assumptions	
Valuation Date	July 1, 2022
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	3.50%
Projected Salary Increases	2.10% to 4.20%, including 2.5% for inflation
Cost-of-living Adjustment	None
Amortization Method	Level dollar, open
Remaining Amortization Period	5 years
Mortality	
Pre-retirement	RP-2014 Employee tables for males and females; fully generational with MP-2017 Mortality Improvement Scale
Postretirement	RP-2014 Healthy Annuitant tables for males and females; fully generational with MP-2017 Mortality Improvement Scale
Health Care Cost Trends:	7.00% and gradually decreasing to an ultimate rate of 3.50%

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expenses for the City's OPEB Plan	12.97%	-13.38%	29.80%	1.71%	1.68%
	<u>2018</u>				
Annual money-weighted rate of return, net of investment expenses for the City's OPEB Plan	1.55%				

**Notes to the Schedule:**

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service cost	\$ 1,460,297	\$ 1,337,540	\$ 1,400,419	\$ 1,428,515	\$ 1,445,365	\$ 1,505,980	\$ 1,598,717	\$ 1,716,370	\$ 1,968,015	\$ 1,567,142
Interest on total pension liability	8,084,396	7,736,778	7,356,335	6,719,752	6,188,428	5,740,858	5,433,736	4,819,727	4,288,338	4,005,310
Differences between expected and actual experience	6,950,076	(1,009,620)	(354,879)	(250,486)	(273,013)	726,104	(1,092,001)	1,281,931	465,014	-
Change of assumptions	(7,663,224)	7,555,159	(181,066)	415,494	2,229,270	199,517	186,911	178,382	(4,591,299)	-
Benefit payments, including refunds of employee contributions	(4,031,631)	(3,567,842)	(3,250,227)	(2,853,765)	(2,347,569)	(1,993,117)	(1,761,551)	(1,463,409)	(1,327,566)	(1,185,315)
Other charges	-	-	-	-	-	-	-	177,741	-	-
<b>Net change in total pension liability</b>	<b>4,799,914</b>	<b>12,052,015</b>	<b>4,970,582</b>	<b>5,459,510</b>	<b>7,242,481</b>	<b>6,179,342</b>	<b>4,365,812</b>	<b>6,710,742</b>	<b>802,502</b>	<b>4,387,137</b>
<b>Total pension liability - beginning</b>	<b>112,072,731</b>	<b>100,020,716</b>	<b>95,050,134</b>	<b>89,590,624</b>	<b>82,348,143</b>	<b>76,168,801</b>	<b>71,802,989</b>	<b>65,092,247</b>	<b>64,289,745</b>	<b>59,902,608</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 116,872,645</b>	<b>\$ 112,072,731</b>	<b>\$ 100,020,716</b>	<b>\$ 95,050,134</b>	<b>\$ 89,590,624</b>	<b>\$ 82,348,143</b>	<b>\$ 76,168,801</b>	<b>\$ 71,802,989</b>	<b>\$ 65,092,247</b>	<b>\$ 64,289,745</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 3,000,061	\$ 2,934,025	\$ 2,779,221	\$ 2,775,000	\$ 2,699,997	\$ 2,625,003	\$ 2,500,000	\$ 2,400,000	\$ 2,300,000	\$ 2,250,000
Contributions - employee	311,837	312,565	293,715	312,296	310,689	338,544	347,281	368,356	368,638	371,246
Net investment income (loss)	9,158,925	(12,500,216)	20,994,663	781,053	3,435,733	4,747,877	6,679,684	(36,548)	1,709,776	7,664,372
Benefit payments, including refunds of member contributions	(4,031,631)	(3,567,842)	(3,250,227)	(2,853,765)	(2,347,569)	(1,993,117)	(1,761,551)	(1,463,409)	(1,327,566)	(1,185,315)
Administrative expenses	(76,063)	(212,901)	(81,745)	(102,812)	(81,237)	(87,942)	(309,924)	(135,692)	(161,357)	(47,295)
<b>Net change in plan fiduciary net position</b>	<b>8,363,069</b>	<b>(13,034,379)</b>	<b>20,735,627</b>	<b>911,772</b>	<b>4,017,613</b>	<b>5,630,365</b>	<b>7,455,490</b>	<b>1,132,707</b>	<b>2,889,491</b>	<b>9,053,008</b>
<b>Plan fiduciary net position - beginning</b>	<b>82,922,112</b>	<b>95,956,491</b>	<b>75,220,864</b>	<b>74,309,092</b>	<b>70,291,479</b>	<b>64,661,114</b>	<b>57,205,624</b>	<b>56,072,917</b>	<b>53,183,426</b>	<b>44,130,418</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 91,285,181</b>	<b>\$ 82,922,112</b>	<b>\$ 95,956,491</b>	<b>\$ 75,220,864</b>	<b>\$ 74,309,092</b>	<b>\$ 70,291,479</b>	<b>\$ 64,661,114</b>	<b>\$ 57,205,624</b>	<b>\$ 56,072,917</b>	<b>\$ 53,183,426</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 25,587,464</b>	<b>\$ 29,150,619</b>	<b>\$ 4,064,225</b>	<b>\$ 19,829,270</b>	<b>\$ 15,281,532</b>	<b>\$ 12,056,664</b>	<b>\$ 11,507,687</b>	<b>\$ 14,597,365</b>	<b>\$ 9,019,330</b>	<b>\$ 11,106,319</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>78.1%</b>	<b>74.0%</b>	<b>95.9%</b>	<b>79.1%</b>	<b>82.9%</b>	<b>85.4%</b>	<b>84.9%</b>	<b>79.7%</b>	<b>86.1%</b>	<b>82.7%</b>
<b>Covered payroll</b>	<b>\$ 17,235,842</b>	<b>\$ 16,382,862</b>	<b>\$ 17,250,670</b>	<b>\$ 17,423,993</b>	<b>\$ 17,797,422</b>	<b>\$ 18,562,532</b>	<b>\$ 19,186,755</b>	<b>\$ 20,234,162</b>	<b>\$ 20,306,168</b>	<b>\$ 20,203,287</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>148.5%</b>	<b>177.9%</b>	<b>23.6%</b>	<b>113.8%</b>	<b>85.9%</b>	<b>65.0%</b>	<b>60.0%</b>	<b>72.1%</b>	<b>44.4%</b>	<b>55.0%</b>

**Notes to the Schedule:**

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 3,291,042	\$ 2,451,034	\$ 2,592,995	\$ 2,618,856	\$ 2,668,838
Contributions in relation to the actuarially determined contribution	<u>3,000,001</u>	<u>2,934,025</u>	<u>2,779,221</u>	<u>2,775,000</u>	<u>2,699,997</u>
Contribution deficiency (excess)	<u>\$ 291,041</u>	<u>\$ (482,991)</u>	<u>\$ (186,226)</u>	<u>\$ (156,144)</u>	<u>\$ (31,159)</u>
Covered payroll	\$ 17,235,842	\$ 16,382,862	\$ 17,250,670	\$ 17,423,993	\$ 17,797,422
Contributions as a percentage of covered payroll	17.41%	17.91%	16.11%	15.93%	15.17%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,359,496	\$ 2,287,519	\$ 2,289,533	\$ 2,003,761	\$ 2,200,896
Contributions in relation to the actuarially determined contribution	<u>2,625,003</u>	<u>2,500,000</u>	<u>2,400,000</u>	<u>2,300,000</u>	<u>2,250,000</u>
Contribution deficiency (excess)	<u>\$ (265,507)</u>	<u>\$ (212,481)</u>	<u>\$ (110,467)</u>	<u>\$ (296,239)</u>	<u>\$ (49,104)</u>
Covered payroll	\$ 18,562,532	\$ 19,186,755	\$ 20,234,162	\$ 20,306,168	\$ 20,203,287
Contributions as a percentage of covered payroll	14.14%	13.03%	11.86%	11.33%	11.14%

**Notes to the Schedule:**

(1) Actuarial Assumptions

Valuation Date	January 1, 2023
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Market value
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	2.10% to 4.20%, which includes 2.5% for inflation
Cost-of-living Adjustment	None
Amortization Method	Level dollar for unfunded liability
Remaining Amortization Period	30 years (closed)

(2) Actuarial Assumption Changes

Expected investment return increased from 7.00% to 7.50%.  
Mortality assumptions for the Contingent Survivor Tables changed from being applied for beneficiaries regardless of participant status to being applied following the death of the participant.



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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	11.68%	-13.10%	28.00%	1.03%	4.88%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	7.16%	11.37%	0.07%	3.13%	16.89%

**Notes to the Schedule:**

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

**CITY OF ALPHARETTA, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE - GAAP BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 29,502,000	\$ 29,502,000	\$ 31,815,004	\$ 2,313,004
Sales and use taxes	18,925,000	19,185,073	21,516,647	2,331,574
Franchise taxes	7,100,000	7,100,000	6,843,642	(256,358)
Business taxes	6,265,000	6,858,627	7,075,153	216,526
Other taxes	4,025,150	4,025,150	3,797,212	(227,938)
Licenses and permits	2,991,000	2,991,000	3,750,861	759,861
Charges for services	4,107,800	4,591,205	4,468,495	(122,710)
Fines and forfeitures	2,372,000	2,372,000	3,294,775	922,775
Intergovernmental	186,000	186,000	186,554	554
Contributions and donations	92,500	119,456	125,742	6,286
Investment earnings (loss)	200,000	200,000	1,119,677	919,677
Other revenues	82,843	87,343	97,067	9,724
Total revenues	75,849,293	77,217,854	84,090,829	6,872,975
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
City clerk	279,113	277,359	286,135	(8,776)
Mayor and council	399,287	396,402	322,920	73,482
Municipal court	1,148,200	1,143,816	1,110,151	33,665
Legal	750,000	1,100,300	789,935	310,365
City administrator	1,141,620	1,190,228	1,134,434	55,794
Finance	3,698,826	3,684,701	3,630,436	54,265
Human resources	855,513	853,580	763,306	90,274
Technology services	2,350,617	2,368,552	2,050,374	318,178
Non-departmental	1,598,300	1,529,065	843,216	685,849
Total general government	12,221,476	12,544,003	10,930,907	1,613,096
<b>Public safety</b>	36,073,229	35,947,189	34,500,609	1,446,580
<b>Public works</b>	10,112,573	10,179,368	9,424,101	755,267
<b>Community development</b>	4,630,115	4,614,207	4,288,651	325,556
<b>Culture and recreation</b>	11,788,902	12,573,626	11,877,838	695,788
<b>Debt service</b>				
Principal	795,065	1,131,528	1,132,408	(880)
Interest	153,433	153,433	152,546	887
Total expenditures	75,774,793	77,143,354	72,307,060	4,836,294
Excess of revenues over expenditures	74,500	74,500	11,783,769	11,709,269

(Continued)

**CITY OF ALPHARETTA, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE - GAAP BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	\$ 113,000	\$ 113,000	\$ 53,115	\$ (59,885)
Transfers in	2,812,500	2,812,500	3,480,902	668,402
Transfers out	(15,639,800)	(15,639,800)	(15,639,800)	-
Total other financing sources (uses)	(12,714,300)	(12,714,300)	(12,105,783)	608,517
Net change in fund balances	(12,639,800)	(12,639,800)	(322,014)	12,317,786
<b>Fund balances, beginning of fiscal year</b>	<u>42,887,619</u>	<u>42,887,619</u>	<u>42,887,619</u>	<u>-</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 30,247,819</u>	<u>\$ 30,247,819</u>	<u>\$ 42,565,605</u>	<u>\$ 12,317,786</u>

# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

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

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

**Impact Fee Fund** – Established to account for fees assessed upon development activity, these fees are collected to pay for system improvements (recreation/parks, streets, and public safety) as detailed within the City's impact fee ordinance, as required by state law.

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

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

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

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

## Capital Projects Funds

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

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

# NONMAJOR GOVERNMENTAL FUNDS

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## Capital Projects Funds (continued)

**2016 Bond Construction Fund** – This fund accounts for the 2016 General Obligation Bond proceeds for the acquisition and construction of parks, greenways, roads, streets and bridges.

## Debt Service Fund

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

# CITY OF ALPHARETTA, GEORGIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

ASSETS	Special Revenue Funds					
	Hotel/ Motel	Impact Fee	Confiscated Assets	Grant Operating	E911	Development Authority
Cash and cash equivalents	\$ 556,348	\$ 2,608,293	\$ 322,055	\$ 77,751	\$ 1,399,841	\$ 357,691
Investments	251,651	1,179,801	11,614	35,169	633,186	-
Taxes receivable, net	821,587	-	-	-	-	-
Accounts receivable	-	-	-	-	566,076	-
Intergovernmental receivable	-	-	-	52,926	249,034	-
Restricted cash	-	-	-	-	-	-
Total assets	<u>\$ 1,629,586</u>	<u>\$ 3,788,094</u>	<u>\$ 333,669</u>	<u>\$ 165,846</u>	<u>\$ 2,848,137</u>	<u>\$ 357,691</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 16,770	\$ 14,782	\$ 33,308	\$ 729
Retainage payable	-	76,050	-	-	-	-
Accrued expenditures	359,445	-	3,215	-	49,730	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	308,095	-	-	-	-	-
Total liabilities	<u>667,540</u>	<u>76,050</u>	<u>19,985</u>	<u>14,782</u>	<u>83,038</u>	<u>729</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	57,926	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,926</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Restricted:						
Capital projects	-	3,712,044	-	-	-	-
Law enforcement	-	-	313,684	-	-	-
Emergency telephone system activities	-	-	-	-	2,765,099	-
Tourism	962,046	-	-	-	-	-
Debt service	-	-	-	-	-	-
Assigned for:						
Grant projects	-	-	-	93,138	-	-
Economic development	-	-	-	-	-	356,962
Stormwater projects	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	<u>962,046</u>	<u>3,712,044</u>	<u>313,684</u>	<u>93,138</u>	<u>2,765,099</u>	<u>356,962</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,629,586</u>	<u>\$ 3,788,094</u>	<u>\$ 333,669</u>	<u>\$ 165,846</u>	<u>\$ 2,848,137</u>	<u>\$ 357,691</u>

Capital Project Funds				
Grant Capital Fund	Stormwater Capital Fund	2016 Bond Construction Fund	Debt Service Fund	Nonmajor Governmental Funds
\$ -	\$ 3,368,796	\$ -	\$ 1,028,977	\$ 9,719,752
-	1,523,797	-	465,434	4,100,652
-	-	-	112,504	934,091
-	-	-	-	566,076
584,299	-	-	-	886,259
-	-	-	-	-
<u>\$ 584,299</u>	<u>\$ 4,892,593</u>	<u>\$ -</u>	<u>\$ 1,606,915</u>	<u>\$ 16,206,830</u>
\$ 213,440	\$ 132,354	\$ -	\$ 5,811	\$ 417,194
32,256	22,301	-	-	130,607
-	-	-	-	412,390
130,460	-	-	-	130,460
186,699	-	-	-	494,794
<u>562,855</u>	<u>154,655</u>	<u>-</u>	<u>5,811</u>	<u>1,585,445</u>
-	-	-	71,711	71,711
374,251	-	-	-	432,177
<u>374,251</u>	<u>-</u>	<u>-</u>	<u>71,711</u>	<u>503,888</u>
-	-	-	-	3,712,044
-	-	-	-	313,684
-	-	-	-	2,765,099
-	-	-	-	962,046
-	-	-	1,529,393	1,529,393
-	-	-	-	93,138
-	-	-	-	356,962
-	4,737,938	-	-	4,737,938
(352,807)	-	-	-	(352,807)
<u>(352,807)</u>	<u>4,737,938</u>	<u>-</u>	<u>1,529,393</u>	<u>14,117,497</u>
<u>\$ 584,299</u>	<u>\$ 4,892,593</u>	<u>\$ -</u>	<u>\$ 1,606,915</u>	<u>\$ 16,206,830</u>

**CITY OF ALPHARETTA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds					
	Hotel/ Motel	Impact Fee	Confiscated Assets	Grant Operating	E911	Development Authority
<b>Revenues:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/Motel taxes	9,277,072	-	-	-	-	-
Impact fees	-	465,276	-	-	-	-
Charges for services	-	-	-	-	3,809,370	-
Forfeiture income	-	-	75,281	-	-	-
Intergovernmental	-	-	-	28,484	1,107,857	-
Contributions	-	-	-	69,987	-	-
Investment earnings (losses)	30,169	108,182	-	3,232	35,567	-
Other revenues	-	-	-	815	-	346,300
Total revenues	<u>9,307,241</u>	<u>573,458</u>	<u>75,281</u>	<u>102,518</u>	<u>4,952,794</u>	<u>346,300</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	-	-	-	204,087
Public safety	-	-	102,574	41,616	4,723,081	-
Culture and recreation	-	-	-	84,779	-	-
Community development	4,642,251	-	-	-	-	-
Public works	-	1,764,689	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	650,000	-	-	-	78,268	-
Interest	715,213	-	-	-	3,083	-
Total expenditures	<u>6,007,464</u>	<u>1,764,689</u>	<u>102,574</u>	<u>126,395</u>	<u>4,804,432</u>	<u>204,087</u>
Excess (deficiency) of revenues over expenditures	3,299,777	(1,191,231)	(27,293)	(23,877)	148,362	142,213
<b>Other financing sources (uses):</b>						
Transfers out	(3,480,902)	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>(3,480,902)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(181,125)	(1,191,231)	(27,293)	(23,877)	148,362	142,213
<b>Fund balances, beginning of fiscal year</b>	<u>1,143,171</u>	<u>4,903,275</u>	<u>340,977</u>	<u>117,015</u>	<u>2,616,737</u>	<u>214,749</u>
<b>Fund balances (deficits), end of fiscal year</b>	<u>\$ 962,046</u>	<u>\$ 3,712,044</u>	<u>\$ 313,684</u>	<u>\$ 93,138</u>	<u>\$ 2,765,099</u>	<u>\$ 356,962</u>



Capital Project Funds				Total
Grant Capital Fund	Stormwater Capital Fund	2016 Bond Construction Fund	Debt Service Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 6,916,841	\$ 6,916,841
-	-	-	-	9,277,072
-	-	-	-	465,276
-	-	-	-	3,809,370
-	-	-	-	75,281
2,624,117	-	-	-	3,760,458
-	4,496	-	-	74,483
(15,679)	92,774	50,995	114,853	420,093
-	-	-	-	347,115
2,608,438	97,270	50,995	7,031,694	25,145,989
-	-	-	7,700	211,787
-	-	-	-	4,867,271
-	-	-	-	84,779
-	-	-	-	4,642,251
-	-	-	-	1,764,689
3,109,686	1,276,024	241,366	-	4,627,076
-	-	-	3,015,000	3,743,268
-	-	-	3,575,457	4,293,753
3,109,686	1,276,024	241,366	6,598,157	24,234,874
(501,248)	(1,178,754)	(190,371)	433,537	911,115
-	-	-	-	(3,480,902)
-	4,200,000	-	-	4,200,000
-	4,200,000	-	-	719,098
(501,248)	3,021,246	(190,371)	433,537	1,630,213
148,441	1,716,692	190,371	1,095,856	12,487,284
\$ (352,807)	\$ 4,737,938	\$ -	\$ 1,529,393	\$ 14,117,497

**CITY OF ALPHARETTA, GEORGIA**  
**HOTEL/MOTEL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Hotel/Motel taxes	\$ 7,500,000	\$ 7,500,000	\$ 9,277,072	\$ 1,777,072
Investment earnings	-	-	30,169	30,169
Total revenues	<u>7,500,000</u>	<u>7,500,000</u>	<u>9,307,241</u>	<u>1,807,241</u>
<b>Expenditures:</b>				
Current:				
Community development	3,286,750	3,879,437	4,642,251	(762,814)
Debt service:				
Principal	650,000	650,000	650,000	-
Interest	715,213	715,213	715,213	-
Total expenditures	<u>4,651,963</u>	<u>5,244,650</u>	<u>6,007,464</u>	<u>(762,814)</u>
Excess of revenues over expenditures	2,848,037	2,255,350	3,299,777	1,044,427
<b>Other financing uses:</b>				
Transfers out	(2,812,500)	(2,812,500)	(3,480,902)	(668,402)
Total other financing uses	<u>(2,812,500)</u>	<u>(2,812,500)</u>	<u>(3,480,902)</u>	<u>(668,402)</u>
Net changes in fund balances	35,537	(557,150)	(181,125)	376,025
Fund balances, beginning of fiscal year	<u>1,143,171</u>	<u>1,143,171</u>	<u>1,143,171</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 1,178,708</u>	<u>\$ 586,021</u>	<u>\$ 962,046</u>	<u>\$ 376,025</u>

**CITY OF ALPHARETTA, GEORGIA**  
**IMPACT FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues:</b>				
Impact fees	\$ 350,000	\$ 584,089	\$ 465,276	\$ (118,813)
Investment earnings	-	-	108,182	108,182
Total revenues	<u>350,000</u>	<u>584,089</u>	<u>573,458</u>	<u>(10,631)</u>
<b>Expenditures:</b>				
Current:				
Public works	18,690	3,487,365	1,764,689	1,722,676
Total expenditures	<u>18,690</u>	<u>3,487,365</u>	<u>1,764,689</u>	<u>1,722,676</u>
Net changes in fund balances	331,310	(2,903,276)	(1,191,231)	1,712,045
<b>Fund balances, beginning of fiscal year</b>	<u>4,903,275</u>	<u>4,903,275</u>	<u>4,903,275</u>	<u>-</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 5,234,585</u>	<u>\$ 1,999,999</u>	<u>\$ 3,712,044</u>	<u>\$ 1,712,045</u>

**CITY OF ALPHARETTA, GEORGIA**  
**CONFISCATED ASSETS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues:</b>				
Forfeiture income	\$ -	\$ -	\$ 75,281	\$ 75,281
Total revenues	-	-	75,281	75,281
<b>Expenditures:</b>				
Current:				
Public safety	-	340,977	102,574	238,403
Total expenditures	-	340,977	102,574	238,403
Net changes in fund balances	-	(340,977)	(27,293)	313,684
<b>Fund balances, beginning of fiscal year</b>	340,977	340,977	340,977	-
<b>Fund balances, end of fiscal year</b>	<u>\$ 340,977</u>	<u>\$ -</u>	<u>\$ 313,684</u>	<u>\$ 313,684</u>

**CITY OF ALPHARETTA, GEORGIA**  
**GRANT OPERATING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 76,191	\$ 28,484	\$ (47,707)
Contributions	-	79,932	69,987	(9,945)
Other revenues	-	815	815	-
Investment earnings	-	-	3,232	3,232
Total revenues	-	156,938	102,518	(54,420)
<b>Expenditures:</b>				
Current:				
General government	-	52,080	-	52,080
Public safety	-	121,113	41,616	79,497
Culture and recreation	-	100,760	84,779	15,981
Total expenditures	-	273,953	126,395	147,558
Net changes in fund balances	-	(117,015)	(23,877)	93,138
<b>Fund balances, beginning of fiscal year</b>	117,015	117,015	117,015	-
<b>Fund balances, end of fiscal year</b>	<u>\$ 117,015</u>	<u>\$ -</u>	<u>\$ 93,138</u>	<u>\$ 93,138</u>

**CITY OF ALPHARETTA, GEORGIA  
DEVELOPMENT AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget</b>		<b>Actual</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Other income	\$ -	\$ 353,450	\$ 346,300	\$ (7,150)
Total revenues	-	353,450	346,300	(7,150)
<b>Expenditures:</b>				
Current:				
General government	-	568,199	204,087	364,112
Total expenditures	-	568,199	204,087	364,112
Net changes in fund balances	-	(214,749)	142,213	356,962
<b>Fund balances, beginning of fiscal year</b>	214,749	214,749	214,749	-
<b>Fund balances, end of fiscal year</b>	<u>\$ 214,749</u>	<u>\$ -</u>	<u>\$ 356,962</u>	<u>\$ 356,962</u>

**CITY OF ALPHARETTA, GEORGIA**  
**EMERGENCY 911 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 3,750,400	\$ 3,750,400	\$ 3,809,370	\$ 58,970
Intergovernmental	1,250,000	1,250,000	1,107,857	(142,143)
Investment earnings	15,000	15,000	35,567	20,567
Other revenues	-	-	0	-
Total revenues	<u>5,015,400</u>	<u>5,015,400</u>	<u>4,952,794</u>	<u>(62,606)</u>
<b>Expenditures:</b>				
Current:				
Public safety	5,208,120	5,874,782	4,723,081	1,151,701
Debt service:				
Principal	299,702	299,702	78,268	221,434
Interest	3,083	3,083	3,083	-
Total expenditures	<u>5,510,905</u>	<u>6,177,567</u>	<u>4,804,432</u>	<u>1,373,135</u>
Deficiency of revenues over expenditures	(495,505)	(1,162,167)	148,362	1,310,529
<b>Other financing sources:</b>				
Issuance of financed purchase	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(495,505)	(1,162,167)	148,362	1,310,529
<b>Fund balances, beginning of fiscal year</b>	<u>2,616,737</u>	<u>2,616,737</u>	<u>2,616,737</u>	<u>-</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 2,121,232</u>	<u>\$ 1,454,570</u>	<u>\$ 2,765,099</u>	<u>\$ 1,310,529</u>

**CITY OF ALPHARETTA, GEORGIA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 6,279,000	\$ 6,279,000	\$ 6,916,841	\$ 637,841
Investment earnings	2,000	2,000	114,853	112,853
Total revenues	6,281,000	6,281,000	7,031,694	750,694
<b>Expenditures:</b>				
Current:				
General government	1,643,391	786,399	7,700	778,699
Debt service:				
Principal	2,485,000	3,015,000	3,015,000	-
Interest and fiscal charges	2,470,067	3,575,457	3,575,457	-
Total expenditures	6,598,458	7,376,856	6,598,157	778,699
Net changes in fund balances	(317,458)	(1,095,856)	433,537	1,529,393
Fund balances, beginning of fiscal year	1,095,856	1,095,856	1,095,856	-
Fund balances, end of fiscal year	\$ 778,398	\$ -	\$ 1,529,393	\$ 1,529,393



# CITY OF ALPHARETTA, GEORGIA

## 2017 SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM TRANSPORTATION SPECIAL LOCAL OPTION SALES TAX (TSPLOST) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL	
TSPLOST TIER 1						
Congestion Relief (Haynes Bridge Road/Old Milton Parkway/McGinnis Ferry Road/Windward Parkway Business District/Union Hill)	\$ 32,647,634	\$ 13,536,058	\$ 4,831,292	\$ 1,361,062	\$ 6,192,354	45.75 %
Operations and Safety (Academy St./Webb Bridge Road/Bicycle Improvements, Morris Road, Bethany at Mayfield Intersection, and Bethany at Mid Broadwell Road Intersection)	20,656,029	35,434,028	9,061,246	2,209,480	11,270,726	31.81 %
TSPLOST TIER 2						
Kimball Bridge Road Operations and Ped/Bike Improvements	4,906,529	1,359,742	1,119,002	4,460	1,123,462	82.62 %
Adaptive Traffic Signals/ITS Milling/Resurfacing	1,500,000	2,000,000	-	2,000,000	2,000,000	100.00 %
Pedestrian/Bicycle Improvements	1,000,000	4,398,000	1,230,000	828,300	2,058,300	46.80 %
Debt Service	1,000,000	-	-	-	-	0.00 %
Quick Response Projects	1,000,000	-	-	-	-	0.00 %
TSPLOST TIER 3						
Bridges (Academy St./Webb Bridge Road/Ga 400 Bridge Improvements and Kimball Bridge/Ga 400 Improvements)	7,293,644	4,886,000	737,429	1,382,857	2,120,286	43.40 %
Commuter Bike Corridor	500,000	-	-	-	-	0.00 %
Ga 400 Bottlenecks	1,650,000	-	-	-	-	0.00 %
TOTAL TSPLOST	\$ 72,153,836	\$ 61,613,828	\$ 16,978,969	\$ 7,786,159	\$ 24,765,128	

**CITY OF ALPHARETTA, GEORGIA**  
**2022 SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM**  
**TRANSPORTATION SPECIAL LOCAL OPTION SALES TAX (TSPLOST)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Pedestrian/Bike Improvements	\$ 27,445,000	\$ 27,419,850	\$ 50,995	\$ 2,924,781	\$ 2,975,776	10.85 %
Operations and Safety Improvements (Marietta St. and Roswell St./Tradewinds Ripple Effect/Cumming St.)	11,607,526	11,607,526	3,925	23,721	27,646	0.24 %
Roadway Project (Webb Bridge Road Improvements)	13,000,000	13,000,000	13,873	2,052,071	2,065,944	15.89 %
TSPLOST TIER 2						
Congestion Relief (Kimball Bridge Rd.)	2,000,000	2,000,000	-	-	-	0.00 %
Operations and Safety Improvements (Academy St. )	7,185,740	7,185,740	-	-	-	0.00 %
TSPLOST TIER 3						
Operations and Safety Improvements (Roundabouts)	5,500,000	5,500,000	-	-	-	0.00 %
Pedestrian/Bicycle Improvements	500,000	500,000	-	-	-	0.00 %
Maintenance and Safety Enhancements	2,500,000	2,500,000	-	-	-	
Program Management	685,740	685,740	-	-	-	0.00 %
TOTAL TSPLOST	\$ 70,424,006	\$ 70,398,856	\$ 68,793	\$ 5,000,573	\$ 5,069,366	

**CITY OF ALPHARETTA, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2023**

<b>Governmental Activities - Internal Service Funds</b>			
<b>ASSETS</b>	<b>Risk Management Fund</b>	<b>Medical Insurance Fund</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,989,642	\$ 674,899	\$ 2,664,541
Accounts receivables	-	367,781	367,781
Investments	899,970	128,702	1,028,672
Total assets	2,889,612	1,171,382	4,060,994
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	2,969	-	2,969
Claims payable, due within one year	437,022	1,095,774	1,532,796
Total current liabilities	439,991	1,095,774	1,535,765
<b>NONCURRENT LIABILITIES</b>			
Claims payable, due in more than one year	419,208	-	419,208
Total noncurrent liabilities	419,208	-	419,208
Total liabilities	859,199	1,095,774	1,954,973
<b>NET POSITION</b>			
Unrestricted	2,030,413	75,608	2,106,021
Total net position	\$ 2,030,413	\$ 75,608	\$ 2,106,021

**CITY OF ALPHARETTA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Governmental Activities - Internal Service Funds		
	Risk Management Fund	Medical Insurance Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Charges for service	\$ 1,678,300	\$ 8,064,455	\$ 9,742,755
Miscellaneous revenue	210,549	-	210,549
Total operating revenues	1,888,849	8,064,455	9,953,304
<b>OPERATING EXPENSES</b>			
Administration	79,288	-	79,288
Claims and judgements	264,190	6,068,704	6,332,894
Premiums	911,368	1,879,540	2,790,908
Total operating expenses	1,254,846	7,948,244	9,203,090
Operating income	634,003	116,211	750,214
<b>NON-OPERATING REVENUES</b>			
Investment earnings	54,869	-	54,869
Total non-operating revenues	54,869	-	54,869
Change in net position	688,872	116,211	805,083
<b>NET POSITION (DEFICIT), beginning of year</b>	1,341,541	(40,603)	1,300,938
<b>NET POSITION, end of year</b>	\$ 2,030,413	\$ 75,608	\$ 2,106,021

**CITY OF ALPHARETTA, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Risk Management Fund</b>	<b>Medical Insurance Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,888,849	\$ 8,452,328	\$ 10,341,177
Payments to vendors/suppliers	(929,317)	(1,879,540)	(2,808,857)
Payments on claims	(452,389)	(6,210,648)	(6,663,037)
Net cash provided by operating activities	507,143	362,140	869,283
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of investments	335,696	-	335,696
Purchase of investments	-	(66,566)	(66,566)
Interest and dividends received	54,869	-	54,869
Net cash used in investing activities	390,565	(66,566)	323,999
Increase (decrease) in cash and cash equivalents	897,708	295,574	1,193,282
<b>Cash and cash equivalents, beginning of year</b>	1,091,934	379,325	1,471,259
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,989,642</u>	<u>\$ 674,899</u>	<u>\$ 2,664,541</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 634,003	\$ 116,211	\$ 750,214
Adjustments to reconcile operating income to net cash provided by operating activities:			
Decrease in due from other funds	-	387,873	387,873
Decrease in accounts payable	(17,949)	-	(17,949)
Decrease in claims payable	(108,911)	(141,944)	(250,855)
Net cash provided by operating activities	<u>\$ 507,143</u>	<u>\$ 362,140</u>	<u>\$ 869,283</u>

**CITY OF ALPHARETTA, GEORGIA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2023**

<b>ASSETS</b>	<b>Pension Plan</b>	<b>OPEB Plan</b>	<b>OPEB Retirement Reimbursement Plan</b>	<b>Total</b>
Cash	\$ 1,756,233	\$ 34,317	\$ 118,597	\$ 1,909,147
Accounts receivable	355,544	6,853	20,583	382,980
Investments:				
U.S. Treasuries	6,278,498	137,445	440,746	6,856,689
U.S. Agencies	7,164,537	-	-	7,164,537
Corporate and Foreign Bonds	7,191,887	263,117	839,080	8,294,084
Common Equity Securities	67,565,832	1,379,668	3,877,871	72,823,371
Mutual Funds	1,190,895	-	-	1,190,895
Mutual Funds - ETF Equity	66,096	4,355	11,017	81,468
<b>Total assets</b>	<b>91,569,522</b>	<b>1,825,755</b>	<b>5,307,894</b>	<b>98,703,171</b>
<b>LIABILITIES</b>				
Accounts payable	284,341	49,749	85,732	419,822
<b>Total liabilities</b>	<b>284,341</b>	<b>49,749</b>	<b>85,732</b>	<b>419,822</b>
<b>NET POSITION</b>				
Restricted for:				
Pensions	91,285,181	-	-	91,285,181
Postemployment benefits other than pensions	-	1,776,006	5,222,162	6,998,168
<b>Net position restricted for retiree benefits</b>	<b>\$ 91,285,181</b>	<b>\$ 1,776,006</b>	<b>\$ 5,222,162</b>	<b>\$ 98,283,349</b>

# CITY OF ALPHARETTA, GEORGIA

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Pension Plan	OPEB Plan	OPEB Retirement Reimbursement Plan	Total
<b>ADDITIONS</b>				
Contributions:				
Employee contributions	\$ 311,837	\$ -	\$ -	\$ 311,837
Employer contributions	3,000,001	13,008	686,459	3,699,468
Other	-	21,965	-	21,965
Total contributions	3,311,838	34,973	686,459	4,033,270
Investment income:				
Net appreciation of fair value of investments	7,499,020	166,370	560,402	8,225,792
Interest and dividends	2,246,766	60,064	144,043	2,450,873
Less investment expense	(586,861)	(21,126)	(49,803)	(657,790)
Net investment income	9,158,925	205,308	654,642	10,018,875
Total additions	12,470,763	240,281	1,341,101	14,052,145
<b>DEDUCTIONS</b>				
Benefit payments	4,031,631	47,545	118,012	4,197,188
Administrative expenses	76,063	10,500	26,817	113,380
Total deductions	4,107,694	58,045	144,829	4,310,568
Change in net position	8,363,069	182,236	1,196,272	9,741,577
<b>NET POSITION RESTRICTED FOR RETIREE BENEFITS</b>				
Beginning of year	82,922,112	1,593,770	4,025,890	88,541,772
End of year	\$ 91,285,181	\$ 1,776,006	\$ 5,222,162	\$ 98,283,349

# STATISTICAL SECTION

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

	<u>Page</u>
<b>Financial Trends .....</b>	<b>101-112</b>

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

<b>Revenue Capacity .....</b>	<b>113-119</b>
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**These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.**

<b>Debt Capacity .....</b>	<b>120-124</b>
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**These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.**

<b>Demographic and Economic Information .....</b>	<b>125 and 126</b>
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**These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.**

<b>Operating Information .....</b>	<b>127-129</b>
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**These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.**

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



**CITY OF ALPHARETTA, GEORGIA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities				
Net investment in capital assets	\$ 249,955,561	\$ 229,294,901	\$ 227,123,239	\$ 223,789,948
Restricted	62,516,068	56,076,310	44,481,028	40,012,955
Unrestricted	36,495,247	37,673,321	37,721,528	20,239,066
Total governmental activities net position	<u>\$ 348,966,876</u>	<u>\$ 323,044,532</u>	<u>\$ 309,325,795</u>	<u>\$ 284,041,969</u>
Business-type activities				
Unrestricted	\$ 10,939	\$ 115,975	\$ 802,291	\$ 1,147,524
Total business-type activities net position	<u>\$ 10,939</u>	<u>\$ 115,975</u>	<u>\$ 802,291</u>	<u>\$ 1,147,524</u>
Primary government				
Net investment in capital assets	\$ 249,955,561	\$ 229,294,901	\$ 227,123,239	\$ 223,789,948
Restricted	62,516,068	56,076,310	44,481,028	40,012,955
Unrestricted	36,506,186	37,789,296	38,523,819	21,386,590
Total primary government net position	<u>\$ 348,977,815</u>	<u>\$ 323,160,507</u>	<u>\$ 310,128,086</u>	<u>\$ 285,189,493</u>

(1) 2014 was restated for the implementation of GASB Statement Nos. 68 and 71.

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

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2019	2018	2017 (2)	2016	2015	2014 (1)
\$ 214,287,654	\$ 207,591,819	\$ 156,743,582	\$ 215,676,760	\$ 201,023,973	\$ 201,359,025
31,734,150	21,779,964	60,101,289	9,761,642	7,791,738	9,614,036
24,935,364	26,815,118	31,781,332	21,343,378	19,004,765	17,825,182
<u>\$ 270,957,168</u>	<u>\$ 256,186,901</u>	<u>\$ 248,626,203</u>	<u>\$ 246,781,780</u>	<u>\$ 227,820,476</u>	<u>\$ 228,798,243</u>
\$ 1,206,592	\$ 1,186,192	\$ 1,133,212	\$ 1,123,990	\$ 967,766	\$ 1,013,492
<u>\$ 1,206,592</u>	<u>\$ 1,186,192</u>	<u>\$ 1,133,212</u>	<u>\$ 1,123,990</u>	<u>\$ 967,766</u>	<u>\$ 1,013,492</u>
\$ 214,287,654	\$ 207,591,819	\$ 156,743,582	\$ 215,676,760	\$ 201,023,973	\$ 201,359,025
31,734,150	21,779,964	60,101,289	9,761,642	7,791,738	9,614,036
26,141,956	28,001,310	32,914,544	22,467,368	19,972,531	18,838,674
<u>\$ 272,163,760</u>	<u>\$ 257,373,093</u>	<u>\$ 249,759,415</u>	<u>\$ 247,905,770</u>	<u>\$ 228,788,242</u>	<u>\$ 229,811,735</u>

**CITY OF ALPHARETTA, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2023	2022	2021	2020
<b>Expenses</b>				
Governmental activities (1):				
General government	\$ 15,037,785	\$ 15,956,849	\$ 14,102,831	\$ 12,897,560
Public safety	40,533,076	38,314,600	33,800,622	45,004,360
Public works	33,044,657	26,051,729	36,021,581	17,502,024
Community development	8,549,533	8,716,191	6,927,901	7,480,557
Culture and recreation	9,393,984	8,069,132	585,966	10,995,696
Interest on long-term debt	3,561,463	3,127,954	2,782,224	3,931,148
Total governmental activities expenses	110,120,498	100,236,455	94,221,125	97,811,345
Business-type activities:				
Solid waste	5,289,848	5,788,277	4,749,994	4,319,502
Total business-type activities expenses	5,289,848	5,788,277	4,749,994	4,319,502
Total primary government expenses	<u>\$ 115,410,346</u>	<u>\$ 106,024,732</u>	<u>\$ 98,971,119</u>	<u>\$ 102,130,847</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 515,790	\$ 45,823	\$ 700,631	\$ 75,708
Public safety	8,838,667	8,639,005	7,552,607	6,807,102
Public works	-	-	-	-
Community development	5,598,172	6,334,158	5,727,862	4,627,300
Culture and recreation	2,569,626	2,575,059	2,040,963	2,553,164
Operating grants and contributions	226,068	343,255	4,406,840	673,654
Capital grants and contributions (2)	13,627,626	1,728,113	15,034,235	11,110,983
Total governmental activities program revenues	31,375,949	19,665,413	35,463,138	25,847,911
Business-type activities:				
Charges for services:				
Solid waste	5,169,746	5,129,955	4,403,138	4,207,802
Total business-type activities program revenues	5,169,746	5,129,955	4,403,138	4,207,802
Total primary government program revenues	<u>\$ 36,545,695</u>	<u>\$ 24,795,368</u>	<u>\$ 39,866,276</u>	<u>\$ 30,055,713</u>
<b>Net (expense) revenue</b>				
Governmental activities	\$ (78,744,549)	\$ (80,571,042)	\$ (58,757,987)	\$ (71,963,434)
Business-type activities	(120,102)	(658,322)	(346,856)	(111,700)
Total primary government net expense	<u>\$ (78,864,651)</u>	<u>\$ (81,229,364)</u>	<u>\$ (59,104,843)</u>	<u>\$ (72,075,134)</u>

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

(2) Prior to 2010 the City charged depreciation expense related to City's infrastructure to the general government function and in 2010 began charging to the public works function.

2019	2018	2017	2016	2015	2014
\$ 15,780,792	\$ 21,454,576	\$ 29,135,914	\$ 11,509,627	\$ 12,065,471	\$ 11,463,544
33,611,899	32,400,805	30,123,186	30,252,024	32,637,732	27,912,188
21,553,723	10,681,676	14,533,961	19,358,138	17,529,801	14,035,094
7,319,083	6,553,596	5,772,585	5,416,361	5,183,616	4,774,226
10,465,655	14,990,020	10,686,154	9,191,257	8,111,598	7,834,329
3,583,252	3,995,843	3,835,898	1,556,382	1,606,823	1,807,273
92,314,404	90,076,516	94,087,698	77,283,789	77,135,041	67,826,654
4,226,955	3,818,643	3,274,907	3,077,407	3,264,095	3,213,392
4,226,955	3,818,643	3,274,907	3,077,407	3,264,095	3,213,392
\$ 96,541,359	\$ 93,895,159	\$ 97,362,605	\$ 80,361,196	\$ 80,399,136	\$ 71,040,046
\$ 98,287	\$ 131,490	\$ 128,321	\$ 3,614,607	\$ 3,318,538	\$ 2,843,024
7,779,202	6,948,160	7,253,818	4,811,153	5,752,584	5,138,078
-	-	-	32,726	32,726	88,191
5,628,275	4,921,134	6,121,104	4,765,125	3,628,850	2,725,927
2,559,400	2,283,361	2,158,072	2,248,077	1,820,871	1,709,555
658,226	918,641	576,130	591,849	636,727	397,870
3,422,011	4,300,025	10,320,847	17,803,410	3,299,374	1,662,642
20,145,401	19,502,811	26,558,292	33,866,947	18,489,670	14,565,287
4,188,117	3,851,806	3,275,135	3,225,033	3,215,238	3,194,769
4,188,117	3,851,806	3,275,135	3,225,033	3,215,238	3,194,769
\$ 24,333,518	\$ 23,354,617	\$ 29,833,427	\$ 37,091,980	\$ 21,704,908	\$ 17,760,056
\$ (72,169,003)	\$ (70,573,705)	\$ (67,529,406)	\$ (43,416,842)	\$ (58,645,371)	\$ (53,261,367)
(38,838)	33,163	228	147,626	(48,857)	(18,623)
\$ (72,207,841)	\$ (70,540,542)	\$ (67,529,178)	\$ (43,269,216)	\$ (58,694,228)	\$ (53,279,990)

**CITY OF ALPHARETTA, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2023	2022	2021	2020
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes	\$ 38,665,089	\$ 35,491,615	\$ 34,693,764	\$ 32,927,048
Sales taxes	36,059,503	34,444,987	29,078,454	27,059,918
Franchise taxes	6,843,642	6,634,631	6,858,414	6,880,108
Hotel/Motel occupancy tax	9,277,072	7,940,764	3,890,093	6,672,097
Business taxes	7,075,153	6,276,971	6,198,056	5,975,012
Other taxes	3,797,212	4,186,760	3,901,833	3,209,346
Unrestricted investment earnings	2,922,453	(779,913)	168,428	2,015,281
Gain on sale of capital assets	26,769	93,964	-	309,425
Miscellaneous	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	<u>104,666,893</u>	<u>94,289,779</u>	<u>84,789,042</u>	<u>85,048,235</u>
Business-type activities:				
Unrestricted investment earnings	15,066	(27,994)	1,623	52,632
Miscellaneous	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>15,066</u>	<u>(27,994)</u>	<u>1,623</u>	<u>52,632</u>
Total primary government	<u>\$ 104,681,959</u>	<u>\$ 94,261,785</u>	<u>\$ 84,790,665</u>	<u>\$ 85,100,867</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 25,922,344	\$ 13,718,737	\$ 26,031,055	\$ 13,084,801
Business-type activities	(105,036)	(686,316)	(345,233)	(59,068)
Total primary government	<u>\$ 25,817,308</u>	<u>\$ 13,032,421</u>	<u>\$ 25,685,822</u>	<u>\$ 13,025,733</u>

2019	2018	2017	2016	2015	2014
\$ 31,569,551	\$ 27,953,119	\$ 27,218,360	\$ 25,833,303	\$ 24,216,991	\$ 23,681,167
28,112,776	26,669,576	14,943,853	14,953,985	14,757,780	13,575,938
6,787,133	6,177,460	6,357,342	6,630,390	6,682,041	6,235,684
9,051,333	7,665,868	9,566,630	6,391,857	4,637,950	4,137,790
5,555,835	5,387,059	5,160,501	4,981,704	4,425,286	4,227,363
3,321,352	3,129,297	3,092,041	3,003,685	2,767,730	2,243,736
2,541,290	1,152,024	560,590	201,044	75,916	124,173
-	-	2,656,725	351,990	103,910	-
-	-	-	30,188	-	-
-	-	-	-	-	-
86,939,270	78,134,403	69,556,042	62,378,146	57,667,604	54,225,851
59,238	19,817	8,994	8,598	3,131	5,250
-	-	-	-	-	-
-	-	-	-	-	-
59,238	19,817	8,994	8,598	3,131	5,250
\$ 86,998,508	\$ 78,154,220	\$ 69,565,036	\$ 62,386,744	\$ 57,670,735	\$ 54,231,101
\$ 14,770,267	\$ 7,560,698	\$ 2,026,636	\$ 18,961,304	\$ (977,767)	\$ 964,484
20,400	52,980	9,222	156,224	(45,726)	(13,373)
\$ 14,790,667	\$ 7,613,678	\$ 2,035,858	\$ 19,117,528	\$ (1,023,493)	\$ 951,111

**CITY OF ALPHARETTA, GEORGIA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Hotel/Motel Occupancy Tax</b>
2014	\$ 23,681,167	\$ 13,575,938	\$ 6,235,684	\$ 4,137,790
2015	24,216,991	14,757,780	6,682,041	4,637,950
2016	25,833,303	14,953,985	6,630,390	6,391,857
2017	27,218,360	14,943,853	6,357,342	9,566,630
2018	27,953,119	26,669,576	6,177,460	7,665,868
2019	31,569,551	28,112,776	6,787,133	9,051,333
2020	32,927,048	27,059,918	6,880,108	6,672,097
2021	34,693,764	29,078,454	6,858,414	3,890,093
2022	35,491,615	34,444,987	6,634,631	7,940,764
<b>2023</b>	<b>38,665,089</b>	<b>36,059,503</b>	<b>6,843,642</b>	<b>9,277,072</b>

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	<b>Business Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
\$	4,227,363	\$ 2,318,455	\$ 54,176,397
	4,425,286	2,243,736	56,963,784
	4,981,704	2,767,730	61,558,969
	5,160,501	3,003,685	66,250,371
	5,387,059	3,092,041	76,945,123
	5,555,835	3,129,297	84,205,925
	5,975,012	3,209,346	82,723,529
	6,198,056	3,901,833	84,620,614
	6,276,971	4,186,760	94,975,728
	<b>7,075,153</b>	<b>3,797,212</b>	<b>101,717,671</b>



**CITY OF ALPHARETTA, GEORGIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General fund				
Assigned:				
Book revenue	\$ -	\$ -	\$ -	\$ -
Subsequent budget appropriations	10,547,818	12,639,800	5,836,799	5,289,252
Unassigned	<u>32,017,787</u>	<u>30,247,819</u>	<u>29,839,800</u>	<u>21,336,799</u>
Total general fund	<u>\$ 42,565,605</u>	<u>\$ 42,887,619</u>	<u>\$ 35,676,599</u>	<u>\$ 26,626,051</u>
All other governmental funds				
Restricted:				
Capital projects	\$ 81,296,800	\$ 79,910,051	\$ 43,612,453	\$ 52,425,466
Law enforcement	313,684	340,977	200,999	266,485
Emergency telephone services	2,765,099	2,616,736	2,629,573	2,242,426
Tourism	962,046	1,143,173	1,311,312	1,966,633
Debt service	1,529,393	1,095,855	851,509	648,200
Assigned:				
Grant projects	93,138	265,456	269,470	203,703
Economic development	356,962	214,749	263,121	-
Capital projects	15,656,140	10,015,826	10,685,162	8,414,274
Unassigned	<u>(352,807)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 102,620,455</u>	<u>\$ 95,602,823</u>	<u>\$ 59,823,599</u>	<u>\$ 66,167,187</u>

2019	2018	2017	2016	2015	2014
\$ -	\$ -	\$ 17,973	\$ 17,973	\$ 17,973	\$ -
5,537,018	6,100,065	8,842,313	6,049,857	5,018,236	4,105,260
22,289,252	18,537,018	19,600,065	21,222,540	18,549,859	16,768,236
<u>\$ 27,826,270</u>	<u>\$ 24,637,083</u>	<u>\$ 28,460,351</u>	<u>\$ 27,290,370</u>	<u>\$ 23,586,068</u>	<u>\$ 20,873,496</u>
\$ 57,996,237	\$ 53,096,354	\$ 60,610,599	\$ 27,175,844	\$ 2,986,088	\$ 14,896,779
494,638	323,177	1,460,509	1,752,596	1,974,755	2,099,710
1,808,567	1,851,911	1,827,068	2,122,857	2,150,699	3,971,699
2,697,154	1,770,515	1,505,262	950,567	-	-
1,223,954	1,032,049	1,250,405	814,051	845,511	913,165
393,439	260,549	38,982	39,857	364,190	698,318
-	-	-	-	-	-
10,613,617	14,294,222	15,130,110	6,114,004	5,667,535	6,747,056
-	-	(197,470)	(2,286,335)	-	-
<u>\$ 75,227,606</u>	<u>\$ 72,628,777</u>	<u>\$ 81,625,465</u>	<u>\$ 36,683,441</u>	<u>\$ 13,988,778</u>	<u>\$ 29,326,727</u>

# CITY OF ALPHARETTA, GEORGIA

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

	2023	2022	2021	2020
<b>Revenues</b>				
Property taxes	\$ 38,731,845	\$ 35,384,682	\$ 34,460,884	\$ 32,987,329
Sales tax	36,059,503	34,444,987	29,078,454	26,893,744
Other taxes	26,993,079	25,039,126	20,848,396	22,736,563
Licenses and permits	3,750,861	3,253,437	3,056,142	3,268,383
Intergovernmental	5,706,106	6,084,710	15,517,798	6,224,666
Contributions and donations	658,968	949,978	476,104	346,781
Charges for services	8,277,865	7,531,189	7,775,975	6,610,279
Impact fees	465,276	1,939,187	2,098,746	866,093
Fines and forfeitures	3,370,056	3,241,535	1,658,072	1,891,476
Investment earnings	4,765,840	(779,913)	168,428	2,015,281
Miscellaneous	444,582	353,672	4,305,688	177,702
Total revenues	<u>129,223,981</u>	<u>117,442,590</u>	<u>119,444,687</u>	<u>104,018,297</u>
<b>Expenditures</b>				
General government	11,142,694	10,892,836	10,110,392	10,472,664
Public safety	39,367,880	37,403,375	33,118,441	32,918,201
Public works	11,188,790	10,954,892	17,263,357	15,249,332
Community development	8,930,902	7,848,749	5,645,010	7,302,285
Culture and recreation	11,962,617	10,352,013	8,892,644	9,455,863
Capital outlay	33,019,871	21,331,041	35,979,693	31,618,916
Intergovernmental	-	-	-	-
Debt service				
Principal	4,875,676	4,133,267	3,786,926	3,912,526
Interest	4,446,299	3,454,689	3,529,781	3,906,807
Other charges	-	368,549	-	-
Total expenditures	<u>124,934,729</u>	<u>106,739,411</u>	<u>118,326,244</u>	<u>114,836,594</u>
Excess (deficiency) of revenues over (under) expenditures	4,289,252	10,703,179	1,118,443	(10,818,297)
<b>Other financing sources (uses)</b>				
Transfers in	19,120,702	10,462,585	6,000,643	14,818,304
Transfers out	(19,120,702)	(10,462,585)	(6,000,643)	(14,818,304)
General obligation bond proceeds	-	27,335,000	-	17,775,000
Premium on bond issuance	-	2,539,405	-	5,501,675
Payments to refunding escrow	-	-	-	(23,886,801)
Financed purchases	2,353,251	2,292,350	1,311,250	235,805
Issuance of intergovernmental payable	-	-	-	-
Proceeds from sale of capital assets	53,115	120,310	131,483	931,980
Total other financing sources (uses)	<u>2,406,366</u>	<u>32,287,065</u>	<u>1,442,733</u>	<u>557,659</u>
Net change in fund balances	<u>\$ 6,695,618</u>	<u>\$ 42,990,244</u>	<u>\$ 2,561,176</u>	<u>\$ (10,260,638)</u>
Debt service as a percentage of noncapital expenditures	9.1%	8.7%	8.1%	8.7%
Total debt service expenditures	\$ 9,321,975	\$ 7,956,505	\$ 7,316,707	\$ 7,819,333
Total non-capital expenditures	\$ 102,645,110	\$ 91,472,006	\$ 90,574,213	\$ 90,045,947

2019	2018	2017	2016	2015	2014
\$ 31,514,266	\$ 27,920,695	\$ 27,262,172	\$ 25,841,451	\$ 24,274,577	\$ 23,696,658
28,112,776	26,669,576	17,412,634	14,953,985	14,757,780	13,575,938
24,715,653	22,359,684	21,707,749	21,007,620	18,520,227	16,837,353
4,198,814	3,403,611	4,222,432	3,814,821	2,912,433	2,400,059
4,711,704	3,774,694	12,733,728	8,870,676	3,570,796	2,691,949
451,910	467,484	953,912	793,450	171,226	536,309
7,280,653	6,317,352	6,364,262	6,788,274	6,502,793	5,563,630
960,432	1,346,589	1,449,478	1,425,667	529,004	337,108
2,229,991	2,054,812	2,463,790	2,453,134	3,537,448	2,865,931
2,541,290	1,152,024	560,590	201,044	75,916	124,173
149,788	167,268	196,279	200,484	305,071	222,412
<u>106,867,277</u>	<u>95,633,789</u>	<u>95,327,026</u>	<u>86,350,606</u>	<u>75,157,271</u>	<u>68,851,520</u>
10,042,217	16,560,677	27,000,660	10,222,722	10,182,488	9,900,168
31,684,766	31,843,942	28,912,695	28,735,794	30,830,566	26,448,052
12,275,846	9,939,770	8,820,932	7,288,023	7,008,688	6,819,823
7,210,012	6,539,525	5,738,401	5,356,302	5,127,170	4,742,837
9,921,813	21,102,795	13,248,613	8,129,640	6,670,048	6,248,603
22,551,277	15,696,812	19,496,900	22,500,926	23,759,144	23,061,757
-	-	-	-	20,000	40,000
3,903,709	3,727,824	3,597,331	2,964,225	2,772,528	2,609,414
3,622,560	3,700,476	3,378,768	1,476,940	1,574,813	1,638,871
-	-	361,301	-	-	170,000
<u>101,212,200</u>	<u>109,111,821</u>	<u>110,555,601</u>	<u>86,674,572</u>	<u>87,945,445</u>	<u>81,679,525</u>
5,655,077	(13,478,032)	(15,228,575)	(323,966)	(12,788,174)	(12,828,005)
15,415,517	16,897,064	13,218,136	12,184,381	9,325,180	9,750,177
(15,415,517)	(16,897,064)	(13,218,136)	(12,184,381)	(9,325,180)	(9,750,177)
-	-	50,855,000	-	-	17,695,000
-	-	1,527,686	-	-	-
-	-	-	-	-	(17,518,423)
-	504,024	3,695,447	709,742	-	-
-	-	-	24,720,000	-	-
132,939	154,052	5,262,447	1,293,189	162,797	549,213
<u>132,939</u>	<u>658,076</u>	<u>61,340,580</u>	<u>26,722,931</u>	<u>162,797</u>	<u>725,790</u>
\$ 5,788,016	\$ (12,819,956)	\$ 46,112,005	\$ 26,398,965	\$ (12,625,377)	\$ (12,102,215)
7.4%	6.2%	6.3%	5.1%	4.9%	5.2%
\$ 7,526,269	\$ 7,428,300	\$ 6,976,099	\$ 4,441,165	\$ 4,347,341	\$ 4,248,285
\$ 101,212,200	\$ 119,325,254	\$ 110,555,601	\$ 86,674,572	\$ 87,945,445	\$ 81,679,525

**CITY OF ALPHARETTA, GEORGIA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Vehicle Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2014	\$ 23,696,658	\$ 13,575,938	\$ 6,235,684	\$ 895,290	\$ 1,774,662	\$ 7,931,717	\$ 54,109,949
2015	24,274,577	14,757,780	6,682,041	622,507	1,998,770	9,216,909	57,552,584
2016	25,841,451	14,953,985	6,630,390	449,164	2,053,173	11,874,893	61,803,056
2017	27,262,172	17,412,634	6,357,342	302,977	2,113,121	12,934,309	66,382,555
2018	27,920,695	26,669,576	6,177,460	222,688	2,210,031	13,749,505	76,949,955
2019	31,514,266	28,112,776	6,787,133	169,870	2,330,292	15,428,358	84,342,695
2020	32,987,329	26,893,744	6,880,108	124,551	2,199,245	13,532,659	82,617,636
2021	34,460,884	29,078,454	6,858,414	102,545	2,339,660	11,547,777	84,387,734
2022	35,384,682	34,444,987	6,634,631	92,728	2,764,435	15,547,332	94,868,795
<b>2023</b>	<b>38,731,845</b>	<b>36,059,503</b>	<b>6,843,642</b>	<b>89,344</b>	<b>2,922,779</b>	<b>17,137,314</b>	<b>101,784,427</b>

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

## CITY OF ALPHARETTA, GEORGIA

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

Fiscal Year	Real Property		Personal Property	
	Residential	Commercial	Motor Vehicles	Other
2014	\$ 1,859,569,100	\$ 2,526,630,701	\$ 218,557,340	\$ 10,760
2015	1,924,974,730	2,513,543,524	186,312,400	23,862
2016	2,169,172,670	2,755,306,162	130,611,730	29,923
2017	2,238,392,880	2,907,419,873	91,948,620	64,228
2018	2,274,153,290	3,058,277,943	62,542,690	662,682
2019	2,831,212,300	3,067,760,757	44,032,240	161,090
2020	3,044,152,260	3,269,109,969	33,599,820	-
2021	3,242,898,630	3,328,479,833	26,148,000	101,306
2022	3,395,284,680	3,420,217,761	19,610,740	-
<b>2023</b>	<b>3,976,290,760</b>	<b>3,480,530,514</b>	<b>16,790,410</b>	<b>56,080</b>

Source: Georgia Department of Revenue, Property Tax Division

**Notes:**

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

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

Homestead exemption was increased to \$45,000 per household in fiscal year 2020.

Floating exemption included beginning fiscal year 2021.

Senior basic homestead exemption was increased to \$25,000 for residents 65 and older in fiscal year 2021.

Senior additional exemption, income based, was eliminated in fiscal year 2021.

<b>Less: Tax Exempt Real Property</b>		<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
\$	527,564,070	\$ 4,077,203,831	5.75	\$ 11,511,919,753	40.00%
	529,904,910	4,094,949,606	5.75	11,562,136,290	40.00%
	523,053,335	4,532,067,150	5.75	12,637,801,213	40.00%
	642,812,340	4,595,013,261	5.75	13,094,564,003	40.00%
	640,291,164	4,755,345,441	5.75	13,489,091,513	40.00%
	567,088,190	5,376,078,197	5.75	14,857,915,968	40.00%
	926,375,778	5,420,486,271	5.75	15,934,655,123	40.00%
	1,087,813,540	5,509,814,229	5.75	16,494,069,423	40.00%
	1,078,993,638	5,756,119,543	5.75	17,087,782,953	40.00%
	<b>1,191,937,331</b>	<b>6,281,730,433</b>	<b>5.75</b>	<b>18,684,169,410</b>	<b>40.00%</b>

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

		City of Alpharetta			Fulton County			School District				
		General Obligation			General Obligation			General Obligation				
			Debt	Total		Debt	Total		Debt	Total	Direct &	
Fiscal	Tax	Operating	Service	City	Operating	Service	County	Operating	Service	School		Overlapping
Year	Year	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	State	Rates
2014	2013	4.870	0.880	5.750	10.211	0.270	10.481	18.502	0.000	18.502	0.150	34.883
2015	2014	4.950	0.800	5.750	11.781	0.270	12.051	18.502	0.000	18.502	0.100	36.403
2016	2015	5.000	0.750	5.750	10.451	0.250	10.700	18.483	0.000	18.483	0.000	34.933
2017	2016	4.620	1.130	5.750	10.450	0.250	10.700	18.483	0.000	18.483	0.000	34.933
2018	2017	4.720	1.030	5.750	10.380	0.025	10.405	18.546	0.000	18.546	0.000	34.701
2019	2018	4.770	0.980	5.750	10.200	0.230	10.430	17.796	0.000	17.796	0.000	33.976
2020	2019	4.820	0.930	5.750	9.899	0.220	10.119	17.796	0.000	17.796	0.000	33.665
2021	2020	4.935	0.815	5.750	9.776	0.220	9.996	17.796	0.000	17.796	0.000	33.542
2022	2021	4.935	0.815	5.750	9.330	0.210	9.540	17.590	0.000	17.590	0.000	32.880
2023	2022	4.785	0.965	5.750	8.870	0.200	9.070	17.240	0.000	17.240	0.000	32.060

Source: Georgia Department of Revenue, Property Tax Division

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



# CITY OF ALPHARETTA, GEORGIA

## SALES TAX RATES - ALL OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>State of Georgia</b>	<b>Local Option Sales Tax</b>	<b>Metropolitan Atlanta Regional Transportation</b>	<b>Fulton County Board of Education</b>	<b>Transportation Special Purpose Local Option Sales Tax</b>	<b>Total Overlapping Rates</b>
2014	4.00 %	1.00 %	1.00 %	1.00 %	0.00 %	7.00 %
2015	4.00	1.00	1.00	1.00	0.00	7.00
2016	4.00	1.00	1.00	1.00	0.00	7.00
2017	4.00	1.00	1.00	1.00	0.00	7.00
2018	4.00	1.00	1.00	1.00	0.75	7.75
2019	4.00	1.00	1.00	1.00	0.75	7.75
2020	4.00	1.00	1.00	1.00	0.75	7.75
2021	4.00	1.00	1.00	1.00	0.75	7.75
2022	4.00	1.00	1.00	1.00	0.75	7.75
<b>2023</b>	<b>4.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.75</b>	<b>7.75</b>

Source: Georgia Department of Revenue, Property Tax Division

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

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

# CITY OF ALPHARETTA, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS

### CURRENT AND NINE YEARS AGO

Taxpayer	2023			2014		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Avalon	\$ 75,609,880	1	1.20 %			
F7 NWO LLC	66,467,720	2	1.06			
Bell Fund VII Avalon LLC	60,000,000	3	0.96			
Sanctuary Acquisitions West LLC	54,852,680	4	0.87			
Reep RTL NPM GA LLC	50,365,880	5	0.80			
Lakeside at Milton Park LLC	37,001,840	6	0.59			
NPMC Retail LLC	34,297,960	7	0.55			
BCORE MF LEX AG Owner LLC	33,084,000	8	0.53			
Sreit NF Office LLC	31,590,040	9	0.50			
BRI 1870 North Point LLC	30,876,640	10	0.49			
BRE COH GA LLC				\$ 79,165,360	1	1.94 %
GGP North Point Inc				59,040,350	2	1.45
Sanctuary Park Realty Holding				54,234,980	3	1.33
Gardner Drive LLC				29,015,280	4	0.71
CH Realty IV Royal Centre LLC				26,154,160	5	0.64
AMLi at Milton Park LLC				22,826,000	6	0.56
Metropolitan Life Ins. Co.				22,762,520	7	0.56
CP Venture Two LLC				21,877,600	8	0.54
AT&T Resource Mgmt Corp				20,020,680	9	0.49
Park Bridge Pkwy Apartments				17,308,680	10	0.42
Totals	<u>\$ 474,146,640</u>		<u>7.55 %</u>	<u>\$ 352,405,610</u>		<u>8.64 %</u>

Source: Fulton County Board of Assessors

# CITY OF ALPHARETTA, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Pct. of Levy		Amount	Percentage of Levy
2014	2013	\$ 21,419,762	\$ 21,144,336	98.71 %	\$ 246,482	\$ 21,390,818	99.86 %
2015	2014	22,169,757	22,009,987	99.28	136,442	22,146,429	99.89
2016	2015	24,397,030	23,810,905	97.60	563,761	24,374,666	99.91
2017	2016	25,768,440	25,141,619	97.57	597,162	25,738,781	99.88
2018	2017	26,510,960	26,254,863	99.03	222,720	26,477,583	99.87
2019	2018	30,523,904	30,064,201	98.49	423,615	30,487,816	99.88
2020	2019	30,711,002	30,370,825	98.89	297,190	30,668,015	99.86
2021	2020	31,576,507	31,417,169	99.50	85,149	31,502,318	99.77
2022	2021	32,425,151	31,952,847	98.54	327,185	32,280,032	99.55
<b>2023</b>	<b>2022</b>	35,063,424	34,440,758	98.22	-	34,440,758	98.22

Source: Fulton County Tax Commissioner's Office.

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

Fiscal Year	Governmental Activities						Net Total Primary Government	Percentage of Estimated	Percentage of Personal Income (1)	Per Capita (1)
						Actual				
	General	Revenue	Financed	Notes	Fund Balance	Taxable Value				
	Obligation	Bonds	Purchases	SBITAs	Payable	Restricted to		of Property		
	Bonds					Debt Service				
2014	\$ 48,541,210	\$ -	\$ 2,088,963	\$ -	\$ 4,626,050	\$ (913,165)	\$ 54,343,058	0.47 %	1.98 %	872
2015	46,403,302	-	1,638,734	-	4,358,750	(845,511)	51,555,275	0.45	1.96	818
2016	44,084,193	-	1,784,850	-	28,803,150	(814,051)	73,858,142	0.58	2.72	1,160
2017	93,809,170	-	4,758,516	-	28,522,600	(1,250,405)	125,839,881	0.96	4.26	1,941
2018	91,088,614	-	4,465,217	-	28,232,100	(1,032,049)	122,753,882	0.91	4.05	1,866
2019	88,239,519	-	3,773,607	-	27,730,000	(1,267,709)	118,475,417	0.80	3.55	1,788
2020	84,270,023	-	3,271,886	-	27,340,000	(675,820)	114,206,089	0.72	3.23	1,699
2021 <sup>(2)</sup>	81,251,480	27,422,724	3,881,210	-	-	(911,954)	111,643,460	0.68	2.91	1,696
2022	108,047,699	26,555,278	5,240,594	452,329	-	(1,095,855)	139,200,045	0.81	3.45	2,097
2023	104,130,535	25,630,954	6,924,983	115,214	-	(1,529,393)	135,272,293	0.72	3.11	2,043

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

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

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

# CITY OF ALPHARETTA, GEORGIA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2014	\$ 47,628,045	0.41 %	\$ 765
2015	45,557,791	0.39	723
2016	43,270,142	0.34	679
2017	92,558,765	0.71	1,428
2018	90,056,565	0.67	1,369
2019	86,971,810	0.59	1,313
2020	83,594,203	0.52	1,244
2021	80,339,526	0.49	1,221
2022	108,047,699	0.63	1,634
<b>2023</b>	<b>104,130,535</b>	<b>0.56</b>	<b>1,575</b>

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

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

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

# CITY OF ALPHARETTA, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2023

	<u>Net General Obligations Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Alpharetta (1)</u>	<u>Amount Applicable to City of Alpharetta</u>
Overlapping General Obligation Debt:			
Fulton County, Georgia	\$ 228,617,629	6.6%	\$ 15,090,116
Fulton County Board of Education	-	16.2%	-
Subtotal, overlapping debt	228,617,629		15,090,116
City of Alpharetta direct debt	136,801,686	100.0%	136,801,686
Total direct and overlapping debt	<u>\$ 365,419,315</u>		<u>\$ 151,891,802</u>

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

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

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

# CITY OF ALPHARETTA, GEORGIA

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt limit	\$ 747,366,776	\$ 683,511,318	\$ 659,762,777	\$ 637,386,205
Total net debt applicable to limit	<u>102,601,142</u>	<u>106,876,818</u>	<u>107,762,250</u>	<u>83,621,823</u>
Legal debt margin	<u>\$ 644,765,634</u>	<u>\$ 576,634,500</u>	<u>\$ 552,000,527</u>	<u>\$ 553,764,382</u>
Total net debt applicable to the limit as a percentage of debt limit	14%	16%	16%	13%

### Legal Debt Margin Calculation for Current Fiscal Year

Assessed value	\$ 6,281,730,433
Add back: exempt real property	<u>1,191,937,331</u>
Total assessed value	7,473,667,764
Debt limit (10% of total assessed value)	747,366,776
Debt applicable to limit:	
General obligation bonds	104,130,535
Less: Amount set aside for repayment of general obligation debt	<u>(1,529,393)</u>
Total net debt applicable to limit	<u>102,601,142</u>
Legal debt margin	<u>\$ 644,765,634</u>

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 594,316,639	\$ 539,563,661	\$ 523,782,561	\$ 505,512,049	\$ 462,485,482	\$ 460,476,790
<u>87,015,564</u>	<u>90,056,565</u>	<u>92,558,765</u>	<u>43,270,142</u>	<u>45,562,966</u>	<u>47,655,000</u>
<u><u>\$ 507,301,075</u></u>	<u><u>\$ 449,507,096</u></u>	<u><u>\$ 431,223,796</u></u>	<u><u>\$ 462,241,907</u></u>	<u><u>\$ 416,922,516</u></u>	<u><u>\$ 412,821,790</u></u>
15%	17%	18%	9%	10%	10%



# CITY OF ALPHARETTA, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	Education Levels in Years of Formal Schooling (4)	School Enrollment (4)	Unemployment Rate (2)
2014	62,298	\$ 2,750,020,614	\$ 44,143	35.8	16.0	11,818	5.9 %
2015	63,038	2,636,312,198	41,821	36.4	16.0	11,603	4.8
2016	63,693	2,716,124,292	42,644	36.4	16.0	11,388	4.3
2017	64,820	2,953,069,560	45,558	37.0	16.0	11,173	4.3
2018	65,799	3,034,189,287	46,113	37.4	16.0	12,695	2.9
2019	66,255	3,334,746,660	50,332	37.3	16.0	11,668	2.5
2020	67,208	3,530,839,488	52,536	37.6	16.0	12,078	11.8
2021	65,818	3,842,257,386	58,377	37.6	16.0	12,727	2.1
2022	66,127	4,022,703,791	60,833	39.9	16.0	12,918	1.9
<b>2023</b>	<b>66,108</b>	<b>4,347,857,052</b>	<b>65,769</b>	<b>40.6</b>	<b>16.0</b>	<b>12,724</b>	<b>2.8</b>

Data sources:

- (1) Bureau of the Census/County Regional Planning Commission
- (2) State Department of Labor
- (3) State Department of Commerce
- (4) Fulton County Board of Education and other sources for private schools

Fiscal Year 2014 through 2016 have been adjusted based upon trend data.

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

**CITY OF ALPHARETTA, GEORGIA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT AND NINE YEARS AGO**  
**(as of December 31)**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ADP, INC.	2,231	1	2.72 %	2,024	1	2.53 %
FISERV, INC.	2,088	2	2.54			
EQUIFAX INFORMATION SERVICES	1,734	3	2.11	733	8	0.92
LEXIS NEXIS RISK SOLUTIONS	1,384	4	1.69	1,491	3	1.86
VERIZON	1,095	5	1.33	1,312	4	1.64
UPS SUPPLY CHAIN SOLUTIONS	1,051	6	1.28	1,002	6	1.25
E*TRADE FINANCIAL	878	7	1.07	683	9	0.85
JACKSON HEALTHCARE	870	8	1.06			
ERNST & YOUNG U.S. LLP	806	9	0.98			
HEWLETT PACKARD ENTERPRISE COMPANY	738	10	0.90	892	7	1.12
MCKESSON				1,775	2	2.22
COMCAST OF GEORGIA				1,015	5	1.27
CHARTIS INSURANCE (AIG)				661	10	0.83
	<u>12,875</u>		<u>15.68 %</u>	<u>11,588</u>		<u>14.49 %</u>

Sources: City of Alpharetta Finance Department

# CITY OF ALPHARETTA, GEORGIA

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

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Mayor and City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
City Administration	6.0	6.0	6.0	7.0	8.0	10.0	10.0	11.0	11.0	14.0
Finance	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	25.0	22.5
Human Resources	4.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	3.0	3.0
Municipal Court	6.5	7.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0
Information Technology	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0
Community Development	32.0	32.0	32.0	30.0	28.0	26.0	26.0	23.0	23.0	23.0
Public Safety	271.5	265.5	258.5	258.5	253.0	253.0	251.0	246.5	246.0	246.0
Public works	51.0	51.0	52.0	52.0	52.0	52.0	52.0	55.0	59.0	59.0
Culture and recreation	49.0	48.0	51.0	51.0	51.0	51.0	51.0	51.0	54.0	51.0
<b>Total</b>	<b>462.5</b>	<b>455.0</b>	<b>453.0</b>	<b>452.0</b>	<b>444.5</b>	<b>444.5</b>	<b>442.5</b>	<b>439.0</b>	<b>449.0</b>	<b>446.5</b>

Source: City of Alpharetta Budget Office

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

Unfunded positions were removed from the authorized FTE count .

# CITY OF ALPHARETTA, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Function</b>										
General government										
Ordinances approved	14	14	32	29	14	19	14	22	14	13
Special events held	117	90	38***	67***	116	115	119	115	127	104
Court cases heard	10,302	9,376	10,019	11,186	11,749	11,320	14,400	14,938	10,996	13,791
Bond rating	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aaa/AAA
Software applications supported	172	143	136	137	136	103	99	123	115	124
Grants managed	9	10	9	9	9	10	39	32	35	42
Police										
Calls for service	20,606	19,516	17,516	19,007	21,181	80,773	80,105	68,484	71,302	77,967
Part 1 crimes reported	N/A**	N/A**	N/A**	N/A**	N/A**	1,563	1,515	1,626	1,577	1,655
Traffic citations issued	13,582	11,104	8,871	10,775	17,817	17,176	20,764	14,375	22,316	26,478
Fire										
Incident responses	8,623	7,238	6,429	6,810	8,976	7,219	7,037	6,515	6,374	6,305
Average response time	5:36	5:03	6:36	6:14	6:47	4:29	3:04	6:06	6:10	3:29
Fire safety programs conducted	237	344	106***	261	315	616	401	257	149	159
Inspections conducted	9,347	6,663	7082***	9,020	10,958	12,333	10,215	9,494	8,914	7,253
Highways and streets										
Traffic signals timed	126	126	125	125	124	126	126	57	56	49
Average days to repair pothole	1	1	1	1	1	1	1	2	1	1
Stormwater plans reviewed	160	109	121	136	144	160	162	128	122	106
Community development										
New building permits issued	4,400	5,243	5,024	998	5,717	5,902	5,333	4,816	5,018	3,892
Culture and recreation										
Park acres maintained	392	392	392	392	360	360	360	320	320	312
Greenway acres maintained	254	254	254	250	250	250	250	250	250	206
Annual program registrants	56,159	53,150	52,668	15,811***	52,085	52,823	41,025	38,400	41,450	37,310

Source: Various City departments

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

\*\* Indicators are no longer available

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

# CITY OF ALPHARETTA, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations	2	2	2	2	1	1	1	1	1	1
Patrol units and support vehicles	193	174	176	182	171	168	172	158	158	158
Police motorcycles	6	9	9	7	6	6	6	8	8	8
Fire										
Fire stations	6	6	6	6	6	6	6	6	6	6
Ladder units - in service	2	2	1	1	1	1	1	1	1	1
Ladder units - reserve	1	1	1	1	1	1	1	1	1	1
Pumper units - in service	6	6	6	6	6	6	6	6	6	6
Pumper units - reserve	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets - paved (miles)*	225	225	225	224	227	225	225	223	225	214
Streets - unpaved (miles)	1	1	1	1	1	2	2	2	2	1
Sidewalk (miles)	235	229	229	229	223	223	220	220	220	214
Drainage - piped (miles)	127	129	126	121	121	121	128	128	128	99
Drainage - open (miles)*	54	54	54	58	58	57	58	57	58	35
Culture and recreation										
Parks - active and passive	28	28	28	19	16	16	16	15	15	15
Park acreage	866	866	866	862	832	832	832	800	797	764
Greenway and walking trails (miles)	18	18	20	17	17	17	17	17	17	12
Adaptive athletic fields	1	1	1	1	1	1	1	1	1	1
Athletic fields	32	32	32	28	28	28	28	28	28	28
Equestrian facilities	1	1	1	1	1	1	1	1	1	1
Skating rinks **	-	-	2	1	2	2	2	2	2	2
Swimming pools	2	2	2	2	2	2	1	1	1	1
Tennis courts ***	13	13	15	17	17	17	17	17	17	17
Recreation buildings	27	27	27	27	26	26	26	21	20	20
Playgrounds	10	10	10	10	8	8	8	8	8	8
Picnic shelters/restrooms	37	37	37	37	34	34	34	24	24	24
Pickleball courts ***	10	10	6	-	-	-	-	-	-	-

Source: Various government departments

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

\* Change due to update of GIS records

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

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