

# 2015

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2015







**CITY OF SANDY SPRINGS, GEORGIA  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

FOR YEAR ENDED JUNE 30, 2015

**PREPARED BY:**  
FINANCE DEPARTMENT

**SUBMITTED BY:**  
JOHN F. McDONOUGH  
CITY MANAGER



**CITY OF SANDY SPRINGS, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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# INTRODUCTORY SECTION









December 8, 2015

Honorable Russell K. Paul, Mayor,  
Members of the City Council, and  
Citizens of Sandy Springs, Georgia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Sandy Springs, Georgia, for the fiscal year ended June 30, 2015 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City of Sandy Springs. The report has been prepared in accordance with generally accepted accounting principles. All disclosures necessary to enable an interested reader to gain an understanding of the government's financial activities have been included.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sandy Springs for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Sandy Springs' financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of the report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors 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.

## **PROFILE OF THE GOVERNMENT**

Sandy Springs was incorporated in December of 2005 after a 30 year struggle. Located just north of the City of Atlanta, Sandy Springs is a demographically diverse community and covers a 38 square mile area in north Fulton County, Georgia. Sandy Springs is the second largest city in the metropolitan Atlanta area and is the sixth largest city in the State of Georgia, serving a population of 101,908 (U.S. Census estimate for 2014). The City's daytime population doubles, swelling to more than 200,000 due to the concentration of major corporations and businesses located within the City, including UPS, Newell Rubbermaid and First Data.



Twenty-two miles of the Chattahoochee River flow through Sandy Springs, creating a unique recreational opportunity within a metropolitan setting.

Policymaking and legislative authority of the government is vested in the mayor and six council members, who are elected for four-year terms. Council members are elected by district and the mayor is elected at-large by popular vote. The mayor and council members serve until their successors are qualified and certified. Terms of office begin after the certification of the election and swearing into office. Elections are held every four years.

The City operates under a council/manager form of government, where the Council is the legislative authority and the Mayor possesses all of the executive powers granted to the government under the constitution and laws of the State of Georgia and the City of Sandy Springs charter. The City Manager maintains all of the administrative powers granted to the government under the constitution and laws of the State of Georgia and the City's charter.

The City is empowered to levy a property tax on both real and personal property located within its boundaries and is qualified to levy all other taxes granted to municipalities within the State of Georgia.

Deploying a non-traditional approach to government services, the City operates as one of the largest public-private partnerships in the country. 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 and cultural activities. All services outside of public safety and top City staff are outsourced. Sanitation services are provided through contracts with private carriers. Water and sewer services are delivered to residential and commercial properties by the City of Atlanta and Fulton County. The City created a legally separate entity, the City of Sandy Springs Public Facilities Authority (the "Authority"), to assist with the leasing and multi-year contracting of capital facilities. Financial information for the Authority has not been included within this document since the Authority has been inactive to date. The Sandy Springs Hospitality Board is a component unit of the City and functions as the tourism and marketing arm of the government. In addition, the City has a joint venture with the City of Johns Creek for Emergency 911 services through the Chattahoochee River E911 Authority (ChatComm) and with the North Fulton Cities of Alpharetta, Milton and Roswell for a unified radio system through the North Fulton Regional Radio System Authority (NFRRSA).

The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial stability and health of the government. The Mayor and Council are required to adopt a final budget no later than the close of the fiscal year. The budget is prepared by fund, function, and department. Since Fiscal Year 2007, the budgeting process included performance management initiatives. Amounts in this budget may be re-allocated within funds by approval of the City Manager as long as the total budgeted amounts do not exceed the approved appropriations by fund.



## LOCAL ECONOMY

A robust community of Fortune 500 corporations, mid-size companies and new businesses, Sandy Springs is one of the best places in the country in which to do business. The City balances the best of modern southern living; high-rise towers and riding stables, world-class medical centers, a scenic and protected national river corridor, international consulates and neighborhoods that resemble botanical gardens. At the crossroads of the most traveled east-west and north-south connections in the metro Atlanta area, the City has prime access to Interstate 285 and Georgia Highway 400, with Interstate 75 located just west of the City's border. Four stations on the MARTA rail transit system also serve Sandy Springs.

The City's commercial properties comprise more than 40% of the total tax digest by property value, ensuring a strong economic environment for the government. In addition to the companies listed previously, Sandy Springs is also home to Veritiv, Amtrak, AirWatch, Graphic Packaging, CSM Bakery, Cox Enterprises, Intercontinental Exchange (the parent company for the New York Stock Exchange), and is the future home of the North American Headquarters for Mercedes Benz. The City is also home to more than 40% of the available hospital beds in the metropolitan Atlanta area with nationally recognized Northside Hospital, Emory Saint Joseph's Hospital and Children's Healthcare of Atlanta located within that medical center. More babies are born every year at Northside Hospital in Sandy Springs than any other hospital in the United States.

According to the 2010 US Census, there were 46,955 housing units within Sandy Springs, with 47% recorded as home ownership and 56% recorded as units within multi-unit structures. The median value of owner-occupied housing was \$424,700. The average household size was 2.31 people, and the median age was 36.6 years. The median household income was \$59,196. At 80.6%, the majority of Sandy Springs residents were white-collar workers, with 12.6% in service careers and 6.8% in blue-collar positions.

In 2010, Sandy Springs was named by Forbes.com as one of America's top 25 towns to live well and in 2011 was named a Heart Safe Community and received an ISO Class III rating, ranking in the top 5% of the country. That same year, Keep North Georgia Beautiful recognized Sandy Springs in the category of New Park Development for the opening of Morgan Falls Overlook Park. In 2013, the City was ranked 4th by Kiplinger among Best Cities in the Country for Early Retirement. Nerdwallet ranked the City 8th among Best Places in Georgia for Job Seekers, and in 2014, Nerdwallet ranked Sandy Springs 8th among Cities on the Rise in Georgia and second among Best Small Cities for Working Women. In 2014, the newly opened Abernathy Greenway Park was recognized by Atlanta Magazine as Best New Park. In 2015, Niche Magazine named the City as a Best Town for Millennials.



## **NATIONAL ECONOMY**

With the steadily improving job market, the unemployment rate improved for the State of Georgia in 2015 to 5.8%, city-wide lowered to 6.1%. The monetary crisis around the globe has had a trickle-down effect on all economies, including the United States. Due to the tremendous debt the country is holding, recovery from this recession will take many years.

The three-year decline in home prices was a national phenomenon. In fact, according to the S&P/Case-Shiller Home Price Indices, there was a 19-month period between April 2008 and October 2009 when home prices in all 20 Metropolitan Statistical Areas (MSAs) were falling, as measured on a year-over-year basis. As of September 2015, all 20 MSAs posted positive monthly returns, with a national increase of 3% since September 2014. Of all 20 MSAs, San Francisco, Denver and Portland reported the highest gains with double digit increases of 11.2%, 10.9 % and 10.1 % respectively.

## **LONG TERM FINANCIAL PLANNING**

As detailed within the following financial statements, the City's policy is to maintain a minimum General Fund balance reserve of 25% of operating expenditures. Excess fund balances over reserve requirements will be used in subsequent periods for pay-as-you-go capital projects and one-time non-recurring expenditures.

To facilitate the provision of city services, the government is committed to a consistent millage rate for property taxes. The City's operating millage rate of 4.731 mills is statutorily set and cannot be increased without a public referendum. In addition, when residential property is reassessed, if a homeowner has filed for the proper homestead exemption, the assessment cannot be raised more than 3% (or the rate of inflation) in any one year for city taxes. Neighboring jurisdictions are not bound by the 3% cap in the utilization of increased assessments, where a large proportion of their increased assessments fall on the back of homeowners.

Despite the negative impacts to the U.S. economy, Sandy Springs continues to enjoy a strong financial outlook. The City is expected to continue developing as an economic hub and preferred location for business and residential investment. Through planned growth consistent with existing zoning, the governing body approved several distinctive commercial developments during Fiscal Year 2015. Additionally, the commercial community continues to experience significant re-development through builders and investors developing mixed use areas.





## MAJOR INITIATIVES FOR THE YEAR

### City Center – Phase II

The Sandy Springs City Council adopted its City Center Master Plan on December 18, 2012, following a yearlong master planning process. The goals for City Center include creating a unique, vibrant, walkable center rich in amenities desired by the community; catalyzing significant market-driven private investment in mixed-use development to introduce new dining, retail and entertainment options; creation of a cultural / civic center that functions as a place of community activity and identity; and introducing a green space network to accommodate a variety of activities as well as tying together City Center, the City's established neighborhoods and existing open spaces. On January 30, 2013, the City Council adopted the City Center Phase I Plan, which included land acquisition, infrastructure, public facility needs and project management.

In 2014, the City assembled its construction and design team: Carter-Selig as Master Developer, with Carter awarded the City's Program Manager; Rosser International, Inc. as Architect for the public facility components; jB+a as Landscape Architect; Long Engineering as Civil Site Engineering Firm; and Holder Construction was selected Construction Management at Risk January 2015. Holder began construction activities in June 2015.





### **Abernathy Greenway Park**

Abernathy Greenway Park opened on July 17, 2014. The City's newest park encompasses seven acres and includes a collection of payable art, unique gardens, walking trails, pavilions, picnic tables and restrooms. The park was the result of a collaborative effort by federal, state and local authorities, as well as active involvement by the community to transform what was first a land buffer for a road-widening project into a park setting and community amenity. Work is now underway to design the southern portion of the project, beginning in the 200 block of Abernathy Road, ending just before the Fulton County Arts Center. The addition to the program will include stream restoration, an added walking and jogging trail and beautification of the greenspace area.



## **INITIATIVES FOR FUTURE YEARS**

### **City Center – Phase II**

The City committed an additional \$15.6 million to the City Center Master Plan with the adoption of the 2016 budget. A majority of these funds were allocated to the continued pay-as-you-go funding for the Project as well as stormwater improvements leading to a unique combination park/drainage retainage system. The focus for 2016 will be toward the continued construction of critical infrastructure needed to support the overall project.

The City unveiled the project and district's new brand on September 20, 2015, with the project now formally known as City Springs.

### **Continued Construction on Park Facilities**

Construction on some of the parks mentioned above continues. The City committed \$960,000 for park improvements in the 2016 budget. This includes funding for improvements at Hammond Park as well as funding to improve a newly acquired park, Windsor Meadows Park.



### **Public Works Facilities**

\$8.2 million was included in the 2016 capital budget for infrastructure improvements to roads, bridges, storm water drainage, sidewalks, intersections and traffic management. In 2015, the City began work in improving major intersections across the City such as Windsor Parkway, Carpenter Drive and Heard's Ferry. The City currently has close to 23 capital projects in various stages of construction and planning.

### **The Next Ten**

In preparing for the future, the City began in 2015, the planning process to update its Comprehensive Land Use Plan. The City hired consulting firm Rhodeside and Harwell and branded the effort, The Next Ten, incorporating communication components to draw in community involvement as the City develops the policies, guidelines and recommendations to steer orderly development and growth within the City over the next ten years. Preliminary reports are due in early 2016, with final recommendations ready for presentation to the City Council for action later in the year.

## **FINANCIAL POLICIES**

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safety of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

**Single Audit** - As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation for weaknesses by management and internal staff.

As part of the City's annual single audit, required in conformity with provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments and Nonprofit Organizations, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs as well as to determine that the City has complied with applicable laws and regulations.





**Budgetary Controls** - The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds and the debt service fund are included in the annual appropriated budget. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level within each fund. Administrative transfers of appropriations within a fund may be authorized by the City Manager to meet unforeseen needs, as long as the total budgeted amounts do not exceed these appropriations by fund. The City's budget procedures, together with such procedures for discretely presented component units, are more fully explained in the accompanying notes to the financial statements. The City maintains an encumbrance accounting system as one means of accomplishing budgetary control. Encumbered amounts at year end are carried forward to the ensuing year's budget on a case by case basis.

## **OTHER INFORMATION**

**Awards and Achievements** - 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 Sandy Springs for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the ninth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments** - The preparation of the report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance Department, the auditors for the City and its component unit, and the cooperation of City staff in various departments. My sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

Respectfully submitted,

A handwritten signature in blue ink, reading "John McDonough".

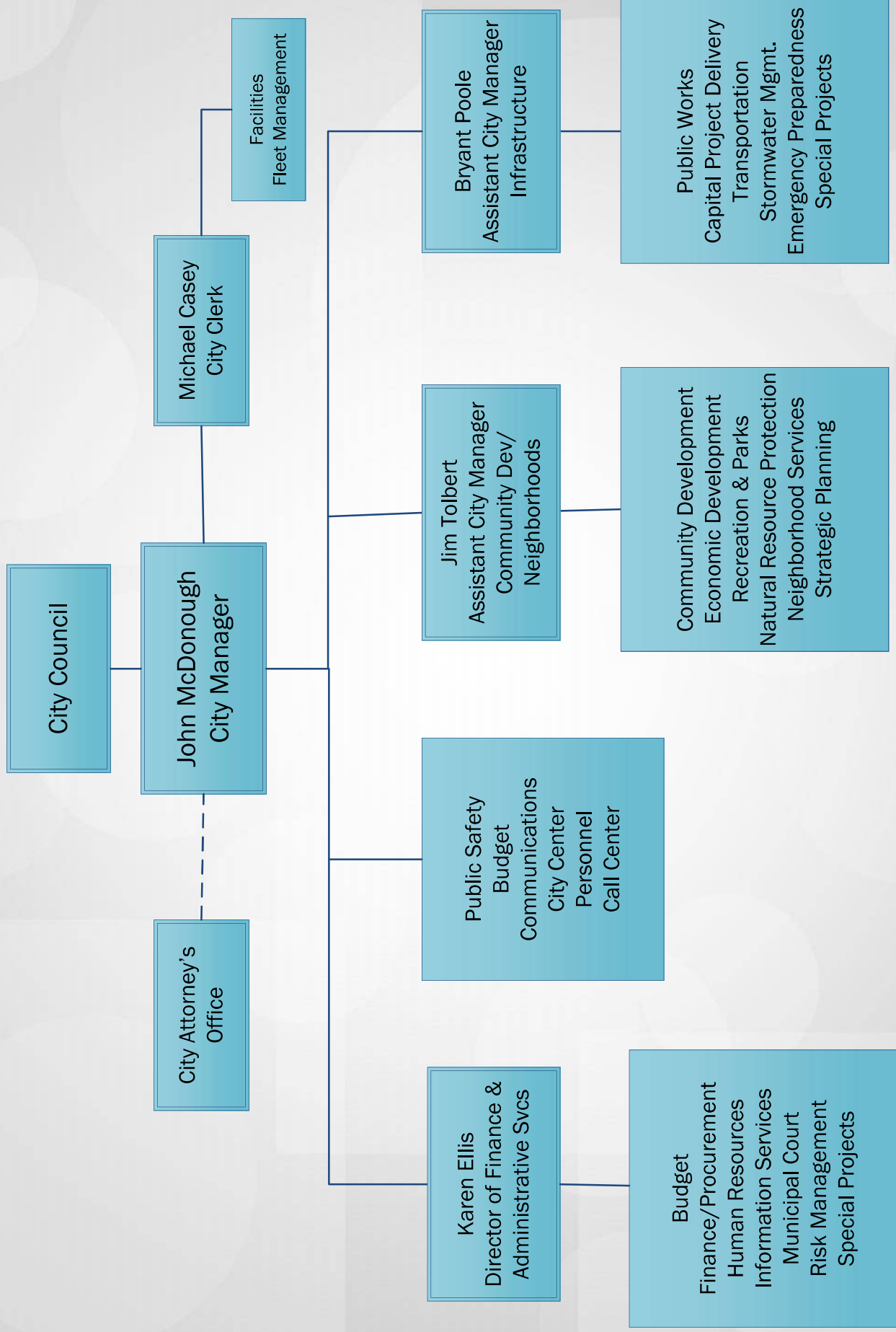
John McDonough  
City Manager

A handwritten signature in blue ink, reading "Karen Ellis".

Karen Ellis  
Finance Director



# City of Sandy Springs Georgia Organizational Chart



# Mayor and City Council

Elected Officials and Manager



Mayor  
Rusty Paul



Councilman  
John Paulson



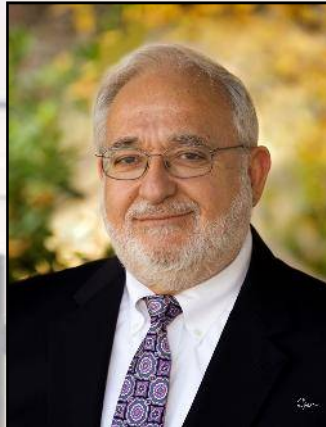
Councilman  
Ken Dishman



Councilman  
Graham McDonald



Councilman  
Gabriel Sterling



Councilman  
Tibby DeJulio



Councilman  
Andy Bauman



City Manager  
John McDonough

# City of Sandy Springs, Georgia

## Listing of Principal Officials



**Assistant City Managers**  
*Bryant Poole, Jim Tolbert*

**Finance Director**  
*Karen Ellis*

**City Clerk**  
*Michael Casey*

**Court Clerk**  
*Cheston Roney*

**Police Chief**  
*Ken DeSimone*

**Fire Chief**  
*Keith Sanders*

**City Attorney**  
*Wendell Willard*

**Communications Director**  
*Sharon Kraun*

**Community Development Director**  
*Angela Parker*

**Human Resources Director**  
*Carol Sicard*

**Information Services Director**  
*Jonathan Crowe*

**Public Works Director**  
*Garrin Coleman*

**Recreation and Parks Director**  
*Ronnie Young*



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Sandy Springs  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**



Executive Director/CEO





# FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

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**The Honorable Mayor and Members  
of the City Council of the  
City of Sandy Springs, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Sandy Springs, Georgia**, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Sandy Springs, Georgia's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sandy Springs, Georgia as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 14) and General Fund's budgetary comparison information (on pages 43 and 44) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sandy Springs, Georgia's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015 on our consideration of the City of Sandy Springs, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sandy Springs, Georgia's internal control over financial reporting and compliance.



Atlanta, Georgia  
December 8, 2015

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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As management of the City of Sandy Springs (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. 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 introductory section of this report.

**Financial Highlights**

The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$304,762,529 (total net position), which represents an increase of \$24,323,883 from the prior year. Of the total net position, \$84,692,787 (unrestricted net position) is available to meet the ongoing obligations of the government.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$89,137,240. This represents a decrease of \$2,422,822 from the prior year.

Total governmental revenues were \$103,669,491, an increase of \$2,411,265 or 2.38% from the prior year.

Total governmental expenditures were \$106,136,490, an increase of \$5,428,949 or 5.39% from the prior year.

**Overview of the Financial Statements**

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

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

The statement of net assets presents information on all of the City's assets and liabilities and deferred inflows of resources, with the difference between the two 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 City's net position changed during the 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 years (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of the City that are principally supported by taxes (governmental activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, housing and community development.

The government-wide financial statements can be found on pages 15 and 16 of this report.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**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 two categories: governmental 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 the City's near-term financing requirements.

Because 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 City'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 ten 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 and capital projects funds, which are considered to be major funds.

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement has been provided for the general fund and each of the special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 through 20 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 those funds are not available to support the City's own programs. The City uses an Agency Fund for the collection and remittance of cash appearance bond related activity for municipal court.

**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 21 through 42 of this report.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedules as presented on a generally accepted accounting principal basis in this section. These schedules are intended to demonstrate the City's compliance with the legally adopted and amended budgets.

The combining and individual fund statements and schedules, referred to earlier, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 45 through 58 of this report. Required supplementary information can be found on pages 43 and 44 of this report.

**Government-wide Financial Analysis**

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, assets exceeded liabilities and deferred inflows of resources by \$304,762,529. This represents a \$24,323,883 or 8.67% increase over last year.

The largest portion of the City's net position, \$216,411,054 reflects its investment in capital assets (e.g., buildings, machinery and equipment roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Other than a relatively small amount of net position that are restricted as to use, \$3,658,688, the remaining portion of the City's net position, represents unrestricted net assets of \$84,692,787, which is available to meet the ongoing obligations of the government. This amount represents 107% of current governmental expenses, and a 3.3% decrease from the prior year.

The City has current and other assets of \$103,533,068. These assets include \$95,840,334 of cash and investments. This is a decrease in cash and investments of \$2,347,499 or 2.39% over the prior year.

The City's capital assets are \$221,040,498 which represents an increase of \$26,171,402 or 13.43% over the prior year as the City continues to invest in infrastructure and recreational improvements.

Long term liabilities decreased by \$696,606 or 10% from the prior year, as the City paid off existing notes and capital leases.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

The table below summarizes the City's Net Position for 2015 and 2014.

<b>City of Sandy Springs Net Position</b>				
	<b>Governmental Activities</b>		<b>Dollar Increase</b>	
	<b>2015</b>	<b>2014</b>	<b>(Decrease)</b>	<b>Percent</b>
Assets				
Current assets	\$ 103,533,068	\$ 104,524,097	\$ (991,029)	(0.95) %
Capital assets, net of accumulated depreciation	221,040,498	194,869,096	26,171,402	13.43
Total assets	324,573,566	299,393,193	25,180,373	8.41
Liabilities				
Current liabilities	13,397,353	11,784,257	1,613,096	13.69
Long-term liabilities	6,263,684	6,960,290	(696,606)	(10.01)
Total liabilities	19,661,037	18,744,547	916,490	4.89
Deferred service concession arrangement	150,000	210,000	(60,000)	(28.57)
Net Position				
Net investment in capital assets	216,411,054	189,462,862	26,948,192	14.22
Restricted	3,658,688	3,394,508	264,180	7.78
Unrestricted	84,692,787	87,581,276	(2,888,489)	(3.30)
Total net position	\$ 304,762,529	\$ 280,438,646	\$ 24,323,883	8.67 %

**Governmental activities:** From the inception of Sandy Springs, and continuing through 2009, management focused on acquiring human as well as physical infrastructure for ongoing City activities. Fiscal Year 2009 and thereafter, the City moved more toward normal operating activities as management focused more on activities which have a direct impact on its citizens such as parks and road improvements.

**Revenues:** Charges for services includes fines and forfeitures, E911 telephone service charges, impact fees, and licenses and permits. These revenues increased \$828,594 or 7.32%. Licenses and permits increased \$911,135 or 31.35% as the state and local economy continue to recover. Impact fees decreased \$343,350 or 30.45% because there was more new home construction in 2015. Public Safety fees increased \$86,753 or 38.01% due to increases in false alarm fees. Capital grants and contributions decreased \$2,724,307 or 41.89% as a result of fewer federal awards. Property taxes increased \$1,250,807 or 4.04% as assessed values continue to recover from the recession. Sales taxes increased \$1,069,775, or 4.38% and franchise taxes increased \$403,068 or 4.35% as a result of improvement in the state and local economy.

**Expenses:** General government expenses decreased \$584,082 or 5.09% because prior year expenses included election expenses and storm related expenses. Public safety expenses increased \$4,302,755 or 12.92% as a result of increases in personnel costs; and approximated \$3.6 million investment in radio equipment upgrades related to the North Fulton Radio Authority. Public works expenses decreased \$2,440,619 or 11.5% due to decreases in road and storm water repair and maintenance. Culture and recreation expenses increased \$420,416 or 6.91% as the portion of Hotel Motel taxes payable to the Georgia World Congress Center and the Hospitality Board increased along with the increase in collections of Hotel Motel Taxes. Housing and Development expenses increased \$220,055 or 5.89% because of upgrades to computer equipment.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

**City of Sandy Springs Changes in Net Position**

	<b>Governmental Activities</b>		<b>Dollar Increase</b>	
	<b>2015</b>	<b>2014</b>	<b>(Decrease)</b>	<b>Percent</b>
Revenues				
Program revenues:				
Charges for services	\$ 12,152,541	\$ 11,323,947	\$ 828,594	7.32 %
Operating grants and contributions	33,619	34,733	(1,114)	(3.21)
Capital grants and contributions	3,779,357	6,503,664	(2,724,307)	(41.89)
General revenues:				
Property taxes	32,196,455	30,945,648	1,250,807	4.04
Sales and use taxes	25,513,897	24,444,122	1,069,775	4.38
Hotel/motel taxes	4,462,241	3,866,704	595,537	15.40
Franchise taxes	9,671,503	9,164,266	507,237	5.53
Business taxes	14,816,252	14,833,960	(17,708)	(0.12)
Unrestricted investment earnings	200,608	113,666	86,942	76.49
Miscellaneous revenues	923,889	980,501	(56,612)	(5.77)
Total revenues	103,750,362	102,211,211	1,539,151	1.51
Expenses				
General government	10,882,951	11,467,033	(584,082)	(5.09)
Judicial	1,580,859	1,660,176	(79,317)	(4.78)
Public safety	37,612,816	33,310,061	4,302,755	12.92
Public works	18,784,694	21,225,313	(2,440,619)	(11.50)
Culture and recreation	6,506,492	6,086,076	420,416	6.91
Housing and development	3,953,501	3,733,446	220,055	5.89
Interest on long-term debt	105,166	122,202	(17,036)	(13.94)
Total expenses	79,426,479	77,604,307	1,822,172	2.35
Change in net position	24,323,883	24,606,904	(283,021)	(1.15) %
Net position, beginning of year	280,438,646	255,831,742		
Net position, end of year	\$ 304,762,529	\$ 280,438,646		

**Financial Analysis of the Government's Funds**

As noted earlier, the City 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 the City's net resources available for spending at the end of the fiscal year. The table below summarizes governmental revenues for 2015 and 2014.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Governmental Revenues, Expenditures and Changes in Fund Balances**

	<b>Governmental Funds</b>		<b>Dollar</b>	
	<b>2015</b>	<b>2014</b>	<b>Increase (Decrease)</b>	<b>Percent</b>
Revenues:				
Taxes	\$ 86,357,021	\$ 83,324,826	\$ 3,032,195	3.64 %
Licenses and permits	3,817,492	2,906,357	911,135	31.35
Intergovernmental revenues	3,931,859	5,480,553	(1,548,694)	(28.26)
Fines and forfeitures	3,738,842	3,649,861	88,981	2.44
Charges for services	4,596,207	4,767,729	(171,522)	(3.60)
Interest income	200,608	113,666	86,942	76.49
Other	1,027,462	1,015,234	12,228	1.20
Total revenues	<u>103,669,491</u>	<u>101,258,226</u>	<u>2,411,265</u>	<u>2.38</u>
Expenditures:				
General government	28,833,479	18,791,585	10,041,894	53.44
Public Safety	36,818,536	36,939,432	(120,896)	(0.33)
Judicial	1,577,453	1,657,894	(80,441)	(4.85)
Public Works	26,276,197	25,725,759	550,438	2.14
Recreation	6,815,373	12,018,423	(5,203,050)	(43.29)
Housing and Development	4,931,583	4,474,792	456,791	10.21
Debt service	883,869	1,099,656	(215,787)	(19.62)
Total expenditures	<u>106,136,490</u>	<u>100,707,541</u>	<u>5,428,949</u>	<u>5.39</u>
Excess (deficiency) of revenues over expenditures	(2,466,999)	550,685	(3,017,684)	(547.99)
Proceeds from sale of capital assets	44,177	1,217,237	(1,173,060)	(96.37)
Proceeds from capital lease	-	725,000	(725,000)	100.00
Net change in fund balance	(2,422,822)	2,492,922	(4,915,744)	(197.19)
Fund balance, beginning of year	<u>91,560,062</u>	<u>89,067,140</u>	<u>2,492,922</u>	<u>2.80</u>
Fund balance, end of year	<u>\$ 89,137,240</u>	<u>\$ 91,560,062</u>	<u>\$ (2,422,822)</u>	<u>(2.65) %</u>

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$89,137,240. Of this balance, \$50,604,356 has been assigned by management to be used primarily for infrastructure projects; \$9,532,370 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2016; \$25,341,826 is considered unassigned and can be used to meet the near term operating needs of the City; and \$3,658,688 is restricted by law or ordinance.

Tax revenues include property taxes, sales taxes, franchise taxes and business taxes and overall have increased \$3,032,195 or 3.64%. Property taxes increased \$877,354 or 2.83% as assessed values have risen. Sales taxes and franchise taxes have increased \$1,069,775 and \$507,237, respectively, as the state and local economy continue to improve. Hotel taxes have increased \$595,537 or 15.40% as travel nationwide has increased due to decreases in oil prices. Revenues for licenses and permits have increased \$911,135 or 31.35% as building activity as well as the general economy is recovering. Intergovernmental revenues decreased \$1,548,694 or 28.26% as fewer federal grants are awarded.

General Government expenditures have increased \$10,041,894 or 53.44% due to increases in capital projects, primarily the City Center project. Public safety and public works expenditures were consistent with the prior year. Recreation expenditures decreased \$5,203,050 or 43.29% because the prior year included significant investment in parks and facilities including \$3,423,421 spent on the Abernathy Greenway project and \$1,567,693 spent on purchase of property on Old Riverside Drive. Housing and development expenditures increased \$456,791 or 10.21% as a result of upgrades to computer equipment and increases in contractual expenditures for this department.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**General Fund**

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was \$35,864,174, an increase of \$1,937,948 or 5.71%. As a measure of the liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance at June 30, 2015 was \$25,341,826 and represents 41.5% percent of total general fund expenditures.

General fund revenues have increased \$3,137,407 or 3.57%. Property taxes increased \$877,354 or 2.83% as assessed values have risen. Sales taxes and franchise taxes have increased \$1,069,775 (4.38%) and \$507,237 (5.53%), respectively, as the economy continues to improve and new businesses move into the city. Revenues for licenses and permits have increased \$911,135 or 31.35% as building activity as well as the general economy is recovering.

General fund expenditures decreased \$4,356,898 or 6.66%. The largest decrease was a decrease of \$3,647,969 or 10.98% in public safety expenditures. Prior year public safety purchases included new fire truck purchases and the purchase of the Wieuca Road fire station. Debt service expenses decreased \$215,787 or 19.62% as equipment notes are paid off.



**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

**General Fund Revenues, Expenditures and Changes in Fund Balances**

	<b>2015</b>	<b>2014</b>	<b>Dollar Increase (Decrease)</b>	<b>Percent</b>	
Revenues:					
Property taxes	\$ 31,893,128	\$ 31,015,774	\$ 877,354	2.83	%
Sales Taxes	25,513,897	24,444,122	1,069,775	4.38	
Franchise taxes	9,671,503	9,164,266	507,237	5.53	
Business taxes	9,644,927	9,888,532	(243,605)	(2.46)	
Insurance premium tax	5,061,941	4,841,259	220,682	4.56	
Licenses and permits	3,817,492	2,906,357	911,135	31.35	
Intergovernmental revenues	-	29,435	(29,435)	(100.00)	
Fines and forfeitures	915,233	3,417,669	(2,502,436)	(73.22)	
Charges for services	3,295,524	978,356	2,317,168	236.84	
Interest earned	200,504	113,050	87,454	77.36	
Contributions	9,168	30,478	(21,310)	(69.92)	
Other	923,889	980,501	(56,612)	(5.77)	
Total revenues	90,947,206	87,809,799	3,137,407	3.57	
Expenditures:					
General government	10,368,107	10,726,681	(358,574)	(3.34)	
Public Safety	1,577,453	33,235,548	(31,658,095)	(95.25)	
Judicial	29,587,579	1,657,894	27,929,685	1,684.65	
Public Works	11,854,344	12,249,615	(395,271)	(3.23)	
Recreation	2,773,231	2,733,874	39,357	1.44	
Housing and Development	4,027,346	3,725,559	301,787	8.10	
Debt service					
Principal	776,790	978,094	(201,304)	(20.58)	
Interest	107,079	121,562	(14,483)	(11.91)	
Total expenditures	61,071,929	65,428,827	(4,356,898)	(6.66)	
Excess of revenues over expenditures	29,875,277	22,380,972	7,494,305	33.49	
Proceeds from sale of capital assets	44,177	1,217,237	(1,173,060)	(96.37)	
Transfers in	1,446,923	1,228,364	218,559	17.79	
Transfers out	(29,428,429)	(24,490,230)	(4,938,199)	20.16	
Net change in fund balance	1,937,948	336,343	1,601,605	476.18	
Fund balance, beginning of year	33,926,226	33,589,883	336,343	1.00	
Fund balance, end of year	\$ 35,864,174	\$ 33,926,226	\$ 1,937,948	5.71	%

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**General Fund Budgetary Highlights**

The General Fund budget versus actual comparison can be found on pages 43 and 44. For fiscal year 2015, the City had an overall favorable budget variance of \$15,398,544.

Revenues were \$9,271,086 better than budgeted. Sales taxes were \$2,388,897 or 10.3% better than budgeted as the local economy improves at a faster rate than projected. Licenses and permits were \$2,272,492 or 147% better than budgeted as the City's infrastructure initiatives have brought in increased commercial and residential construction. Franchise taxes, business taxes and insurance premium taxes all reflect favorable budget variances of approximately 10% as a result of improvements in the state and local economy. Expenditures were \$7,247,952 better than budgeted. Public safety expenditures were \$2,118,507 or 6.68% better than budgeted due to unfilled positions and reduced subsidies for E911 operations. Public works expenditures were \$3,345,093 or 22% better than budgeted due to unfilled positions and significantly less in repairs and maintenance of storm water infrastructure.

The City continues to use very conservative budgeting models and as a result reflects favorable budget variances in all categories of revenues and expenditures.

***Capital Projects Fund***

The capital projects fund accounts for the activities for constructing or obtaining capital assets of the City such as road improvement projects, land acquisitions and improvements, storm-water drainage projects, sidewalk projects and recreation and parks facilities and improvements. At the end of 2015, the fund balance for this fund was \$49,572,700 which represents a decrease of \$4,703,625 over the prior year. The City operates on the philosophy that all revenues over and above what is required for operations in the general fund should be transferred for specific projects in the capital projects fund. Specifically, the City has allocated money toward property acquisitions that have not yet been completed as of the date of this report.

As stated above, a significant amount of the resources in the capital projects fund are direct transfers from the general fund. In 2015, the general fund contributed \$29,744,246 toward capital projects. Revenues from state and federal transportation funds were \$2,552,023 in 2015 compared to \$4,180,154 in the prior year. Expenditures totaled \$37,183,414 for 2015 compared to \$28,153,539 in 2014. Below is a table comparing capital project funding for 2015 and 2014.

**City of Sandy Springs Capital Projects Fund Expenditures**

	2015	2014	Dollar Increase (Decrease)	Percent
General Government	\$ 18,465,372	\$ 8,064,904	\$ 10,400,468	128.96 %
Public Safety	3,698,964	483,681	3,215,283	664.75
Public Works	14,070,009	12,740,053	1,329,956	10.44
Housing and Development	94,752	342,725	(247,973)	(72.35)
Culture and Recreation	854,317	6,522,176	(5,667,859)	(86.90)
	<u>\$ 37,183,414</u>	<u>\$ 28,153,539</u>	<u>\$ 9,029,875</u>	<u>32.07 %</u>

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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General government capital expenditures increased \$10,400,468 or 128.96% primarily related to increases in the City Center Project. Public Safety capital expenditures increased \$3,215,283 or 664.75% because of expenditures related to the North Fulton Regional Radio System. Public works capital expenditures increased \$1,329,956 or 10.44% as a result of increased spending on road and sidewalk construction projects in 2015. Culture and recreation capital expenditures decreased \$5,667,859. Prior year expenditures included spending on the Abernathy Greenway project and purchase of property on Old Riverside Drive.

**Capital Asset and Debt Administration**

**Capital Assets** The City's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$221,040,498 (net of accumulated depreciation). This represents an increase of \$26,171,402 or 13.43% over the prior year. Additional information on the City's capital assets can be found in Note 6 on page 35 of this report.

**City of Sandy Springs Capital Assets (net of depreciation)**

	<b>Governmental Activities</b>		<b>Dollar Increase (Decrease)</b>	<b>Percent</b>
	<b>2015</b>	<b>2014</b>		
Land	\$ 25,618,424	\$ 24,375,805	\$ 1,242,619	5.10 %
Constuction in progress	63,003,534	44,410,482	18,593,052	41.87
Buildings	7,197,496	5,595,052	1,602,444	28.64
Improvements	11,937,284	11,880,273	57,011	0.48
Machinery and equipment	10,465,301	10,136,762	328,539	3.24
Infrastructure	102,818,459	98,470,722	4,347,737	4.42
	<u>\$ 221,040,498</u>	<u>\$ 194,869,096</u>	<u>\$ 26,171,402</u>	<u>13.43 %</u>

**Long-term Debt** At the end of fiscal year 2015, the City had total debt outstanding of \$4,629,444 primarily for police and fire equipment. All debt is backed by the full faith and credit of the City.

Additional information on the City's long-term debt can be found in Note 7 on pages 36 and 37 of this report.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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

All of these factors were considered in preparing the City's budget for the 2016 fiscal year.

Sustainability of Existing Services – the City has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.

Cost of Government – The operating millage rate of 4.731 mills is statutorily set and cannot be changed without a referendum. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, to facilitate the provision of city services.

Infrastructure Improvements – The City provided substantial capital funding to continue the work started in prior years to begin to address a significant backlog of existing infrastructure deficiencies. Funding was allocated for repaving program, intersection improvements, parks, buildings, machinery and equipment, roadways, sidewalks, culverts, equipment and signals.

Economy Impact – The City's revenues and expenditures were implemented with a conservative approach to reflect the economic conditions that are expected to continue through 2016.

The City restricts the use of one-time revenues to capital projects.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Sandy Springs' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, City of Sandy Springs, 7840 Roswell Road, Building 500, Sandy Springs, Georgia, 30350, or by calling 770-730-5600.

# CITY OF SANDY SPRINGS, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2015

	Primary Government	Component Units	
	Governmental Activities	Sandy Springs Hospitality & Tourism	Development Authority
<b>ASSETS</b>			
Cash and cash equivalents	\$ 84,590,334	\$ 938,678	\$ 214,946
Investments	11,250,000	-	-
Taxes receivable	1,550,333	-	-
Accounts receivable	888,597	7,454	-
Due from other governments	5,253,804	-	-
Due from primary government	-	266,513	-
Prepays	-	7,156	-
Capital assets:			
Nondepreciable	88,621,958	-	-
Depreciable, net of accumulated depreciation	132,418,540	-	-
Total assets	324,573,566	1,219,801	214,946
<b>LIABILITIES</b>			
Accounts payable	10,872,366	44,545	-
Accrued liabilities	2,258,474	-	-
Due to component unit	266,513	-	-
Compensated absences due within one year	769,186	-	-
Compensated absences due in more than one year	865,054	-	-
Capital leases, due within one year	791,182	-	-
Capital leases, due in more than one year	3,838,262	-	-
Total liabilities	19,661,037	44,545	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	150,000	-	-
Total deferred inflows of resources	150,000	-	-
<b>NET POSITION</b>			
Net investment in capital assets	216,411,054	-	-
Restricted:			
Infrastructure improvements	2,853,614	-	-
Public safety projects	680,588	-	-
Tourism	1,101	1,175,256	-
Development	-	-	214,946
Recreation	123,385	-	-
Unrestricted	84,692,787	-	-
Total net position	\$ 304,762,529	\$ 1,175,256	\$ 214,946

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

# CITY OF SANDY SPRINGS, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 10,882,951	\$ 795,720	\$ 9,168	\$ -
Judicial	1,580,859	3,295,524	-	-
Public safety	37,612,816	3,493,548	-	97,404
Public works	18,784,694	945,755	-	3,681,953
Culture and recreation	6,506,492	774,113	24,451	-
Housing and development	3,953,501	2,847,881	-	-
Interest on long-term debt	105,166	-	-	-
Total governmental activities	<u>79,426,479</u>	<u>12,152,541</u>	<u>33,619</u>	<u>3,779,357</u>
Total primary government	<u>\$ 79,426,479</u>	<u>\$ 12,152,541</u>	<u>\$ 33,619</u>	<u>\$ 3,779,357</u>
<b>Component Units</b>				
Sandy Springs Hospitality & Tourism	\$ 766,084	\$ -	\$ 1,434,164	\$ -
Development Authority	5,462	-	211,251	-
Total component units	<u>\$ 766,084</u>	<u>\$ -</u>	<u>\$ 1,434,164</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Franchise taxes				
Excise taxes				
Business taxes				
Insurance premium tax				
Unrestricted investment earnings				
Miscellaneous revenues				
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.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government	Component Units	
Governmental Activities	Sandy Springs Hospitality & Tourism	Sandy Springs Development Authority
\$ (10,078,063)	\$ -	\$ -
1,714,665	-	-
(34,021,864)	-	-
(14,156,986)	-	-
(5,707,928)	-	-
(1,105,620)	-	-
(105,166)	-	-
(63,460,962)	-	-
(63,460,962)	-	-
-	668,080	-
-	-	205,789
-	668,080	205,789
32,196,455	-	-
25,513,897	-	-
4,462,241	-	-
9,671,503	-	-
109,384	-	-
9,644,927	-	-
5,061,941	-	-
200,608	-	-
923,889	-	-
87,784,845	-	-
24,323,883	668,080	205,789
280,438,646	507,176	9,157
\$ 304,762,529	\$ 1,175,256	\$ 214,946

**CITY OF SANDY SPRINGS, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

<b>ASSETS</b>	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 26,837,741	\$ 52,627,803	\$ 5,124,790	\$ 84,590,334
Investments	11,250,000	-	-	11,250,000
Taxes receivable	1,076,177	-	474,156	1,550,333
Other receivables	343,267	4,321	391,009	738,597
Intergovernmental receivables	2,898,305	2,324,520	30,979	5,253,804
Due from other funds	365,687	315,817	-	681,504
<b>Total assets</b>	<b>\$ 42,771,177</b>	<b>\$ 55,272,461</b>	<b>\$ 6,020,934</b>	<b>\$ 104,064,572</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 4,986,334	\$ 4,513,481	\$ 1,372,551	\$ 10,872,366
Accrued liabilities	1,488,588	552,288	-	2,040,876
Due to other funds	-	-	681,504	681,504
Due to component unit	-	-	266,513	266,513
<b>Total liabilities</b>	<b>6,474,922</b>	<b>5,065,769</b>	<b>2,320,568</b>	<b>13,861,259</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	432,081	-	-	432,081
Unavailable revenue - intergovernmental	-	633,992	-	633,992
<b>Total deferred inflow of resources</b>	<b>432,081</b>	<b>633,992</b>	<b>-</b>	<b>1,066,073</b>
<b>FUND BALANCES</b>				
Fund balances:				
Restricted:				
Public safety projects	-	-	680,588	680,588
Tourism	-	-	1,101	1,101
Recreation	-	-	123,385	123,385
Infrastructure improvements	-	-	2,853,614	2,853,614
Assigned:				
Stormwater projects	989,978	-	-	989,978
Capital projects	-	49,572,700	-	49,572,700
Community development	-	-	41,678	41,678
2016 fiscal year appropriations of fund balance	9,532,370	-	-	9,532,370
Unassigned	25,341,826	-	-	25,341,826
<b>Total fund balances</b>	<b>35,864,174</b>	<b>49,572,700</b>	<b>3,700,366</b>	<b>89,137,240</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 42,771,177</b>	<b>\$ 55,272,461</b>	<b>\$ 6,020,934</b>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				221,040,498
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(6,277,195)
Expenses related to pollution remediation costs are not due and payable in the current period and, therefore, are not reported in the funds.				(204,087)
Some revenues are not available in the current period and, therefore, are not reported in the funds.				1,066,073
<b>Net position of governmental activities</b>				<b>\$ 304,762,529</b>

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



**CITY OF SANDY SPRINGS, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Property taxes	\$ 31,893,128	\$ -	\$ -	\$ 31,893,128
Sales taxes	25,513,897	-	-	25,513,897
Hotel/Motel taxes	-	-	4,462,241	4,462,241
Auto excise taxes	-	-	109,384	109,384
Franchise taxes	9,671,503	-	-	9,671,503
Business taxes	9,644,927	-	-	9,644,927
Insurance premium tax	5,061,941	-	-	5,061,941
Licenses and permits	3,817,492	-	-	3,817,492
Intergovernmental	-	2,552,023	1,379,836	3,931,859
Charges for services	915,233	161,354	3,519,620	4,596,207
Fines and forfeitures	3,295,524	-	443,318	3,738,842
Interest earned	200,504	-	104	200,608
Contributions	9,168	22,166	24,451	55,785
Miscellaneous	923,889	-	47,788	971,677
Total revenues	<u>90,947,206</u>	<u>2,735,543</u>	<u>9,986,742</u>	<u>103,669,491</u>
<b>Expenditures:</b>				
Current:				
General government	10,368,107	18,465,372	-	28,833,479
Judicial	1,577,453	-	-	1,577,453
Public safety	29,587,579	3,698,964	3,531,993	36,818,536
Public works	11,854,344	14,070,009	351,844	26,276,197
Culture and recreation	2,773,231	854,317	3,187,825	6,815,373
Housing and development	4,027,346	94,752	809,485	4,931,583
Debt service:				
Principal	776,790	-	-	776,790
Interest	107,079	-	-	107,079
Total expenditures	<u>61,071,929</u>	<u>37,183,414</u>	<u>7,881,147</u>	<u>106,136,490</u>
Excess (deficiency) of revenues over expenditures	<u>29,875,277</u>	<u>(34,447,871)</u>	<u>2,105,595</u>	<u>(2,466,999)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	44,177	-	-	44,177
Transfers in	1,446,923	29,744,246	-	31,191,169
Transfers out	(29,428,429)	-	(1,762,740)	(31,191,169)
Total other financing sources (uses)	<u>(27,937,329)</u>	<u>29,744,246</u>	<u>(1,762,740)</u>	<u>44,177</u>
Net change in fund balances	1,937,948	(4,703,625)	342,855	(2,422,822)
<b>Fund balances, beginning of year</b>	<u>33,926,226</u>	<u>54,276,325</u>	<u>3,357,511</u>	<u>91,560,062</u>
<b>Fund balances, end of year</b>	<u>\$ 35,864,174</u>	<u>\$ 49,572,700</u>	<u>\$ 3,700,366</u>	<u>\$ 89,137,240</u>

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

## CITY OF SANDY SPRINGS, GEORGIA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

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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	\$ (2,422,822)
--	----------------

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 expense in the current period.	26,204,663
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In the statement of activities, only the gain or loss on the disposal 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 assets disposed.	(237,348)
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	80,871
--	--------

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. This amount is the current year principal payments on the City's capital leases.	776,790
--	---------

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.	<u>(78,271)</u>
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Change in net position - governmental activities	<u>\$ 24,323,883</u>
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**The accompanying notes are an integral part of these financial statements.**

**CITY OF SANDY SPRINGS, GEORGIA**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2015**

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	<b>ASSETS</b>	<b>Municipal Court Fund</b>
		<hr/>
Cash		\$ 306,650
		<hr/>
Total assets		\$ 306,650
		<hr/>
	<b>LIABILITIES</b>	
Due to others		\$ 306,650
		<hr/>
Total liabilities		\$ 306,650
		<hr/>

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

**CITY OF SANDY SPRINGS, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Sandy Springs, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City, which was incorporated in 2005, operates under a charter adopted December 1, 2005, 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, cultural and recreational activities, housing and development and public works.

The accompanying financial statements present the City and its component units, two entities for which the City is considered to be financially accountable. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

The Sandy Springs Hospitality & Tourism has been included as a discretely presented component unit in the accompanying financial statements. A voting majority of the Sandy Springs Hospitality & Tourism's governing body is appointed by the City and the City provides a significant amount of funding to the Hospitality & Tourism. The Sandy Springs Hospitality & Tourism does not have the power to levy taxes, determine its own aggregate budget without the approval of the City of Sandy Springs, Georgia, or issue bonded debt. Financial information with regard to the Hospitality & Tourism can be obtained from their administrative offices at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350. Separate financial statements for the Sandy Springs Hospitality & Tourism are not prepared.

The Sandy Springs Development Authority is in its first year as a discretely presented component unit in the financial statements. The Authority provides taxable and tax-exempt bond financing opportunities pursuant to the Georgia Development Authorities Law to stimulate diverse, high-quality economic development, in accordance with the City's policy for economic development incentives. The Development Authority operates under the direction of a seven member board and meets on an as-needed basis. Members serve four-year terms. Each member is appointed by the Mayor and confirmed by City Council, and the City can impose its will on the Development Authority by influencing the activities undertaken by the Development Authority. Separate financial statements for the Sandy Springs Development Authority are not prepared.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **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 units. The primary government is reported separately from its discretely presented component units. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. However, any inter-fund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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 those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 fiduciary fund financial statements. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 most revenues to be available if they are collected within 60 days of the end of the current fiscal period, however grant revenues are considered to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other long-term liabilities are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if recognition criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 Projects Fund** is used to account for the capital expenditures made by the City.

Additionally, the City reports the following fund types:

The **special revenue funds** are used to account for specific revenues, such as confiscations/forfeitures, emergency telephone system charges, hotel/motel tax revenues, automobile rental tax revenues, and various grants and contributions, which are legally restricted or committed to expenditures for particular purposes

The **capital projects fund** accounts for financial resources to be used for the acquisition and construction of major capital projects.

The **agency fund** is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other individuals or entities.

#### D. Encumbrances

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances would then be an assignment of fund balance since the commitments would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at June 30, 2015, and none were recorded.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund, and special revenue funds. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended June 30, 2015, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

#### F. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Investments are reported at market value.

#### G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

#### H. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds."



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received.

#### J. Capital Assets

Capital assets, which include buildings, improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 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 has reported all infrastructure that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital assets of the City are depreciated using the straight line method over the following useful lives:

Buildings	20-50 years
Improvements	15-40 years
Machinery and equipment	3-20 years
Infrastructure	40-60 years

Fully depreciated assets still in service are carried in the capital asset accounts.

#### K. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has no items that qualify for reporting in this category.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category.

The government-wide statement of net position reports the *deferred service concession arrangement receipts* as a deferred inflow of resources. This balance includes the effect of deferring the recognition of revenue from the present value of installment payments to be received by the City under the tennis center service concession arrangement. The balance of the deferred inflow of resources as of June 30, 2015 will be recognized as a revenue and increase net position over the remaining life of the contract. As of June 30, 2015 the present value of the service concession arrangement was \$150,000 and will be amortized over the life of the agreement ending December 31, 2017. The final item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

#### L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. 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 the 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.

#### N. 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 and liabilities and deferred inflows of resources under the current financial resources management 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 the City Council. Approval of a resolution after a formal vote of the City Council is required to establish a commitment of fund balance. Similarly, the City Council may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. 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. The City Council, through City Ordinance, has expressly delegated to the Finance Director the authority to assign funds for particular 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 has a policy to maintain an unassigned fund balance in the general fund of twenty-five percent of the subsequent year's budgeted expenditures and outgoing transfers.

**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, and (3) Unassigned.

**Net Position** – Net position represents the difference between assets, liabilities and deferred inflows of resources, 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.

#### O. Use of 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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS 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 \$6,277,195 difference are as follows:

Capital lease payable	\$ (4,629,444)
Compensated absences (i.e., vacation)	(1,634,240)
Accrued interest	<u>(13,511)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (6,277,195)</u></u>

#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$26,204,663 difference are as follows:

Capital outlay	\$ 33,271,869
Depreciation expense	<u>(7,067,206)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ 26,204,663</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the 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 \$78,271 difference are as follows:

Compensated absences (i.e., vacation)	\$ (80,184)
Accrued interest	<u>1,913</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ (78,271)</u></u>

### NOTE 3. LEGAL COMPLIANCE - BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. 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.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Director of Finance and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

The following funds had an excess of actual expenditures over appropriations for the fiscal year ended June 30, 2015:

Confiscated Assets Fund	\$ 389,297
E911 Fund	183,009
Hotel/Motel Fund	615,985

These expenditures in excess of appropriations were funded by greater than anticipated revenues.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2015 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 84,590,334
Investments	11,250,000
Statement of Fiduciary Assets and Liabilities:	
Cash - Agency Fund	306,650
	<u>\$ 96,146,984</u>
Cash deposited with financial institutions	\$ 11,937,650
Cash deposited with Georgia fund 1	72,959,334
Investments	11,250,000
	<u>\$ 96,146,984</u>

**Credit risk.** State statutes and the City's policies authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. 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 local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City does not have a credit rating policy which provides restrictions or limitations on credit ratings for the City's investments. As of June 30, 2015, the City's investment in Georgia Fund 1 received a rating of AA+ by Standard & Poor's, with a weighted average maturity of 56 days.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AA+ rated money market funds and is regulated by the Office of the State Treasurer of the State of Georgia. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1 per share. As of June 30, 2015, the City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2015, the City's funds included the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Certificate of deposit	August 28, 2015	Not rated	\$ 250,000
Certificate of deposit	August 28, 2015	Not rated	250,000
Certificate of deposit	August 29, 2015	Not rated	250,000
Certificate of deposit	August 31, 2015	Not rated	250,000
Certificate of deposit	August 29, 2016	Not rated	250,000
Certificate of deposit	September 2, 2016	Not rated	250,000
Certificate of deposit	September 2, 2016	Not rated	250,000
Certificate of deposit	August 28, 2017	Not rated	250,000
Certificate of deposit	August 28, 2017	Not rated	250,000
Certificate of deposit	August 29, 2017	Not rated	250,000
Certificate of deposit	August 29, 2017	Not rated	250,000
Certificate of deposit	September 5, 2017	Not rated	250,000
Federal Home Loan Mtg. Corp.	November 15, 2019	Aaa	3,750,000
Federal Home Loan Mtg. Corp.	January 8, 2020	Aaa	4,500,000
			<u>\$ 11,250,000</u>

**Interest rate risk.** The City's investment policy was established to help mitigate the exposure to fair value losses arising from increasing interest rates. The City's policy is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Additionally, the City limits the operating fund investments primarily to shorter-term securities, money market mutual funds, or other similar investment pools.

**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 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, all of the City's, Development Authority's, and Hospitality & Tourism's bank balances were insured and/or collateralized as defined by State statutes.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1, which is also the lien date. The City contracts with Fulton County to bill and collect City of Sandy Springs property taxes. The taxes are levied by August 1 based on the assessed value of property as listed on the previous January 1 and are due on October 15 of each year. Property taxes are recorded as receivables and deferred inflows of resources when assessed. Revenues are recognized when available.

Receivables at June 30, 2015, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>
Receivables:			
Intergovernmental	\$ 10,894,830	\$ 2,324,520	\$ 30,979
Taxes	1,296,177	-	474,156
Other	343,267	4,321	391,009
Total receivables	12,534,274	2,328,841	896,144
Less allowance for uncollectible	8,216,525	-	-
Net total receivable	<u>\$ 4,317,749</u>	<u>\$ 2,328,841</u>	<u>\$ 896,144</u>

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## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Nondepreciable capital assets:					
Land	\$ 24,375,805	\$ -	\$ -	\$ 1,242,619	\$ 25,618,424
Construction in progress	44,410,482	31,145,447	(166,703)	(12,385,692)	63,003,534
Total	<u>68,786,287</u>	<u>31,145,447</u>	<u>(166,703)</u>	<u>(11,143,073)</u>	<u>88,621,958</u>
Capital assets, being depreciated:					
Buildings	6,670,684	230,592	-	1,676,866	8,578,142
Improvements	13,264,854	-	-	569,247	13,834,101
Machinery and equipment	19,600,151	1,594,847	(113,110)	1,566,604	22,648,492
Infrastructure	147,749,980	505,070	(74,686)	7,330,356	155,510,720
Total	<u>187,285,669</u>	<u>2,330,509</u>	<u>(187,796)</u>	<u>11,143,073</u>	<u>200,571,455</u>
Less accumulated depreciation for:					
Buildings	(1,075,632)	(305,014)	-	-	(1,380,646)
Improvements	(1,384,581)	(512,236)	-	-	(1,896,817)
Machinery and equipment	(9,463,389)	(2,777,965)	58,163	-	(12,183,191)
Infrastructure	(49,279,258)	(3,471,991)	58,988	-	(52,692,261)
Total	<u>(61,202,860)</u>	<u>(7,067,206)</u>	<u>117,151</u>	<u>-</u>	<u>(68,152,915)</u>
Total capital assets being depreciated, net	<u>126,082,809</u>	<u>(4,736,697)</u>	<u>(70,645)</u>	<u>11,143,073</u>	<u>132,418,540</u>
Governmental activities capital assets, net	<u>\$ 194,869,096</u>	<u>\$ 26,408,750</u>	<u>\$ (237,348)</u>	<u>\$ -</u>	<u>\$ 221,040,498</u>

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

Governmental activities:	
General government	\$ 374,849
Public safety	2,266,584
Public works	3,874,273
Culture and recreation	541,466
Housing and development	10,034
Total depreciation expense - governmental activities	<u>\$ 7,067,206</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. LONG-TERM DEBT

#### Capital Leases

During January 2007, the City entered into an agreement with Fulton County to lease a fire station for fire protection services. The lease agreement qualifies as a capital lease for accounting purposes. The fire station is included in capital assets at a cost of \$2,981,273. Interest has been imputed at a rate of 2.98% and the City makes semi-annual payments through October 2019. The debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 245,378
2017	402,011
2018	401,603
2019	400,815
2020	400,251
Total minimum lease payments	<u>1,850,058</u>
Less amounts representing interest	<u>(165,063)</u>
Present value of minimum lease payments	<u><u>\$ 1,684,995</u></u>

During July 2013, the City entered into an agreement with a financial institution to finance the leasing of a storage facility building. The lease agreement qualifies as a capital lease for accounting purposes. The storage facility building is included in capital assets at a cost of \$725,000. Annual payments of \$109,554, including interest at a rate of 1.53% began in March 2014 and will continue through March 2020. The debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	
2016	109,554
2017	109,554
2018	109,554
2019	109,554
2020	109,554
Total minimum lease payments	<u>547,770</u>
Less amounts representing interest	<u>(24,195)</u>
Present value of minimum lease payments	<u><u>\$ 523,575</u></u>

As of June 30, 2015, the City had \$3,706,273 of buildings, with associated accumulated depreciation of \$241,508, financed under the above capital leases. The related depreciation expense for these assets is included in the capital asset depreciation expense.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

During April 2013, the City entered into an agreement with a financial institution to finance the leasing of vehicles and equipment for fire protection services. The lease agreement qualifies as a capital lease for accounting purposes. The vehicles and equipment have an original cost of \$4,858,648. Monthly payments of \$44,050, including interest at a rate of 1.53% began in April 2013 and will continue through March 2020. The debt service requirements to maturity are as follows:

<b>Year Ending June 30,</b>	
2016	528,602
2017	528,602
2018	528,602
2019	528,602
2020	396,732
Total minimum lease payments	<u>2,511,140</u>
Less amounts representing interest	<u>(90,266)</u>
Present value of minimum lease payments	<u><u>\$ 2,420,874</u></u>

As of June 30, 2015, the City had \$4,858,648 of vehicles and equipment, with associated accumulated depreciation of \$1,041,139, financed under the capital leases. The related depreciation expense for these assets is included in the capital asset depreciation expense.

### Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2015:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Capital lease payable	5,406,234	-	(776,790)	4,629,444	791,182
Compensated absences	1,554,056	811,629	(731,445)	1,634,240	769,186
Governmental activity					
Long-term liabilities	<u>\$ 6,960,290</u>	<u>\$ 811,629</u>	<u>\$ (1,508,235)</u>	<u>\$ 6,263,684</u>	<u>\$ 1,560,368</u>

For governmental activities, compensated absences are generally liquidated by the general fund.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 365,687
Capital Projects Fund	Nonmajor governmental funds	315,817
		<u>\$ 681,504</u>

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of amounts due from/to the primary government and its component unit is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Hospitality & Tourism	Nonmajor governmental funds	\$ 266,513
		<u>\$ 266,513</u>

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 1,446,923
Capital Projects Fund	General Fund	29,428,429
Capital Projects Fund	Nonmajor governmental funds	315,817
		<u>\$ 31,191,169</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES**

The City has entered into several public/private contractual partnerships for outsourced services and operations. Through these contracts with the private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to the cost of providing these services in-house. Currently, the cost of these contracts is approximately \$12.9 million annually.

In addition to the liabilities enumerated in the balance sheet, at June 30, 2015, the City has contractual commitments on uncompleted contracts of \$17,278,143.

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

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

As part of the development of the City's City Center Project, the City has acquired several parcels of property which were noted to contain ground soil contamination as determined by the Environmental Protection Division (EPD). These properties have required the City to perform testing of contamination levels, to perform necessary clean-up and removal of contamination, as well as to perform subsequent testing and monitoring of the properties. The City has estimated the potential liability based on current contracts with third party vendors, as well as projections of monitoring costs based on the testing and evaluation costs. The City estimates the additional pollution remediation costs to be \$204,087 as of June 30, 2015. This amount has been included with the overall balance of accrued liabilities on the statement of net position.

### **NOTE 10. DEFINED CONTRIBUTION PENSION PLAN**

The City of Sandy Springs' Profit Sharing Plan is a single employer defined contribution plan established and administered by the City of Sandy Springs for all full time employees. At June 30, 2015, there were 265 plan members. The City contributes 12% of each employee's salary directly to the Plan. Additionally, the City offers to match 100% for each dollar of employee contributions up to 5% of the employee's salary. Employees are not required to contribute to the Plan. Employees are eligible after one month of employment and are fully vested after three months. Plan provisions and contribution requirements are established and may be amended by the City's Council. For the fiscal year ending June 30, 2015, the City's contributions to the Plan were \$2,265,715 and employees contributed \$941,357.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. JOINT VENTURES

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 Fulton County has paid on behalf of the City of Sandy Springs. 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.

In October 2008, the cities of Sandy Springs and Johns Creek created the Chattahoochee River 911 Authority (ChatComm.), which was created pursuant to the provisions of the Official Code of Georgia Annotated (OCGA) Section 36-75-1, which provides for the organization of a joint public safety and judicial facility authority. ChatComm Board membership includes the City Manager from each participating city, or their designee. ChatComm was created by the two cities contributing a pre-determined capital amount necessary to equip the facility. In accordance with GASB 14: *The Financial Reporting Entity*, ChatComm was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. The cities have also pledged their future E911 revenues to ChatComm to pay for the operation of the emergency 911 answering facility. Additionally, the two cities will be responsible for funding any operating deficits as well as any future capital purchases of ChatComm. For the year ended June 30, 2015, the City of Sandy Springs has collected and remitted \$2,735,219 of E911 revenues. Since the inception of ChatComm, the City of Sandy Springs has contributed approximately \$7,997,000 to cover the capital and operating needs. While the General Fund of the City reports a receivable for this amount, management has evaluated the ability of the City to collect the receivable and determined the need to allow for 100% of the outstanding receivable as of June 30, 2015. At June 30, 2015, ChatComm had a negative net position of (\$10,951,246). Separate financial statements may be obtained from the City of Johns Creek, who has been contracted by ChatComm to serve as the accountants, at 12000 Findley Road, Suite 400, Johns Creek, Georgia 30097.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. JOINT VENTURES (CONTINUED)

In July 2013 the cities of Alpharetta, Milton, Roswell, and Sandy Springs 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, and 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. For the fiscal year ended June 30, 2015, the City of Sandy Springs contributed \$3,659,981 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 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

### NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2015, the City received \$4,462,241 in hotel/motel taxes. Of this amount, \$3,187,825, or 71.4%, was used for the promotion of tourism, conventions, or trade shows.

### NOTE 13. MOTOR VEHICLE EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the period ended June 30, 2015, the City received \$109,384 in motor vehicle excise taxes. Of this amount, \$109,384, or 100%, was used for these purposes.

### NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund public entity risk pool currently operating as common risk management and insurance programs for member local governments.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. RISK MANAGEMENT (CONTINUED)

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigations, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded the coverages in the past three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three years.

### NOTE 15. SUBSEQUENT EVENT

In October 2015, the City of Sandy Springs Public Facilities Authority (the "Authority"), which will be reported as a blended component unit of the City for the fiscal year ended June 30, 2016, issued \$159,475,000 of City of Sandy Springs City Center Project Revenue Bonds, Series 2015. Until the time of the bond issuance, the Authority did not have any financial activities. The Series 2015 bonds are being issued to finance the cost of acquiring, constructing, and installing certain public buildings, facilities, and equipment in connection with the City's proposed City Center Project as well as to pay the costs of issuing the bonds themselves. The bonds are payable solely from payments to be made by the City to the Authority pursuant to a lease agreement dated October 1, 2015. The City's obligation to make payments to the Authority sufficient in time and amount to enable the Authority to pay the principal and interest on the bonds is absolute and unconditional and is secured by a pledge of the City's full faith and credit and taxing powers. The bonds are payable in semi-annual installments of principal and interest commencing on May 1, 2016. The bonds bear interest at rates ranging from 3.00 to 5.00%.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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# CITY OF SANDY SPRINGS, GEORGIA

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 30,400,000	\$ 30,400,000	\$ 31,893,128	\$ 1,493,128
Sales taxes	23,125,000	23,125,000	25,513,897	2,388,897
Franchise taxes	8,850,000	8,850,000	9,671,503	821,503
Business taxes	8,750,000	8,750,000	9,644,927	894,927
Insurance premium tax	4,600,000	4,600,000	5,061,941	461,941
Licenses and permits	1,545,000	1,545,000	3,817,492	2,272,492
Charges for services	956,120	806,120	915,233	109,113
Fines and forfeitures	3,300,000	3,300,000	3,295,524	(4,476)
Interest earned	150,000	150,000	200,504	50,504
Contributions	-	-	9,168	9,168
Miscellaneous	150,000	150,000	923,889	773,889
Total revenues	81,826,120	81,676,120	90,947,206	9,271,086
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor and council	224,922	224,922	204,314	20,608
City manager	786,745	786,745	713,979	72,766
General operations	4,610,066	4,370,066	3,670,662	699,404
Legal services	823,000	823,000	816,595	6,405
Human Resources	276,047	291,047	279,377	11,670
Facilities and buildings	1,519,600	1,540,600	1,390,832	149,768
City clerk	160,410	160,410	140,530	19,880
Data processing / MIS	2,085,783	2,085,783	2,003,052	82,731
Public information	1,228,451	1,228,451	1,148,766	79,685
Total general government	11,715,024	11,511,024	10,368,107	1,142,917
<b>Judicial</b>	1,797,702	1,797,702	1,577,453	220,249
<b>Public safety:</b>				
Police department	19,233,792	19,212,792	18,305,006	907,786
Fire department	11,086,894	11,086,894	10,428,787	658,107
E911	1,406,400	1,406,400	853,786	552,614
Total public safety	31,727,086	31,706,086	29,587,579	2,118,507
<b>Public works:</b>				
Public works	11,387,058	11,462,058	10,626,943	835,115
Sanitation and wastewater	3,974,081	2,337,379	1,227,401	1,109,978
Other maintenance	525,000	525,000	-	525,000
Storm drainage	875,000	875,000	-	875,000
Total public works	16,761,139	15,199,437	11,854,344	3,345,093
<b>Culture and recreation</b>				
Recreation	3,089,683	2,939,683	2,734,219	205,464
Anne Frank	75,000	75,000	39,012	35,988
Total culture and recreation	3,164,683	3,014,683	2,773,231	241,452

Continued

**CITY OF SANDY SPRINGS, GEORGIA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Housing and development</b>				
Building/inspection/code enforcement	\$ 3,682,448	\$ 3,882,448	\$ 3,737,083	\$ 145,365
Community development	58,135	58,135	23,766	34,369
Economic development	328,063	328,063	266,497	61,566
Total housing and development	4,068,646	4,268,646	4,027,346	179,734
<b>Debt service</b>				
Principal	777,410	777,410	776,790	620
Interest	106,459	106,459	107,079	(620)
Total debt service	883,869	883,869	883,869	-
 Total expenditures	 70,118,149	 68,381,447	 61,071,929	 7,247,952
 Excess of revenues over expenditures	 11,707,971	 13,294,673	 29,875,277	 16,580,604
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	180,000	180,000	44,177	(135,823)
Transfers in	2,149,032	3,473,160	1,446,923	(2,026,237)
Transfers out	(23,750,000)	(30,408,429)	(29,428,429)	980,000
Total other financing sources (uses)	(21,420,968)	(26,755,269)	(27,937,329)	(1,182,060)
 Net change in fund balances	 (9,712,997)	 (13,460,596)	 1,937,948	 15,398,544
<b>Fund balance, beginning of year</b>	<b>33,926,226</b>	<b>33,926,226</b>	<b>33,926,226</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 24,213,229</b>	<b>\$ 20,465,630</b>	<b>\$ 35,864,174</b>	<b>\$ 15,398,544</b>

Note: See footnotes 1 and 3 of the basic financial statements for budgetary policies.

## NONMAJOR GOVERNMENTAL FUNDS

---

**Confiscated Assets Fund** – To account for the use of confiscated drug money by the City's Police Department, which are restricted by State law in purpose.

**E911 Fund** – To account for the collection and expenditures of E911 fees, which are restricted by state law.

**Federal Grants Fund** – To account for the expenditures and restricted resources of federally funded grants of the City.

**Operating Grant Fund** – To account for the expenditures and revenues of local grants and contributions, which are restricted by the donors.

**CDBG Fund** – To account for the expenditures and revenues of the Community Development Block Grant, which are restricted under the terms of the grant agreements.

**Hotel/Motel Fund** – To account for the 7% lodging tax levied in the City, which are restricted by state law.

**Auto Excise Tax Fund** – To account for automobile rental excise taxes levied in the City, which are restricted by state law.

**Impact Fees Fund** – To account for fees assessed upon development activity that are collected to pay for system improvements (recreation/parks, streets, and public safety) as detailed within the government's impact fee ordinance.

# CITY OF SANDY SPRINGS, GEORGIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2015

ASSETS	Special Revenue Funds			
	Confiscated Assets Fund	E911 Fund	Federal Grants Fund	Operating Grant Fund
Cash	\$ 904,500	\$ 102,094	\$ 88,927	\$ 122,535
Taxes receivable	-	-	-	-
Intergovernmental receivable	-	-	30,129	850
Other receivable	2,647	319,824	-	-
Total assets	<u>\$ 907,147</u>	<u>\$ 421,918</u>	<u>\$ 119,056</u>	<u>\$ 123,385</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 226,559	\$ 421,918	\$ -	\$ -
Due to other funds	-	-	119,056	-
Due to component unit	-	-	-	-
Total liabilities	<u>226,559</u>	<u>421,918</u>	<u>119,056</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted:				
Public safety projects	680,588	-	-	-
Tourism	-	-	-	-
Recreation	-	-	-	123,385
Infrastructure improvements	-	-	-	-
Assigned:				
Community development	-	-	-	-
Total fund balances	<u>680,588</u>	<u>-</u>	<u>-</u>	<u>123,385</u>
Total liabilities and fund balances	<u>\$ 907,147</u>	<u>\$ 421,918</u>	<u>\$ 119,056</u>	<u>\$ 123,385</u>

Special Revenue Funds			Capital Project Fund	Total Nonmajor Governmental Funds
CDBG Fund	Hotel/ Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	
\$ 41,678	\$ 695,625	\$ -	\$ 3,169,431	\$ 5,124,790
-	464,352	9,804	-	474,156
-	-	-	-	30,979
68,538	-	-	-	391,009
<u>\$ 110,216</u>	<u>\$ 1,159,977</u>	<u>\$ 9,804</u>	<u>\$ 3,169,431</u>	<u>\$ 6,020,934</u>
\$ 68,538	\$ 655,536	\$ -	\$ -	\$ 1,372,551
-	236,827	9,804	315,817	681,504
-	266,513	-	-	266,513
<u>68,538</u>	<u>1,158,876</u>	<u>9,804</u>	<u>315,817</u>	<u>2,320,568</u>
-	-	-	-	680,588
-	1,101	-	-	1,101
-	-	-	-	123,385
-	-	-	2,853,614	2,853,614
<u>41,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,678</u>
<u>41,678</u>	<u>1,101</u>	<u>-</u>	<u>2,853,614</u>	<u>3,700,366</u>
<u>\$ 110,216</u>	<u>\$ 1,159,977</u>	<u>\$ 9,804</u>	<u>\$ 3,169,431</u>	<u>\$ 6,020,934</u>

# CITY OF SANDY SPRINGS, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Confiscated Assets Fund	E911 Fund	Federal Grants Fund	Operating Grant Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	567,142	-
Charges for services	-	2,735,219	-	-
Fines and forfeitures	443,318	-	-	-
Interest income	-	-	-	-
Contributions	-	-	-	24,451
Miscellaneous	-	-	47,788	-
Total revenues	443,318	2,735,219	614,930	24,451
<b>EXPENDITURES</b>				
Current:				
Public safety	589,297	2,735,219	207,477	-
Public works	-	-	351,844	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	589,297	2,735,219	559,321	-
<b>Excess (deficiency) of revenues over expenditures</b>	(145,979)	-	55,609	24,451
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(55,609)	(7,514)
Total other financing uses	-	-	(55,609)	(7,514)
Net change in fund balances	(145,979)	-	-	16,937
<b>FUND BALANCES, beginning of year</b>	826,567	-	-	106,448
<b>FUND BALANCES, end of year</b>	\$ 680,588	\$ -	\$ -	\$ 123,385



Special Revenue Funds			Capital Project Fund	Total Nonmajor Governmental Funds
CDBG Fund	Hotel/ Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	
\$ -	\$ 4,462,241	\$ 109,384	\$ -	\$ 4,571,625
812,694	-	-	-	1,379,836
-	-	-	784,401	3,519,620
-	-	-	-	443,318
-	-	-	104	104
-	-	-	-	24,451
-	-	-	-	47,788
812,694	4,462,241	109,384	784,505	9,986,742
-	-	-	-	3,531,993
-	-	-	-	351,844
-	3,187,825	-	-	3,187,825
809,485	-	-	-	809,485
809,485	3,187,825	-	-	7,881,147
3,209	1,274,416	109,384	784,505	2,105,595
-	(1,274,416)	(109,384)	(315,817)	(1,762,740)
-	(1,274,416)	(109,384)	(315,817)	(1,762,740)
3,209	-	-	468,688	342,855
38,469	1,101	-	2,384,926	3,357,511
\$ 41,678	\$ 1,101	\$ -	\$ 2,853,614	\$ 3,700,366

# CITY OF SANDY SPRINGS, GEORGIA

## CONFISCATED ASSETS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 443,318	\$ 243,318
Total revenues	200,000	200,000	443,318	243,318
<b>Expenditures:</b>				
Public safety	200,000	200,000	589,297	(389,297)
Total expenditures	200,000	200,000	589,297	(389,297)
Net change in fund balances	-	-	(145,979)	(145,979)
<b>Fund balances, beginning of year</b>	826,567	826,567	826,567	-
<b>Fund balances, end of year</b>	\$ 826,567	\$ 826,567	\$ 680,588	\$ (145,979)

# CITY OF SANDY SPRINGS, GEORGIA

## E911 FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Charges for services	\$ 2,552,210	\$ 2,552,210	\$ 2,735,219	\$ 183,009
Total revenues	2,552,210	2,552,210	2,735,219	183,009
<b>Expenditures:</b>				
Public safety	2,552,210	2,552,210	2,735,219	(183,009)
Total expenditures	2,552,210	2,552,210	2,735,219	(183,009)
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF SANDY SPRINGS, GEORGIA

## FEDERAL GRANTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 3,043,113	\$ 3,130,012	\$ 567,142	\$ (2,562,870)
Miscellaneous	-	-	47,788	47,788
Total revenues	3,043,113	3,130,012	614,930	(2,515,082)
<b>Expenditures:</b>				
Public safety	191,443	383,942	207,477	176,465
Public works	3,909,200	3,909,200	351,844	3,557,356
Total expenditures	4,100,643	4,293,142	559,321	3,733,821
Excess (deficiency) of revenues over expenditures	(1,057,530)	(1,163,130)	55,609	1,218,739
<b>Other financing sources (uses):</b>				
Transfers in	1,057,530	1,163,130	-	(1,163,130)
Transfers out	-	-	(55,609)	(55,609)
Total other financing sources (uses)	1,057,530	1,163,130	(55,609)	(1,218,739)
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF SANDY SPRINGS, GEORGIA

## OPERATING GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Contributions	\$ 25,000	\$ 25,000	\$ 24,451	\$ (549)
Total revenues	25,000	25,000	24,451	(549)
<b>Expenditures:</b>				
Public safety	10,000	10,000	-	10,000
Culture and recreation	15,000	15,000	-	15,000
Total expenditures	25,000	25,000	-	25,000
Excess of revenues over expenditures	-	-	24,451	24,451
<b>Other financing uses:</b>				
Transfers out	-	-	(7,514)	(7,514)
Total other financing uses	-	-	(7,514)	(7,514)
Net change in fund balances	-	-	16,937	16,937
<b>Fund balances, beginning of year</b>	106,448	106,448	106,448	-
<b>Fund balances, end of year</b>	<u>\$ 106,448</u>	<u>\$ 106,448</u>	<u>\$ 123,385</u>	<u>\$ 16,937</u>

# CITY OF SANDY SPRINGS, GEORGIA

## CDBG FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 1,533,275	\$ 1,533,275	\$ 812,694	\$ (720,581)
Total revenues	<u>1,533,275</u>	<u>1,533,275</u>	<u>812,694</u>	<u>(720,581)</u>
<b>Expenditures:</b>				
Housing and development	<u>1,533,275</u>	<u>1,533,275</u>	<u>809,485</u>	<u>723,790</u>
Total expenditures	<u>1,533,275</u>	<u>1,533,275</u>	<u>809,485</u>	<u>723,790</u>
Net change in fund balances	-	-	3,209	3,209
<b>Fund balances, beginning of year</b>	<u>38,469</u>	<u>38,469</u>	<u>38,469</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 38,469</u>	<u>\$ 38,469</u>	<u>\$ 41,678</u>	<u>\$ 3,209</u>

# CITY OF SANDY SPRINGS, GEORGIA

## HOTEL/MOTEL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Taxes	\$ 3,600,000	\$ 3,600,000	\$ 4,462,241	\$ 862,241
Total revenues	3,600,000	3,600,000	4,462,241	862,241
<b>Expenditures:</b>				
Culture and recreation	2,571,840	2,571,840	3,187,825	(615,985)
Total expenditures	2,571,840	2,571,840	3,187,825	(615,985)
Excess of revenues over expenditures	1,028,160	1,028,160	1,274,416	246,256
<b>Other financing uses:</b>				
Transfers out	(1,028,160)	(1,028,160)	(1,274,416)	(246,256)
Total other financing uses	(1,028,160)	(1,028,160)	(1,274,416)	(246,256)
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	1,101	1,101	1,101	-
<b>Fund balances, end of year</b>	\$ 1,101	\$ 1,101	\$ 1,101	\$ -

# CITY OF SANDY SPRINGS, GEORGIA

## AUTO EXCISE TAX FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Taxes	\$ 95,000	\$ 95,000	\$ 109,384	\$ 14,384
Total revenues	95,000	95,000	109,384	14,384
Excess of revenues over expenditures	95,000	95,000	109,384	14,384
<b>Other financing uses:</b>				
Transfers out	(95,000)	(95,000)	(109,384)	(14,384)
Total other financing uses	(95,000)	(95,000)	(109,384)	(14,384)
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## AGENCY FUND

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Agency funds are used to account for assets held by the City as an agent for individuals.

**Municipal Court Fund** – To account for the collection of cash appearance bonds by the Municipal Court.

# CITY OF SANDY SPRINGS, GEORGIA

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND FOR THE YEAR ENDED JUNE 30, 2015

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	<b>Balance July 1, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2015</b>
<b>MUNICIPAL COURT FUND</b>				
<b>Assets:</b>				
Cash	<u>\$ 315,146</u>	<u>\$ 4,663,416</u>	<u>\$ 4,671,912</u>	<u>\$ 306,650</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 315,146</u>	<u>\$ 4,663,416</u>	<u>\$ 4,671,912</u>	<u>\$ 306,650</u>

## COMPONENT UNITS

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**Sandy Springs Hospitality & Tourism** – To account for the revenue and expenditures of promoting tourism within the City as funded by Hotel/Motel tax revenue.

**Sandy Springs Development Authority** – To account for the development activities undertaken throughout the City.

# CITY OF SANDY SPRINGS, GEORGIA

## BALANCE SHEET COMPONENT UNIT - SANDY SPRINGS HOSPITALITY & TOURISM JUNE 30, 2015

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### ASSETS

Cash	\$	938,678
Other receivables		7,454
Due from primary government		266,513
Prepaid items		<u>7,156</u>
Total assets	\$	<u><u>1,219,801</u></u>

### LIABILITIES AND FUND BALANCE

#### LIABILITIES

Accounts payable	\$	<u>44,545</u>
Total liabilities		<u>44,545</u>

#### FUND BALANCE

Nonspendable for prepaid items		7,156
Restricted for tourism		<u>1,168,100</u>
Total fund balance		<u>1,175,256</u>
Total liabilities and fund balance	\$	<u><u>1,219,801</u></u>

# CITY OF SANDY SPRINGS, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPONENT UNIT - SANDY SPRINGS HOSPITALITY & TOURISM FOR THE YEAR ENDED JUNE 30, 2015

---

### REVENUES

Intergovernmental	\$ 1,434,164
Total revenues	<u>1,434,164</u>

### EXPENDITURES

Current:	
Housing and development	<u>766,084</u>
Total expenditures	<u>766,084</u>

Net change in fund balance	668,080
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FUND BALANCE, beginning of year	<u>507,176</u>
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FUND BALANCE, end of year	<u><u>\$ 1,175,256</u></u>
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**CITY OF SANDY SPRINGS, GEORGIA**

**BALANCE SHEET  
COMPONENT UNIT - DEVELOPMENT AUTHORITY  
JUNE 30, 2015**

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<b>ASSETS</b>	
Cash	<u>\$ 214,946</u>
Total assets	<u><u>\$ 214,946</u></u>
<b>FUND BALANCE</b>	
Restricted for development	<u>\$ 214,946</u>
Total fund balance	<u><u>\$ 214,946</u></u>

**CITY OF SANDY SPRINGS, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
COMPONENT UNIT - DEVELOPMENT AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2015**

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**REVENUES**

Intergovernmental	\$ 211,251
Total revenues	<u>211,251</u>

**EXPENDITURES**

Current:	
Community development	<u>5,462</u>
Total expenditures	<u>5,462</u>

Net change in fund balance	205,789
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<b>FUND BALANCE, beginning of year</b>	<u>9,157</u>
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<b>FUND BALANCE, end of year</b>	<u><u>\$ 214,946</u></u>
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# STATISTICAL SECTION





## STATISTICAL SECTION

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

### Page

#### **Financial Trends..... 59**

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

#### **Revenue Capacity ..... 61**

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

#### **Debt Capacity ..... 69**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information..... 71**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information ..... 72**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

# CITY OF SANDY SPRINGS, GEORGIA

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting)

	2015	2014	2013	2012
Primary government:				
Net investment in capital assets	\$ 216,411,054	\$ 189,462,862	\$ 170,948,189	\$ 161,513,083
Restricted	3,658,688	3,394,508	2,706,067	2,026,724
Unrestricted	84,692,787	87,581,276	82,177,486	74,749,546
Total primary government net position	<u>\$ 304,762,529</u>	<u>\$ 280,438,646</u>	<u>\$ 255,831,742</u>	<u>\$ 238,289,353</u>

Note: The City's operations continued to grow during 2007 and 2008. 2007 was the City's first full year of operation.  
The 2006 period was only 7 months.

(1) In 2009 the City added approximately \$33,114,000 of previously unrecorded infrastructure.

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 152,866,760	\$ 145,320,434	\$ 134,611,236	\$ 83,403,809	\$ 76,989,747	\$ 56,330,759
422,094	-	-	-	-	-
55,282,364	54,452,631	48,473,993	45,566,572	15,393,045	(5,586,019)
<u>\$ 208,571,218</u>	<u>\$ 199,773,065</u>	<u>\$ 183,085,229</u>	<u>\$ 128,970,381</u>	<u>\$ 92,382,792</u>	<u>\$ 50,744,740</u>

# CITY OF SANDY SPRINGS, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	2015	2014	2013	2012
<b>Expenses</b>				
General government	\$ 10,882,951	\$ 11,467,033	\$ 10,830,697	\$ 10,887,073
Judicial	1,580,859	1,660,176	1,691,681	1,459,938 (7)
Public safety	37,612,816	33,310,061	39,889,067 (9)	30,106,163 (5)
Public works	18,784,694	21,225,313	19,079,592	15,472,596
Culture and recreation	6,506,492	6,086,076	5,803,498	5,593,442
Housing and development	3,953,501	3,733,446	3,238,942	2,065,861 (6)
Interest on long-term debt	105,166	122,202	90,881	187,350
Total expenses	<u>\$ 79,426,479</u>	<u>\$ 77,604,307</u>	<u>\$ 80,624,358</u>	<u>\$ 65,772,423</u>
<b>Program revenues</b>				
Charges for services:				
General government	\$ 795,720	\$ 746,020	\$ 826,641	\$ 668,931
Judicial	3,295,524	3,417,669	3,324,956	3,271,883
Public safety	3,493,548	3,122,072	3,554,021	2,702,483
Public works	945,755	1,127,751	465,425	1,223,719
Culture and recreation	774,113	848,996	945,132	808,689
Housing and development	2,847,881	2,061,439	1,663,665	1,147,143
Operating grants and contributions	33,619	34,733	25,462	137,855
Capital grants and contributions	3,779,357	6,503,664	7,024,050	5,955,742
Total program revenues	<u>\$ 15,965,517</u>	<u>\$ 17,862,344</u>	<u>\$ 17,829,352</u>	<u>\$ 15,916,445</u>
Net (expense)/revenue	<u>\$ (63,460,962)</u>	<u>\$ (59,741,963)</u>	<u>\$ (62,795,006)</u>	<u>\$ (49,855,978)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Taxes				
Property taxes	\$ 32,196,455	\$ 30,945,648	\$ 29,173,500	\$ 29,268,099
Sales taxes	25,513,897	24,444,122	23,727,126	23,717,444
Other taxes	28,949,996	27,864,930	26,793,423	26,040,432
Unrestricted investment earnings	200,608	113,666	147,672	205,572
Contributions not restricted to specific programs	-	-	-	-
Miscellaneous revenues	923,889	980,501	482,999	342,566
Gain on sale of capital assets	-	-	12,675	-
Special item - donation of infrastructure at incorporation	-	-	-	-
Total	<u>\$ 87,784,845</u>	<u>\$ 84,348,867</u>	<u>\$ 80,337,395</u>	<u>\$ 79,574,113</u>
<b>Change in Net Position</b>	<u>\$ 24,323,883</u>	<u>\$ 24,606,904</u>	<u>\$ 17,542,389</u>	<u>\$ 29,718,135</u>

Note: Fiscal year 2007 is the City's first full year of operations. The 2006 period was only 7 months. The City is gradually taking over the services provided to its citizens by Fulton County, which will result in increases to both revenues and expenses.

- (1) - In 2007 the City received a large amount of park greenspace and park improvements from the County which was reported as capital contributions.
- (2) - In 2009 the City was impacted by the economy and recognized fewer sales and other tax revenues than in prior years.
- (3) - In 2009, the economy across the state and country suffered causing the sale of construction license and permits to significantly decrease.
- (4) - In 2010 the City began collecting and expensing E911 charges in the public safety function.
- (5) - In 2011 the City saw increases in personnel costs and activities in both the police and fire departments.
- (6) - In 2011 the City restructured their staffing levels in the housing and development function due to a slow down in community and development projects.
- (7) - In 2011 with the restructuring of some of the departments, the City moved several employees to the municipal court.
- (8) - In 2012 the City rebid operating contracts resulting in a decrease in expenses.
- (9) - In 2013 the City determined the receivable from the joint venture was not going to be collectible, and thus established an allowance for \$7,156,301.

2011	2010	2009	2008	2007	2006
\$ 15,144,396	\$ 15,710,228	\$ 15,111,854	\$ 13,818,852	\$ 14,455,096	\$ 9,154,700
1,945,524 (7)	859,627	1,149,765	955,759	782,597	328,008
32,710,740 (5)	28,804,834 (4)	25,720,258	23,006,598	23,090,567	9,867,430
15,837,964	17,971,905	19,643,196	16,341,371	12,515,340	5,105,770
7,357,811	5,154,082	3,827,709	4,708,976	4,105,728	2,699,718
3,164,420 (6)	6,469,377	6,506,536	6,322,427	7,236,048	2,697,519
221,804	176,855	299,772	376,778	536,480	194,709
<u>\$ 76,382,659</u>	<u>\$ 75,146,908</u>	<u>\$ 72,259,090</u>	<u>\$ 65,530,761</u>	<u>\$ 62,721,856</u>	<u>\$ 30,047,854</u>
\$ 750,711	\$ 806,746	\$ 722,753	\$ 724,193	\$ 652,646	\$ 577,667
3,769,291	4,290,960	4,657,134	5,273,492	3,447,821	401,377
3,052,392	2,707,819 (4)	362,585	252,473	77,240	-
601,604	786,177	529,103	471,789	370,645	-
689,294	607,460	376,610	252,846	167,975	43,349
650,203	692,252	865,063 (3)	2,207,413	2,933,954	1,193,931
251,227	151,796	17,397	85,068	125,798	-
3,087,167	4,012,715	3,911,180	6,170,789	21,653,418 (1)	-
<u>\$ 12,851,889</u>	<u>\$ 14,055,925</u>	<u>\$ 11,441,825</u>	<u>\$ 15,438,063</u>	<u>\$ 29,429,497</u>	<u>\$ 2,216,324</u>
<u>\$ (63,530,770)</u>	<u>\$ (61,090,983)</u>	<u>\$ (60,817,265)</u>	<u>\$ (50,092,698)</u>	<u>\$ (33,292,359)</u>	<u>\$ (27,831,530)</u>
\$ 30,230,477	\$ 31,639,678	\$ 31,870,456	\$ 29,827,325	\$ 27,563,122	\$ 996,312
21,683,618	22,021,114	21,652,231 (2)	24,992,061	24,795,033	9,627,122
24,568,708	26,358,226	26,963,754 (2)	29,776,872	21,719,794	10,712,107
166,946	300,151	953,901	1,395,026	734,079	113,746
-	-	-	19,498	2,044	70,000
179,935	193,516	378,119	669,505	116,339	2,898
-	-	-	-	-	-
-	-	-	-	-	57,054,085
<u>\$ 76,829,684</u>	<u>\$ 80,512,685</u>	<u>\$ 81,818,461</u>	<u>\$ 86,680,287</u>	<u>\$ 74,930,411</u>	<u>\$ 78,576,270</u>
<u>\$ 13,298,914</u>	<u>\$ 19,421,702</u>	<u>\$ 21,001,196</u>	<u>\$ 36,587,589</u>	<u>\$ 41,638,052</u>	<u>\$ 50,744,740</u>

# CITY OF SANDY SPRINGS, GEORGIA

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (accrual basis of accounting)

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Fiscal Year	Property Taxes	Sales Taxes	Hotel/Motel Taxes	Franchise Taxes	Business Taxes	Total
2006	\$ 996,312	\$ 9,627,122	\$ 2,349,053	\$ 583,129	\$ 7,779,925	\$ 21,335,541
2007	27,563,122	24,795,033	4,319,717	7,603,326	9,796,751	74,077,949
2008	29,827,325	24,992,061	4,375,173	8,227,077	17,174,622 (1)	84,596,258
2009	31,870,456	21,652,231 (2)	3,691,845 (2)	8,561,728	14,710,181 (2)	80,486,441
2010	31,639,678	22,021,114	3,322,710	8,207,816	14,827,700	80,019,018
2011	30,230,477	21,683,618	3,536,794	8,660,869	12,371,045	76,482,803
2012	29,268,099	23,717,444	3,695,536	9,593,906	12,750,990	79,025,975
2013	29,173,500	23,727,126	3,763,907	9,311,894	13,717,622	79,694,049
2014	30,945,648	24,444,122	3,866,704	9,164,266	14,833,960	83,254,700
2015	32,196,455	25,513,897	4,462,241	9,671,503	14,816,252	86,660,348

Note: Fiscal year 2007 is the City's first full year of operations. The 2006 period was only 7 months.

The City levied property taxes for the first time in 2007.

(1) 2008 was the City's first year of receiving the insurance premium tax, which was approximately \$4,688,000.

(2) In 2009 the City was impacted by the economy and recognized fewer tax revenues than in prior years.

**CITY OF SANDY SPRINGS, GEORGIA**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

**(modified accrual basis of accounting)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund				
Reserved	\$ -	\$ -	-	\$ -
Unreserved	-	-	-	-
Nonspendable - Prepaids	-	2,003	4,894,352	219,553
Committed - Recreation	-	-	-	12,761
Assigned - Stormwater projects	989,978	467,379	906,466	1,558,193
Appropriations of fund balance for next fiscal year's budget	9,532,370	7,056,652	7,266,222	11,168,204
Unassigned	25,341,826	26,400,192	20,522,843	21,766,616
Total general fund	<u>\$ 35,864,174</u>	<u>\$ 33,926,226</u>	<u>\$ 33,589,883</u>	<u>\$ 34,725,327</u>
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	\$ -	\$ -	-	\$ -
Capital projects funds	-	-	-	-
Debt service fund	-	-	-	-
Restricted:			-	
Public safety	680,588	826,567	867,578	346,442
Toursim	1,101	1,101	1,075	987
Recreation	123,385	106,448	122,086	130,621
Infrastructure improvements	2,853,614	2,384,926	1,715,328	1,548,674
Assigned:				
Infrastructure improvements	49,572,700	54,276,325	52,729,595	33,770,010
Community development	41,678	38,469	41,595	41,221
Total all other governmental funds	<u>\$ 53,273,066</u>	<u>\$ 57,633,836</u>	<u>\$ 55,477,257</u>	<u>\$ 35,837,955</u>

Note: The City's operations continued to grow during 2007 and 2008. 2007 was the City's first full year of operation.

The 2006 period was only 7 months.

(a) The City implemented GASB Statement No. 54 during the 2011 fiscal year.



2011 (a)	2010	2009	2008	2007	2006
\$ -	\$ 1,300,071	\$ 1,462,461	\$ 815,003	\$ 3,899,995	\$ 2,468,031
-	19,903,286	23,483,803	32,995,487	9,093,886	(5,755,635)
72,022	-	-	-	-	-
12,237	-	-	-	-	-
425,864	-	-	-	-	-
-	-	-	-	-	-
20,944,346	-	-	-	-	-
<u>\$ 21,454,469</u>	<u>\$ 21,203,357</u>	<u>\$ 24,946,264</u>	<u>\$ 33,810,490</u>	<u>\$ 12,993,881</u>	<u>\$ (3,287,604)</u>
\$ -	\$ 367,860	\$ 320,488	\$ 196,466	\$ 264,402	\$ 227,025
-	27,885,013	20,079,444	11,394,577	5,490,469	-
-	-	50,357	(27,546)	-	-
343,914	-	-	-	-	-
923	-	-	-	-	-
77,257	-	-	-	-	-
-	-	-	-	-	-
28,129,952	-	-	-	-	-
41,053	-	-	-	-	-
<u>\$ 28,593,099</u>	<u>\$ 28,252,873</u>	<u>\$ 20,450,289</u>	<u>\$ 11,563,497</u>	<u>\$ 5,754,871</u>	<u>\$ 227,025</u>

# CITY OF SANDY SPRINGS, GEORGIA

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

	2015	2014	2013	2012
<b>Revenues</b>				
Taxes	\$ 86,357,021	\$ 83,324,826	\$ 79,868,967	\$ 79,343,825
Licenses and permits	3,817,492	2,906,357	2,482,713	1,851,971
Intergovernmental	3,931,859	5,480,553	6,528,813	5,885,742
Charges for services	4,596,207	4,767,729	4,264,512	4,551,376
Fines and forfeitures	3,738,842	3,649,861	4,032,615	3,419,501
Contributions	55,785	34,733	25,462	137,855
Interest earned	200,608	113,666	147,672	205,572
Miscellaneous	971,677	980,501	482,999	292,566
Total revenues	<u>103,669,491</u>	<u>101,258,226</u>	<u>97,833,753</u>	<u>95,688,408</u>
<b>Expenditures</b>				
Current:				
General government	28,833,479 (16)	18,791,585 (15)	12,105,333	11,048,889
Judicial	1,577,453	1,657,894	1,691,077	1,459,938
Public safety	36,818,536	36,939,432 (15)	31,338,228	31,003,258
Public works	26,276,197	25,725,759	24,765,819	21,642,758
Culture and recreation	6,815,373	12,018,423 (15)	6,414,601	5,932,476
Housing and development	4,931,583	4,474,792	3,556,669	2,753,603
Debt service:				
Principal	776,790	978,094	2,928,142	1,191,289
Interest	107,079	121,562	97,087	190,483
Total expenditures	<u>106,136,490</u>	<u>100,707,541</u>	<u>82,896,956</u>	<u>75,222,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,466,999)</u>	<u>550,685</u>	<u>14,936,797</u>	<u>20,465,714</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of long term debt	-	725,000	3,507,449	-
Proceeds from sale of capital assets	44,177	1,217,237	59,612	50,000
Transfers in	31,191,169	26,177,079	29,057,954	13,566,119
Transfers out	(31,191,169)	(26,177,079)	(29,057,954)	(13,566,119)
Total other financing sources (uses)	<u>44,177</u>	<u>1,942,237</u>	<u>3,567,061</u>	<u>50,000</u>
Net change in fund balances	<u>\$ (2,422,822)</u>	<u>\$ 2,492,922</u>	<u>\$ 18,503,858</u>	<u>\$ 20,515,714</u>

Debt service as a percentage of noncapital expenditures	1.2%	1.5%	4.3%	2.4%
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Note: Fiscal year 2007 is the City's first full year of operations. The 2006 period was only 7 months. The City is gradually taking over the services provided to its citizens by Fulton County, which will result in increases to both revenues and expenditures.

- (1) In 2008 the City began expending outlays from the capital projects fund which account for approximately \$7,500,000 of the increase.
- (2) In 2009 the City continued expending outlays from the capital projects fund.
- (3) In 2009 the economy across the state and country suffered causing sales tax and hotel tax revenues to see significant decreases.
- (4) In 2009, the economy across the state and country suffered causing the sale of construction license and permits to significantly decrease.
- (5) In 2009 the City received and expended two large Department of Transportation grants for over \$2,000,000.
- (6) In 2010 the City began collecting E911 charges.
- (7) In 2010 the City has several large park improvement projects that were undertaken.
- (8) - In 2011 the City had approximately \$2 million of computer equipment purchases and upgrades as well as saw additional increases in the cost of staffing in the police and fire departments.
- (9) - In 2011 the City restructured their staffing levels in the housing and development function due to a slow down in community and development projects.
- (10) - In 2011 with the restructuring of some of the departments, the City moved several employees to the municipal court.
- (11) - The City completed their stormwater inventory in 2011 which was used to identify the infrastructure needs and began major improvement projects throughout the City.
- (12) - The projects which were undertaken in 2010 were unusually high, as they included many of the land purchases, which is the higher costing items in park improvements.
- (13) - In 2011 the City's property taxes fell approximately \$1 million, caused by the decrease in the gross digest. Additionally, the City also saw a decrease of \$2 million in business taxes.
- (14) - In 2012 the City rebid operating contracts resulting in a decrease in expenditures.
- (15) - In 2014 the City made several large capital outlays for a large infrastructure project, land acquisitions, and park improvements, as well as purchased several new fire trucks. All together capital outlays increase approximately \$17 million from the prior year, thus resulting in increase of functional expenditures and decreases in the change in fund balance.
- (16) - In 2015 the City began construction on the new city center development project.

2011	2010	2009	2008	2007	2006
\$ 76,309,783 (13)	\$ 80,898,625	\$ 80,218,315 (3)	\$ 84,201,305	\$ 73,519,577	\$ 21,335,541
1,302,189	1,346,983	1,965,630 (4)	3,216,026	3,868,934	1,744,329
3,417,008	4,155,881	3,860,706 (5)	984,545	301,730	-
4,275,388	3,856,201 (6)	582,733	455,095	333,527	70,618
3,935,918	4,481,207	4,964,885	5,511,084	3,447,820	401,377
68,753	147,073	167,772	236,126	172,069	70,000
166,946	300,151	953,901	1,395,026	734,079	113,746
179,021	185,604	448,121	599,503	116,339	2,898
89,655,006	95,371,725	93,162,063	96,598,710	82,494,075	23,738,509
15,463,566	15,774,609	23,123,876 (2)	13,730,116	14,662,914	9,180,705
1,945,524 (10)	859,627	1,149,765	955,759	784,594	328,008
33,099,211 (8)	30,213,605 (6)	26,677,292	23,017,162	28,023,354	11,332,550
27,737,474 (11)	22,256,953	23,866,587 (2)	18,016,930 (1)	10,884,786	4,353,238
7,219,744 (12)	13,437,115 (7)	7,442,979	6,332,157	4,227,399	2,713,318
3,764,554 (9)	6,990,292	6,506,536	6,322,427	7,236,048	2,697,519
1,111,221	1,740,939	3,266,252	2,830,523	1,843,437	-
223,288	163,435	307,919	371,671	522,212	193,750
90,564,582	91,436,575	92,341,206	71,576,745	68,184,744	30,799,088
(909,576)	3,935,150	820,857	25,021,965	14,309,331	(7,060,579)
1,500,000	7,912	-	1,500,000	7,500,000	4,000,000
914	-	-	103,270	-	-
16,062,062	26,375,804	34,746,391	20,005,239	7,414,647	670,889
(16,062,062)	(26,375,804)	(34,746,391)	(20,005,239)	(7,414,647)	(670,889)
1,500,914	7,912	-	1,603,270	7,500,000	4,000,000
\$ 591,338	\$ 3,943,062	\$ 820,857	\$ 26,625,235	\$ 21,809,331	\$ (3,060,579)
1.8%	2.7%	4.9%	5.0%	3.8%	0.7%

# CITY OF SANDY SPRINGS, GEORGIA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (modified accrual basis of accounting)

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<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Hotel/Motel Taxes</b>	<b>Franchise Taxes</b>	<b>Business Taxes</b>	<b>Total</b>
2006	\$ 996,312	\$ 9,627,122	\$ 2,349,053	\$ 583,129	\$ 7,779,925	\$ 21,335,541
2007	27,004,750	24,795,033	4,319,717	7,603,326	9,796,751	73,519,577
2008	29,432,372	24,992,061	4,375,173	8,227,077	17,174,622 (1)	84,201,305
2009	32,061,197	21,193,266 (2)	3,691,845 (2)	8,561,826	14,710,181 (2)	80,218,315
2010	32,100,781	22,439,282	3,322,710	8,208,152	14,827,700	80,898,625
2011	30,018,679	21,724,415	3,536,794	8,658,850	12,371,045	76,309,783
2012	29,525,159	23,717,444	3,695,536	9,654,696	12,750,990	79,343,825
2013	29,348,418	23,727,126	3,763,907	9,311,894	13,717,622	79,868,967
2014	31,015,774	24,444,122	3,866,704	9,164,266	14,833,960	83,324,826
2015	31,893,128	25,513,897	4,462,241	9,671,503	14,816,252	86,357,021

Note: Fiscal year 2007 is the City's first full year of operations. The 2006 period was only 7 months.

The City levied property taxes for the first time in 2007.

(1) 2008 was the City's first year of receiving the insurance premium tax, which was approximately \$4,688,000.

(2) In 2009 the City was impacted by the economy and recognized fewer tax revenues than in prior years.

# CITY OF SANDY SPRINGS, GEORGIA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN CALENDAR YEARS

Calendar Year	Real Property				Personal Property	
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Motor Vehicles	Other (1)
2006	\$ 3,793,630,390	\$ 2,292,804,730	\$ 26,941,230	\$ 7,858,980	\$ 227,567,111	\$ 471,080
2007	3,974,086,600	2,675,326,970	23,156,460	846,230	201,863,798	1,137,843
2008	4,094,509,530	3,439,835,900	15,309,680	308,440	282,296,030	42,906,780 (2)
2009	4,096,518,200	3,072,660,470	14,882,750	308,440	310,256,370	36,383,866
2010	3,966,218,590	3,001,056,530	13,647,940	290,480	274,825,840	45,563,644
2011	3,844,147,560	2,844,527,480	12,356,130	342,320	267,556,810	47,759,277
2012	3,756,986,980	2,681,350,440	9,188,790	411,200	286,683,680	50,794,652
2013	3,833,666,050	2,796,044,990	9,452,520	417,120	311,678,440	51,788,000
2014	3,890,836,390	2,692,498,250	8,588,690	312,520	267,150,490	68,968,965
2015	4,143,679,220	3,004,411,100	7,995,190	113,480	187,532,150	79,418,444

Source: Fulton County Tax Commissioner

(1) Reflects conservation use.

(2) Fulton County Tax Commissioner made significant reassessments and reclassifications of all property categories for 2008.

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<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>
\$ 673,279,509	\$ 5,675,994,012	4.731	\$ 14,189,985,030	40%
624,230,855	6,252,187,046	4.731	15,630,467,615	40%
697,411,661	7,177,754,699	4.731	17,944,386,748	40%
610,103,942	6,920,906,154	4.731	17,302,265,385	40%
598,120,585	6,703,482,439	4.731	16,758,706,098	40%
554,479,555	6,462,210,022	4.731	16,155,525,055	40%
550,368,934	6,235,046,808	4.731	15,587,617,020	40%
537,793,108	6,465,254,012	4.731	16,163,135,030	40%
523,071,081	6,405,284,224	4.731	16,013,210,560	40%
603,418,507	6,819,731,077	4.731	17,049,327,693	40%

# CITY OF SANDY SPRINGS, GEORGIA

## PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN CALENDAR YEARS *(rate per \$1,000 of assessed value)*

Calendar Year	Direct		Overlapping				Total Direct & Overlapping Rates	
	Sandy Springs	(1)	School District			State		
			Fulton County	Operating Millage	Debt Service Millage			Total School District Millage
2006	4.731		11.470	17.825	0.282	18.107	0.250	34.558
2007	4.731		10.281	16.904	1.188	18.092	0.250	33.354
2008	4.731		10.281	16.403	1.099	17.502	0.250	32.764
2009	4.731		10.281	17.502	-	17.502	0.250	32.764
2010	4.731		10.281	18.502	-	18.502	0.250	33.764
2011	4.731		10.551	18.502	-	18.502	0.250	34.034
2012	4.731		10.551	18.502	-	18.502	0.250	34.034
2013	4.731		10.551	18.502	-	18.502	0.200	33.984
2014	4.731		10.551	18.502	-	18.502	0.200	33.984
2015	4.731		10.500	18.502	-	18.502	0.050	33.783

Source: Fulton County Tax Commissioner

Note: As set forth in the City's Charter, the millage rate cannot exceed 4.731 mills unless a higher limit is approved through a referendum by a majority of qualified voters of the City.

(1) Total rate is for M&O. No components to separately display.

# CITY OF SANDY SPRINGS, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT AND EIGHT YEARS AGO JUNE 30, 2015

Taxpayer	2015			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Development Authority of Fulton County	\$ 75,398,299	1	1.11 %	\$ 73,122,792	1	1.29 %
FulcoProp56 LLC	64,673,152	2	0.95			
Concourse Owner V/VI LLC	59,938,341	3	0.88			
Georgia Power Company	46,084,143	4	0.68	35,350,272	2	0.62
Sprintcom, Inc	38,026,519	5	0.56	26,874,519	10	0.47
Ctech Holdings LLC	34,176,159	6	0.50			
BT Property LLC	32,503,631	7	0.48	27,282,761	9	0.48
Highwoods DLF 97 26 DFL 99 32	29,283,720	8	0.43			
Fulcoprop400 LLC	28,618,842	9	0.42			
VEF V Atlanta Office Portfolio SPE LLC	27,082,401	10	0.40			
Four Eight Prop LLC				35,000,000	3	0.62
Concourse V Associates				34,600,000	4	0.61
Northpark Associates LTD				33,086,079	5	0.58
Northpark Five Hundred Assoc				29,720,000	6	0.52
Lakeside Commons LTD Ptnrship				27,557,719	7	0.49
Eop Lakeside Office LLC				27,524,680	8	0.48
Totals	\$ 435,785,207		6.39 %	\$ 350,118,821		6.17 %

Source: Fulton County Tax Commissioner

Note: 2007 is the first year the City levied property taxes.



# CITY OF SANDY SPRINGS, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST NINE FISCAL YEARS

Fiscal Period Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 25,186,176	\$ 24,559,900	97.5 %	\$ 590,707	\$ 25,150,607	99.86 %
2008	27,162,838	26,271,821	96.7	850,893	27,122,714	99.85
2009	29,635,929	28,869,540	97.4	727,020	29,596,560	99.87
2010	30,023,553	29,768,046	99.1	221,517	29,989,563	99.89
2011	28,645,938	28,201,259	98.4	417,932	28,619,191	99.91
2012	27,482,337	27,341,375	99.5	114,268	27,455,643	99.90
2013	27,145,118	26,489,079	97.6	630,589	27,119,668	99.91
2014	27,612,718	27,453,075	99.4	121,068	27,574,143	99.86
2015	28,502,532	28,290,291	99.3	-	28,290,291	99.26

Source: Fulton County Tax Commissioner

Note: The City levied property taxes for the first time in 2007.

# CITY OF SANDY SPRINGS, GEORGIA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Period Ended June 30,	Governmental Activities			Percentage of Personal Income (1)		Per Capita (1)	
	Notes Payable	Capital Lease Payable	Total				
2006	\$ 4,000,000	\$ -	\$ 4,000,000	0.09	%	\$	46.14
2007	9,656,563	-	9,656,563	0.18			98.64
2008	8,326,040	-	8,326,040	0.15			83.42
2009	5,059,788	2,563,682	7,623,470	0.15			76.38
2010	3,428,740	2,453,791	5,882,531	0.11			58.02
2011	3,850,776	2,420,534	6,271,310	0.13			66.82
2012	2,842,105	2,237,916	5,080,021	0.10			52.45
2013	212,060	5,447,268	5,659,328	0.12			56.92
2014	-	5,406,234	5,406,234	0.11			54.19
2015	-	4,629,444	4,629,444	0.09			45.43

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

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

# CITY OF SANDY SPRINGS, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping general obligation debt:			
Fulton County	\$ 237,724,000	12.038 %	\$ 28,617,215
Fulton County school district	<u>87,460,000</u>	12.038	<u>10,528,435</u>
Total overlapping debt	325,184,000		39,145,650
City direct debt:			
Capital leases	<u>4,629,444</u>	100	<u>4,629,444</u>
Total direct debt	4,629,444		4,629,444
Total direct and overlapping debt	<u>\$ 329,813,444</u>		<u>\$ 43,775,094</u>

Source: Assessed value date used to estimate applicable percentages and debt outstanding obtained from Fulton County School District.

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 City's boundaries and dividing it by the County's total taxable assessed value.

# CITY OF SANDY SPRINGS, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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<b>Fiscal Period</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>Unemployment Rate (2)</b>
2006	86,698	\$ 4,550,258	\$ 52,484	33.2	2.2 %
2007	97,898	5,265,933	53,790	38.6	4.3
2008	99,808	5,376,735	53,871	37.9	5.4
2009	99,808	5,231,035	52,411	35.2	10.4
2010	101,390	5,208,607	51,372	34.8	10.2
2011	93,853 (3)	4,933,008	52,561	33.9	8.3
2012	96,856	5,129,397	52,959	34.9	8.3
2013	99,419	4,805,815	48,339	33.4	8.8
2014	99,770	5,115,208	51,270	35.0	5.8
2015	101,908	5,091,731	49,964	35.6	4.4

(1) Source: U. S. Census Bureau

(2) Georgia Department of Labor

# CITY OF SANDY SPRINGS, GEORGIA

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
IBM Corp	3,748	1	6.1%	894	4	1.5%
Cox Communications	2,016	2	3.3%			
Cisco Systems Inc	1,690	3	2.8%			
United Parcel Service General	1,678	4	2.7%	1,653	1	2.7%
Airwatch LLC	1,640	6	2.7%			
Oracle America Inc	1,050	7	1.7%			
AT&T Mobility	796	5	1.3%	1,137	2	1.9%
Cox Enterprises	764	8	1.2%			
World Pay US	707	9	1.2%			
National Account Svc. Co.	698	10	1.1%			
Manheim Auctions, Inc				926	3	1.5%
Internet Security Systems				753	5	1.2%
ING North American Ins Corp				675	6	1.1%
RBS Lynk Inc				675	7	1.1%
Ceridian Corporation				604	8	1.0%
Coca-Cola USA Customer Care				587	9	1.0%
Manheim Corporate Services, Inc.				535	10	0.9%
Totals	14,787		24.1%	8,439		13.9%

(1) Source: City of Sandy Springs employer's business license filing

(2) Source: U.S. Bureau of Labor Statistics

# CITY OF SANDY SPRINGS, GEORGIA

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

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	49	46	46	46	46	63	63	62	55	120
Judicial	12	13	13	15	15	11	11	12	10	0
Public safety										
Police										
Officers	129	124	129	129	129	132	132	124	111	44
Civilians	22	14	17	17	17	7	7	15	15	2
Fire										
Firefighters (1)	96	138	133	135	128	122	123	106	105	0
Civilians	1	1	2	2	2	17	16	3	5	0
Public works										
Highways and streets	31	30	30	25	25	25	25	26	23	65
Culture and recreation	10	7	7	12	12	9	9	8	6	0
Housing and development	34	30	30	27	27	37	37	45	44	5
Total	384	403	407	408	401	423	423	401	374	236

Source: City of Sandy Springs Human Resources Department

Note: Fiscal year 2007 is the City's first full year of operations. The 2006 period was only 7 months.

The City is gradually taking over the services provided to its citizens by Fulton County, which results in changes to the number of employees. The City hired additional employees during 2007 and 2008 as well as transferred existing employees between departments.

FY11 Judicial, Public Works, Culture and recreation, Housing and development are contracted services

(1) Includes the full time equivalents for the part time positions

# CITY OF SANDY SPRINGS, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST EIGHT FISCAL YEARS

Function	2015	2014	2013	2012	2011	2010	2009	2008
General government								
Ordinances approved	48	32	26	36	38	82	70	108
Court cases	18,323	22,313	22,943	23,344	22,083	24,781	28,631	28,793
Grants managed	17	26	16	26	28	21	21	18
Police								
Calls for service	95,138	99,525	102,319	85,480	61,727	91,494	84,393	92,482
Part 1 crimes reported	2,766	3,012	2,924	2,817	2,639	2,984	3,104	3,827
Traffic citations issued	21,274	22,877	21,519	21,266	22,976	20,467	20,933	23,013
Fire								
Incident responses	11,347	12,177	12,069	10,567	10,769	12,668	15,885	18,425
Average response time	7	7.5 minutes	7 minutes	6 minutes	6.45 minutes	6 minutes	6 minutes	6 minutes
Fire safety programs conducted	463	378	403	383	308	220	575	138
Inspections conducted	5,729	4,160	3,449	3,834	3,810	3,139	3,341	2,256
Highways and streets								
Traffic signals timed	126	124	123	123	114	60	60	121
Average days to repair pothole	1-5 days	1-5 days	1-5 days	1-5 days	1-5 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days
Community development								
Stormwater plans reviewed	57	42	55	29	21	64	65	38
New building permits issued	2,749	1,442	1,458	1,382	1,545	1,368	1,188	1,814
Parcels annexed	0	0	0	0	0	0	0	0
Culture and recreation								
Park acres maintained	220	220	227	220	220	225	225	155
Park & facilities	17	17	16	16	16	15	14	13
Annual program registrants	45,110	45,110	83,857	36,500	36,500	(1) 9,050	9,010	7,250

Sources: Various City departments.

Note: Operating indicators are not available for years prior to 2008.

(1) In 2011 the City began including number of registrants of participants in City run programs and those run by a contracted third party.

**CITY OF SANDY SPRINGS, GEORGIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Stations (1)	1	1	1	1	1	1	1	1	1	1
Patrol Units	123	156	137	165	156	131	100	106	100	40
Patrol Zones	8	8	8	8	8	8	8	8	8	3
Fire stations										
Leased (1)	1	1	1	1	2	2	2	2	2	-
Owned	3	3	3	3	2	2	2	2	2	-
Public Works										
Streets (miles)	360	360	360	360	360	360	360	360	360	295
Traffic Signals	126	123	123	123	114	122	119	121	119	78
Culture and recreation										
Park acreage	220	220	227	220	220	219	219	195	168	-
Recreational facilities	17	17	16	16	16	15	14	13	12	-

Source: Various City departments.

(1) Reflects building operating lease.

Note: Fiscal year 2007 is the City's first full year of operations. The 2006 period was only 7 months.

Capital asset indicators are not available for the following functions: general government, judicial, and housing and development.



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