

CITY OF SANDY SPRINGS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013

Prepared by:
Finance Department

Submitted by:
John F. McDonough
City Manager

CITY OF SANDY SPRINGS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



December 4, 2013

Honorable Eva Galambos, 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, 2013 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, 2013 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, 2013 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 99,419. According to the 2010 Census, the City's population was 65% White, 20% Black and 14.2% Hispanic. Sandy Springs is home to one of the largest business districts in the state and is proud to be home to the largest suburban buildings in the United States, the 570-foot Concourse Towers. Twenty-two miles of the Chattahoochee River flow through the City, creating a unique recreational opportunity in a metropolitan setting.



Policy making 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 Mayor appoints, subject to confirmation by the council, a City Manager to carry out the administrative operations of the government. 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.

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.

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).

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

While the City's residential population is 99,419, the daytime population swells to more than 200,000, due to the concentration of major corporations and businesses. Sandy Springs is home to several Fortune 1000 companies, including Cox Enterprises, Intercontinental Exchange, First Data, Mueller Water Products, Newell Rubbermaid, AirWatch, Graphic Packaging, ING North America, and United Parcel Service (UPS). The City's commercial properties comprise over 40% of the total tax digest by property value, ensuring a strong economic environment for the government. The City is home to more than 40% of the available hospital beds in the metropolitan Atlanta area and is proud to be the home of Northside Hospital, Saint Joseph's Hospital and Children's Healthcare of Atlanta. More babies are born every year at Northside Hospital in Sandy Springs than any other hospital in the United States.



According to the 2010 Census, there were 40,614 households in the City. The average household size was 2.23 people. Median household income was \$67,260 and per capita income was \$52,561. Median home value was \$436,800 and median age was 34.8 years. At 80.6%, the majority of Sandy Springs residents are 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. In 2012, Sandy Springs was named the 25th highest top earning town in the country. The study considered factors including employment rates, quality of life, weather, natural beauty, concentration of businesses and the school systems. It was also rated the 9th most affluent city in the country by Portfolio.com. With a median family income of \$113,929, the City was ranked by CNN Money as the 7th best place in the country for the rich and single in August 2012.

NATIONAL ECONOMY

With the steadily improving job market, the unemployment rate improved slightly for the state of Georgia in 2013 to 8.7%, city-wide lowered to 8.8%. The monetary crisis around the globe is having 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 August 2013, all 20 MSAs posted positive monthly returns but with a deceleration compared to July. Atlanta posted mid-range at 18.4% annual growth, compared to Las Vegas with 29.2% at the top of the range.

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.

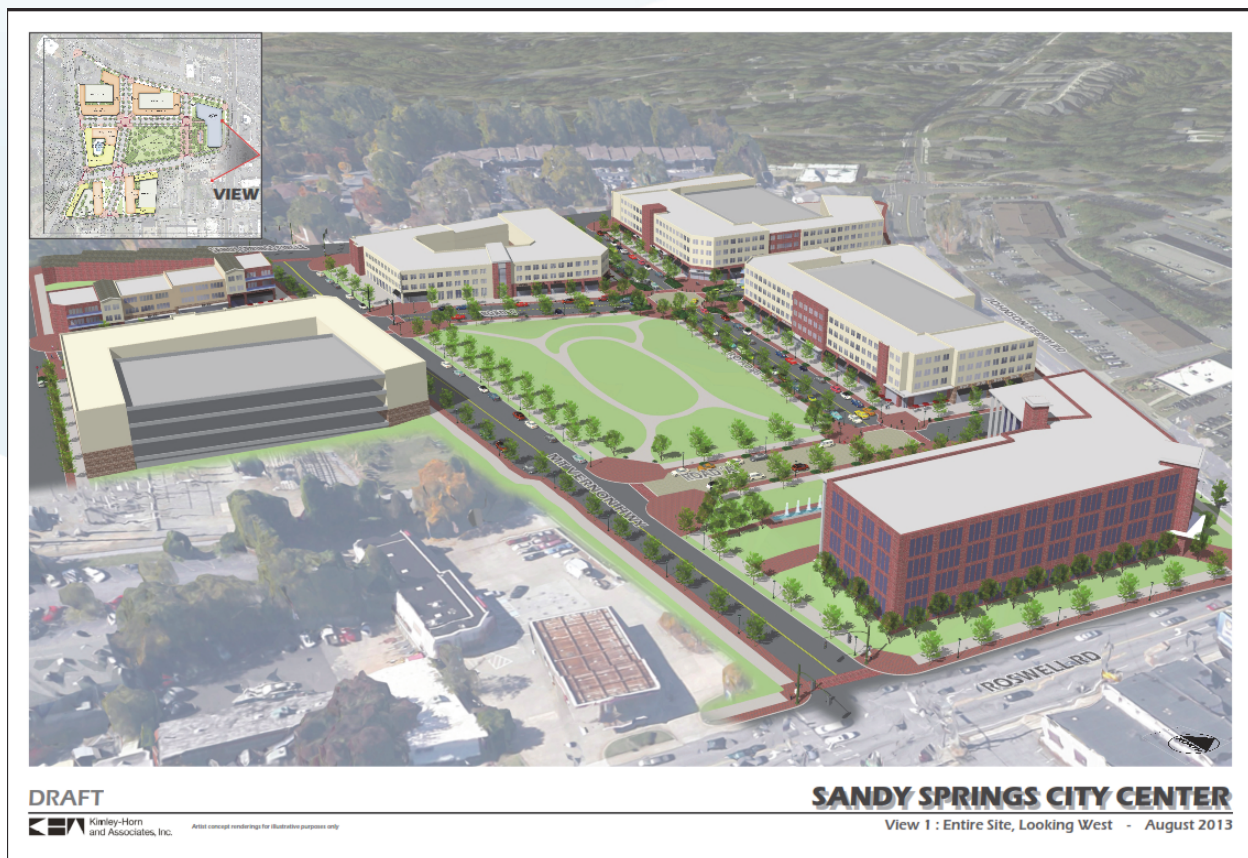
Despite the negative impacts to the U.S. economy, Sandy Springs continues to enjoy a strong financial outlook. The City is expected to continue developing as an economic hub and preferred location for business and residential investment. Through planned growth consistent with existing zoning, the governing body approved several distinctive commercial developments during Fiscal Year 2013. 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

On December 18, 2012, City Council adopted the City Center Master Plan that will turn the downtown area of Sandy Springs into a more vibrant, business-attractive and family-friendly community. Within the City Center Master Plan, the Council adopted on January 30, 2013 to fund and implement the Phase I Plan that encourages a public-private partnership to develop a mixed-use livable center consisting of parks, streetscapes, a civic facility, retail and residential uses.

With the adoption of the Phase I Plan, the City actively began work in land acquisition, developing a parking study, selecting a utility identification program to help the City manage the re-location and installation of new utilities as roadway and building infrastructure occurs. The City will begin the process of selecting a Master Developer to bring the Phase I area to life in 2014.

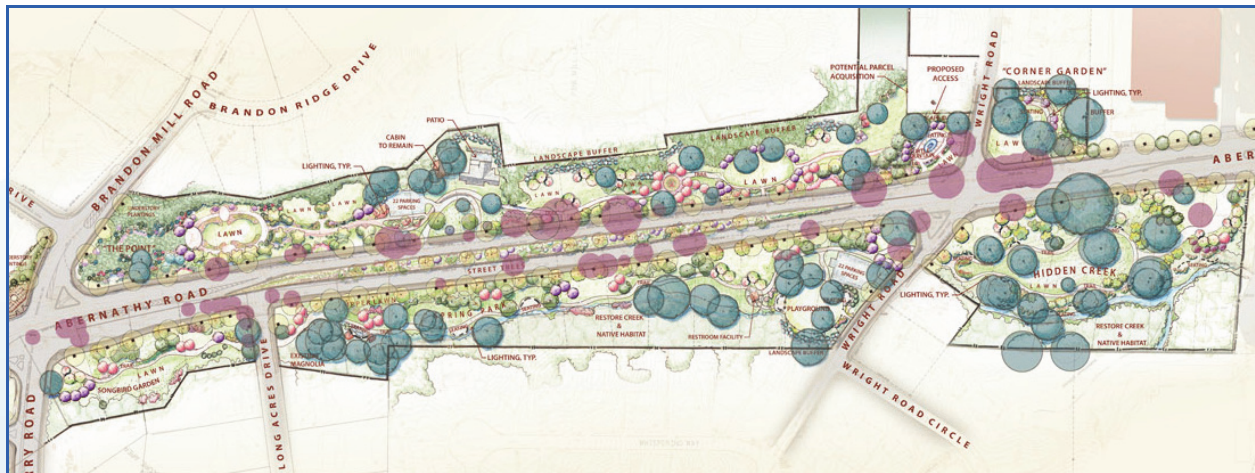


Lost Corners Preserve

The City began working on the Miles house stabilization, hiking trails, the eradication of invasive plants and improving plant inventory. Currently, design work is complete for the entrance drive, a parking lot, and development of the community gardens has been completed. The City received an additional 2 acres for this site and will be adding this to its park enhancement plans.

Abernathy Greenway Park

Construction continues on this linear park in central Sandy Springs, including grading, drainage, landscaping, and relocation of utilities. Phase IV, which includes the construction of multi-use paths, lighting, restroom pavilions, a parking lot, and perimeter fencing as well as hardscapes at the west and east entrance, was awarded in May 2013. Additionally, the foundations and soft surfaces for the playable art are underway.



Abernathy Linear Park Conceptual Plan

INITIATIVES FOR FUTURE YEARS

City Center – Phase I

The City committed an additional \$13.5 million to the City Center Master Plan with the adoption of the 2014 budget. \$3.5 million was allocated to land acquisition while the remaining funds were allocated to road improvements, infrastructure, and stormwater improvements leading to a unique combination park/drainage retainage system.

Continued Construction on Park Facilities

Construction on some of the parks mentioned above continues. The City committed an additional \$500,000 for park improvements in the 2014 budget. This includes additional funding for the Abernathy Greenway Linear Park for additional design services for future construction phases.

Finance

Public Works Facilities

\$5.4 million was included in the 2014 capital budget for infrastructure improvements to roads, bridges, storm water drainage, sidewalks, intersections and traffic management. In May 2013, the City began work in acquiring 7475 Trowbridge Road as a storage facility for City Hall, with the final purchase being made in August 2013. The City currently has over 30 capital projects in various stages of construction and planning.

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, 2012. This was the seventh 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.

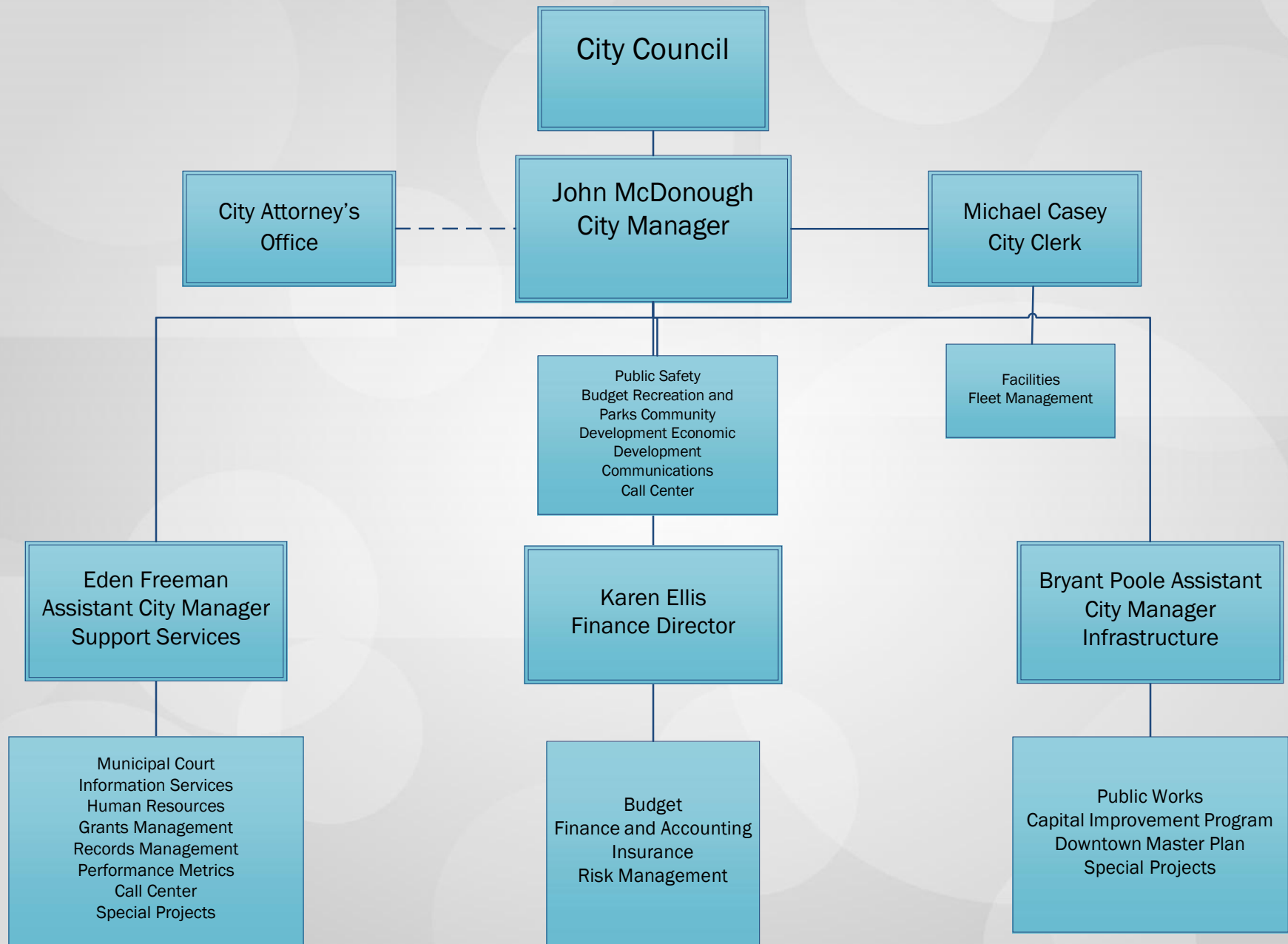
Acknowledgments - The preparation of the report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance Department, the auditors for the City and its component unit, and the cooperation of City staff in various departments. My sincere appreciation is extended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

Respectfully submitted,

John McDonough
City Manager

Karen Ellis
Finance Director

Finance

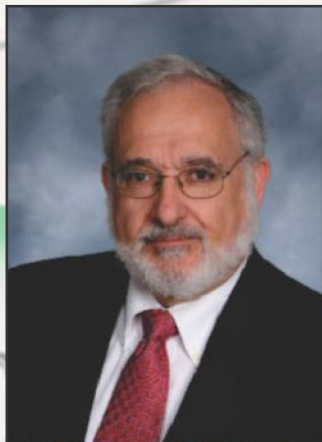


Mayor and City Council

Elected Officials and Manager



**Mayor
Eva Galambos**



**Councilmember
Tibby DeJulio**



**Councilmember
Dianne Fries**



**Councilmember
John Paulson**



**Councilmember
Gabriel Sterling**



**Councilmember
Karen McEnerney**



**Councilmember
Chip Collins**



**City Manager
John McDonough**



City of Sandy Springs, Georgia

Listing of Principal Officials



Assistant City Managers

Eden Freeman, Bryant Poole

Finance Director

Karen Ellis

City Clerk

Michael Casey

Court Clerk

Cheston Roney

Police Chief

Ken DeSimone

Fire Chief

Jack McElfish

City Attorney

Wendell Willard

Communications Director

Sharon Kraun

Community Development Director

Angela Parker

Human Resources Director

Carol Sicard

Information Services Director

Johnny Johnson

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, 2012

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**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 discretely presented component unit, 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, 2013, 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 controls 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.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sandy Springs, Georgia as of June 30, 2013, 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.

Emphasis of Matter

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. Our opinions are not modified with respect to this matter.

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 42 and 43) 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.

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 4, 2013 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 4, 2013

CITY OF SANDY SPRINGS, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2013. 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 at the close of the fiscal year by \$255,831,742 (total net position), which represents an increase of \$17,542,389 from the prior year. Of the total net position, \$82,177,486 (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 \$89,067,140. This represents an increase of \$18,503,858 over the prior year.
- Total governmental revenues were \$97,833,753, an increase of \$2,145,345 or 2.24% from the prior year.
- Total governmental expenditures were \$82,896,956, an increase of \$7,674,262 or 10.20% 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 position presents information on all of the City's assets and liabilities, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 nine 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 19 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 41 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 44 through 54 of this report. Required supplementary information can be found on pages 42 and 43 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 by \$255,831,742. This represents a \$17,542,389, or 7.36% increase over last year.

The largest portion of the City's net position, \$170,948,189 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 (\$2,706,067), the remaining portion of the City's net position represents unrestricted net position of \$82,177,486 that is available to meet the ongoing obligations of the government. This amount represents 102% of current governmental expenses, and a 9.94% increase over the prior year.

The City has current and other assets of \$99,552,558. These assets include \$86,639,880 of cash and investments. This is an increase of \$14,134,001, or 19.5% over the prior year.

The City's capital assets are \$173,218,999 which represents an increase of \$6,625,895, or 3.98% over the prior year as the City continues to invest in infrastructure and recreational improvements

Long term liabilities increased by \$757,588 or 11.75% from the prior year, as the City paid off existing notes and capital leases and entered into a new capital lease related to acquisitions of automobiles and other public safety equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of the current fiscal year, the City reported increasing balances in all net position categories. The table below summarizes the City's Net Position for 2013 and 2012.

City of Sandy Springs Net Position

	Governmental Activities		Dollar	Percent
	2013	2012	Increase (Decrease)	
Assets				
Current assets	\$ 99,552,558	\$ 79,550,266	\$ 20,002,292	25.14 %
Investment in joint venture	-	7,156,301	(7,156,301)	(100.00)
Capital assets, net of accumulated depreciation	<u>173,218,999</u>	<u>166,593,104</u>	<u>6,625,895</u>	<u>3.98</u>
Total assets	<u>272,771,557</u>	<u>253,299,671</u>	<u>19,471,886</u>	<u>7.69</u>
Liabilities				
Current liabilities	9,466,085	8,564,176	901,909	10.53
Long-term liabilities	<u>7,203,730</u>	<u>6,446,142</u>	<u>757,588</u>	<u>11.75</u>
Total liabilities	<u>16,669,815</u>	<u>15,010,318</u>	<u>1,659,497</u>	<u>11.06</u>
Deferred service concession arrangement	<u>270,000</u>	<u>-</u>	<u>270,000</u>	<u>100.00</u>
Net Position				
Net investment in capital assets	170,948,189	161,513,083	9,435,106	5.84
Restricted	2,706,067	2,026,724	679,343	33.52
Unrestricted	<u>82,177,486</u>	<u>74,749,546</u>	<u>7,427,940</u>	<u>9.94</u>
Total net position	<u>\$ 255,831,742</u>	<u>\$ 238,289,353</u>	<u>\$ 17,542,389</u>	<u>7.36 %</u>

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 and licenses and permits. These revenues increased \$956,992 or 9.74%. Licenses and permits increased \$630,742 as the economy improves and building activity resumes. Fines and forfeitures increased \$613,114 due to increases in confiscation of assets. Capital grants and contributions increased \$1,068,308 or 17.94% due to success in obtaining federally funded grants and increases in reimbursable expenditures in these grants. Business taxes increased \$966,632 or 7.58% as the economy continues to improve.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses: Public safety expenses increased \$9,782,903 or 32.49%. Public safety expenses include the write-down of \$7,156,301 of the City's intergovernmental receivable from the Chattahoochee River 911 Authority. In addition, the current year subsidy of \$1,069,625 to the Authority has also been included in the allowance for doubtful accounts. Increases in general operating costs and increases in depreciation account for the remainder of increases in public safety expenses, since major computer upgrades and replacements were done in the prior year. Public works expenses increased \$3,606,163 or 23.31% due to increases in road and storm water repair and maintenance. Housing and Development expenses increased \$1,173,082 or 56.78% due to increases in professional services for planning and development activities including the downtown master plan.

City of Sandy Springs Changes in Net Position

	Governmental Activities		Dollar	Percent
	2013	2012	Increase (Decrease)	
Revenues				
Program revenues:				
Charges for services	\$ 10,779,840	\$ 9,822,848	\$ 956,992	9.74 %
Operating grants and contributions	25,462	137,855	(112,393)	(81.53)
Capital grants and contributions	7,024,050	5,955,742	1,068,308	17.94
General revenues:				
Property taxes	29,173,500	29,268,099	(94,599)	(0.32)
Sales and use taxes	23,727,126	23,717,444	9,682	0.04
Hotel/motel taxes	3,763,907	3,695,536	68,371	1.85
Franchise taxes	9,311,894	9,593,906	(282,012)	(2.94)
Business taxes	13,717,622	12,750,990	966,632	7.58
Unrestricted investment earnings	147,672	205,572	(57,900)	(28.17)
Miscellaneous revenues	495,674	342,566	153,108	44.69
Total revenues	<u>98,166,747</u>	<u>95,490,558</u>	<u>2,676,189</u>	<u>2.80</u>
Expenses				
General government	10,830,697	10,887,073	(56,376)	(0.52)
Judicial	1,691,681	1,459,938	231,743	15.87
Public safety	39,889,066	30,106,163	9,782,903	32.49
Public works	19,079,592	15,472,596	3,606,996	23.31
Culture and recreation	5,803,498	5,593,442	210,056	3.76
Housing and development	3,238,943	2,065,861	1,173,082	56.78
Interest on long-term debt	90,881	187,350	(96,469)	(51.49)
Total expenses	<u>80,624,358</u>	<u>65,772,423</u>	<u>14,851,935</u>	<u>22.58</u>
Change in net position	17,542,389	29,718,135	(12,175,746)	(40.97) %
Net position, beginning of year	<u>238,289,353</u>	<u>208,571,218</u>		
Net position, end of year	<u>\$ 255,831,742</u>	<u>\$ 238,289,353</u>		

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2013 and 2012.

Governmental Revenues, Expenditures and Changes in Fund Balances

	<u>Governmental Activities</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>	
Revenues:				
Taxes	\$ 79,868,967	\$ 79,343,825	\$ 525,142	0.66 %
Licenses and permits	2,482,713	1,851,971	630,742	34.06
Intergovernmental revenues	6,528,813	5,885,742	643,071	10.93
Fines and forfeitures	4,032,615	3,419,501	613,114	17.93
Charges for services	4,264,512	4,551,376	(286,864)	(6.30)
Interest income	147,672	205,572	(57,900)	(28.17)
Other	508,461	430,421	78,040	18.13
Total revenues	<u>97,833,753</u>	<u>95,688,408</u>	<u>2,145,345</u>	<u>2.24</u>
Expenditures:				
General government	12,105,333	11,048,889	1,056,444	9.56
Public Safety	31,338,228	31,003,258	334,970	1.08
Judicial	1,691,077	1,459,938	231,139	15.83
Public Works	24,765,819	21,642,758	3,123,061	14.43
Recreation	6,414,601	5,932,476	482,125	8.13
Housing and Development	3,556,669	2,753,603	803,066	29.16
Debt service	3,025,229	1,381,772	1,643,457	118.94
Total expenditures	<u>82,896,956</u>	<u>75,222,694</u>	<u>7,674,262</u>	<u>10.20</u>
Excess of revenues over expenditures	14,936,797	20,465,714	(5,528,917)	(27.02)
Proceeds from sale of capital assets	59,612	50,000	9,612	19.22
Proceeds from capital lease	3,507,449	-	3,507,449	100.00
Net change in fund balance	18,503,858	20,515,714	(2,011,856)	(9.81)
Fund balance, beginning of year	<u>70,563,282</u>	<u>50,047,568</u>	<u>20,515,714</u>	<u>40.99</u>
Fund balance, end of year	<u>\$ 89,067,140</u>	<u>\$ 70,563,282</u>	<u>\$ 18,503,858</u>	<u>26.22 %</u>

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$89,067,140. Of this balance, \$53,677,656 has been assigned by management to be used primarily for infrastructure projects; \$7,266,222 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2014; \$20,522,843 is considered unassigned and can be used to meet the near term operating needs of the City; \$2,706,067 is restricted by law or ordinance; and \$4,894,352 represents prepaid items.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds – continued

Tax revenues have remained consistent with prior year. Revenues for licenses and permits have increased \$630,742 or 34.06% as building activity as well as the general economy is recovering. Intergovernmental revenues increased \$643,071 or 10.93% due to success in obtaining U.S. Department of Transportation grants as well as significant FEMA and HUD grants and these grants becoming more active. Fines and forfeitures increased \$613,114 or 17.93% due to increases in confiscation of assets.

General Government expenditures have increased \$1,056,444 or 9.56% due to increases in capital projects, primarily the City Center project. Judicial expenditures have increased \$231,139 or 15.83% as court positions are filled. Public works expenditures increased \$3,123,061 or 14.43% due to planned increases in spending on infrastructure projects. Recreation expenditures increased \$482,125 or 8.13% due to increased investment in parks and facilities. Housing and development expenses increased \$803,066 or 29.16% as a result professional services related to the downtown master plan and economic development.

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 \$33,589,883, a decrease of \$1,135,444. 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, 2013 was \$20,522,843 and represents 33.20% percent of total general fund expenditures. Total General Fund revenues have increased \$1,479,606 or 1.80%. Business taxes have increased \$692,966 or 8.30% and licenses and permits revenue has increased \$630,742 or 34.06% as local economic conditions improve.

General fund expenditures excluding debt service increased \$2,615,435 or 4.66% as a result of general increases in costs. Debt service expenses increased \$1,643,457 or 118.94% as the City paid off two equipment notes early.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund - Continued

General Fund Revenues, Expenditures and Changes in Fund Balances

	2013	2012	Dollar Increase (Decrease)	Percent
Revenues:				
Property taxes	\$ 29,348,418	\$ 29,525,159	\$ (176,741)	(0.60) %
Sales Taxes	23,727,126	23,717,444	9,682	0.04
Franchise taxes	9,311,894	9,654,696	(342,802)	(3.55)
Business taxes	9,041,856	8,348,890	692,966	8.30
Insurance premium tax	4,675,766	4,402,100	273,666	6.22
Licenses and permits	2,482,713	1,851,971	630,742	34.06
Intergovernmental revenues	79,636	60,946	18,690	30.67
Fines and forfeitures	3,324,956	3,271,883	53,073	1.62
Charges for services	1,050,972	808,689	242,283	29.96
Interest earned	145,291	204,857	(59,566)	(29.08)
Contributions	20,762	73,582	(52,820)	(71.78)
Other	482,999	292,566	190,433	65.09
Total revenues	83,692,389	82,212,783	1,479,606	1.80
Expenditures:				
General government	10,529,546	10,341,653	187,893	1.82
Public Safety	28,165,044	27,793,843	371,201	1.34
Judicial	1,691,077	1,459,938	231,139	15.83
Public Works	12,023,806	11,041,361	982,445	8.90
Recreation	2,827,219	2,782,374	44,845	1.61
Housing and Development	3,551,515	2,753,603	797,912	28.98
Debt service				
Principal	2,928,142	1,191,289	1,736,853	145.80
Interest	97,087	190,483	(93,396)	(49.03)
Total expenditures	61,813,436	57,554,544	4,258,892	7.40
Excess of revenues over expenditures	21,878,953	24,658,239	(2,779,286)	(11.27)
Proceeds from sale of capital assets	59,612	50,000	9,612	19.22
Proceeds from issuance of capital lease	3,507,449	-	3,507,449	100.00
Transfers in	1,088,248	1,064,369	23,879	2.24
Transfers out	(27,669,706)	(12,501,750)	(15,167,956)	121.33
Net change in fund balance	(1,135,444)	13,270,858	(14,406,302)	(108.56)
Fund balance, beginning of year	34,725,327	21,454,469	13,270,858	61.86
Fund balance, end of year	\$ 33,589,883	\$ 34,725,327	\$ (1,135,444)	(3.27) %

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on pages 42 and 43. For fiscal year 2013, the City had an overall favorable budget variance of \$13,564,957.

Revenues were \$5,864,389 better than budgeted as economic conditions improved during the year and the City's revenue budgets are very conservative. Expenditures were \$6,396,302 better than budgeted as management has used extremely conservative estimates and rebidding of operating contracts further reduced costs.

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 2013, the fund balance for this fund was \$52,729,595 which represents a significant increase of \$18,959,585 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. Therefore, this increase represents amounts that have been allocated toward specific projects but are in various stages of completion. 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 2013, the general fund contributed \$27,669,706 toward capital projects. Revenues from state and federal transportation funds were \$4,655,146. Expenditures totaled \$13,547,383 for 2013 compared to \$7,259,461 in 2012. Below is a table comparing capital project funding for 2013 and 2012.

City of Sandy Springs Capital Projects Fund Expenditures

	2013	2012	Dollar Increase (Decrease)	Percent
General Government	\$ 1,575,787	\$ 707,236	\$ 868,551	122.81 %
Public Safety	-	53,900	(53,900)	(100.00)
Public Works	11,067,997	5,988,314	5,079,683	84.83
Housing and Development	5,154	-	5,154	100.00
Culture and Recreation	898,445	510,011	388,434	76.16
	\$ 13,547,383	\$ 7,259,461	\$ 6,287,922	86.62 %

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Projects Fund - Continued

General government capital expenditures increased \$868,551 or 122.81% primarily related to increases in the City Center Project. Public works capital expenditures increased \$5,079,683 or 84.83% as a result of increased spending on road and sidewalk construction projects in 2013, primarily federally reimbursable contracts. Culture and recreation capital expenditures increased \$388,434 or 76.16% primarily as a result of increased spending on the Abernathy Greenway project and Hammond Park upgrades.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$173,218,999 (net of accumulated depreciation). This represents an increase of \$6,625,895 or 3.98% over the prior year. Assets donated when the City was formed in 2006 were approximately \$78 million, which means that the City has added approximately \$95 million of new equipment, land and infrastructure since City inception. Additional information on the City's capital assets can be found in note 6 on page 34 of this report.

City of Sandy Springs Capital Assets (net of depreciation)

	Governmental Activities		Dollar	Percent
	2013	2012	Increase (Decrease)	
Land	\$ 23,573,093	\$ 22,303,780	\$ 1,269,313	5.69 %
Constuction in progress	31,928,045	31,868,375	59,670	0.19
Buildings	5,049,900	5,249,690	(199,790)	(3.81)
Improvements	8,246,957	3,585,517	4,661,440	130.01
Machinery and equipment	6,947,536	8,497,117	(1,549,581)	(18.24)
Infrastructure	97,473,468	95,088,625	2,384,843	2.51
	<u>\$ 173,218,999</u>	<u>\$ 166,593,104</u>	<u>\$ 6,625,895</u>	<u>3.98 %</u>

Long-term Debt At the end of fiscal year 2013, the City had total debt outstanding of \$5,659,328, 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 35 and 36 of this report.

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2014 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates - Continued

- 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 2014.
- 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, Sandy Springs, Georgia, 30350, or by calling 770-730-5600.

CITY OF SANDY SPRINGS, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2013**

	Primary Government	Component Unit
	Governmental Activities	Sandy Springs Hospitality Board
ASSETS		
Cash and cash equivalents	\$ 84,049,836	\$ 408,535
Investments	2,590,044	-
Taxes receivable	1,838,108	-
Accounts receivable	824,013	398
Due from other governments	5,356,205	-
Due from primary government	-	199,837
Prepays	4,894,352	7,156
Capital assets:		
Nondepreciable	55,501,138	-
Depreciable, net of accumulated depreciation	117,717,861	-
Total assets	272,771,557	615,926
LIABILITIES		
Accounts payable	7,110,627	43,334
Accrued liabilities	2,155,621	-
Due to component unit	199,837	-
Compensated absences due within one year	716,837	-
Compensated absences due in more than one year	827,565	-
Capital leases, due within one year	664,650	-
Capital leases, due in more than one year	4,782,618	-
Notes payable due within one year	212,060	-
Total liabilities	16,669,815	43,334
DEFERRED INFLOWS OF RESOURCES		
Deferred service concession arrangement	270,000	-
Total deferred inflows of resources	270,000	-
NET POSITION		
Net investment in capital assets	170,948,189	-
Restricted:		
Infrastructure improvements	1,715,328	-
Public safety projects	867,578	-
Tourism	1,075	572,592
Recreation	122,086	-
Unrestricted	82,177,486	-
Total net position	\$ 255,831,742	\$ 572,592

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, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 10,830,697	\$ 826,641	\$ 20,762	\$ -
Judicial	1,691,681	3,324,956	-	-
Public safety	39,889,067	3,554,021	-	144,419
Public works	19,079,592	465,425	-	6,879,631
Culture and recreation	5,803,498	945,132	4,700	-
Housing and development	3,238,942	1,663,665	-	-
Interest on long-term debt	90,881	-	-	-
Total governmental activities	<u>80,624,358</u>	<u>10,779,840</u>	<u>25,462</u>	<u>7,024,050</u>
Total primary government	<u>\$ 80,624,358</u>	<u>\$ 10,779,840</u>	<u>\$ 25,462</u>	<u>\$ 7,024,050</u>
Component Unit				
Sandy Springs Hospitality Board	\$ 1,156,579	\$ -	\$ 1,209,720	\$ -
	<u>\$ 1,156,579</u>	<u>\$ -</u>	<u>\$ 1,209,720</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Franchise taxes				
Business taxes				
Insurance premium tax				
Unrestricted investment earnings				
Miscellaneous revenues				
Gain on sale of capital assets				
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 Unit
Governmental Activities	Sandy Springs Hospitality Board
\$ (9,983,294)	\$ -
1,633,275	-
(36,190,627)	-
(11,734,536)	-
(4,853,666)	-
(1,575,277)	-
(90,881)	-
<u>(62,795,006)</u>	<u>-</u>
<u>(62,795,006)</u>	<u>-</u>
-	53,141
<u>-</u>	<u>53,141</u>
29,173,500	-
23,727,126	-
3,763,907	-
9,311,894	-
9,041,856	-
4,675,766	-
147,672	-
482,999	159
12,675	-
<u>80,337,395</u>	<u>159</u>
17,542,389	53,300
238,289,353	519,292
<u>\$ 255,831,742</u>	<u>\$ 572,592</u>

CITY OF SANDY SPRINGS, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

ASSETS	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 26,879,992	\$ 53,258,038	\$ 3,911,806	\$ 84,049,836
Investments	2,590,044	-	-	2,590,044
Taxes receivable	1,454,514	-	383,594	1,838,108
Other receivables	182,845	17,563	353,605	554,013
Intergovernmental receivables	1,852,522	3,181,196	322,487	5,356,205
Due from other funds	1,147,435	-	2,470	1,149,905
Prepays	4,894,352	-	-	4,894,352
Total assets	\$ 39,001,704	\$ 56,456,797	\$ 4,973,962	\$ 100,432,463
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,412,109	\$ 2,819,490	\$ 879,028	\$ 7,110,627
Accrued liabilities	1,798,362	342,475	-	2,140,837
Due to other funds	2,470	-	1,147,435	1,149,905
Due to component unit	-	-	199,837	199,837
Total liabilities	5,212,941	3,161,965	2,226,300	10,601,206
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	198,880	-	-	198,880
Unavailable revenue - other	-	565,237	-	565,237
Total deferred inflow of resources	198,880	565,237	-	764,117
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepays	4,894,352	-	-	4,894,352
Restricted:				
Public safety projects	-	-	867,578	867,578
Tourism	-	-	1,075	1,075
Recreation	-	-	122,086	122,086
Infrastructure improvements	-	-	1,715,328	1,715,328
Assigned:				
Stormwater projects	906,466	-	-	906,466
Infrastructure improvements	-	52,729,595	-	52,729,595
Community development	-	-	41,595	41,595
2014 fiscal year appropriations of fund balance	7,266,222	-	-	7,266,222
Unassigned	20,522,843	-	-	20,522,843
Total fund balances	33,589,883	52,729,595	2,747,662	89,067,140
Total liabilities, deferred inflow of resources, and fund balances	\$ 39,001,704	\$ 56,456,797	\$ 4,973,962	
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.				173,218,999
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(7,218,514)
Some revenues are not available in the current period and, therefore, are not reported in the funds.				764,117
Net position of governmental activities				\$ 255,831,742

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, 2013**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 29,348,418	\$ -	\$ -	\$ 29,348,418
Sales taxes	23,727,126	-	-	23,727,126
Hotel/Motel taxes	-	-	3,763,907	3,763,907
Franchise taxes	9,311,894	-	-	9,311,894
Business taxes	9,041,856	-	-	9,041,856
Insurance premium tax	4,675,766	-	-	4,675,766
Licenses and permits	2,482,713	-	-	2,482,713
Intergovernmental	79,636	4,655,146	1,794,031	6,528,813
Charges for services	1,050,972	-	3,213,540	4,264,512
Fines and forfeitures	3,324,956	-	707,659	4,032,615
Interest earned	145,291	-	2,381	147,672
Contributions	20,762	-	4,700	25,462
Miscellaneous	482,999	-	-	482,999
Total revenues	<u>83,692,389</u>	<u>4,655,146</u>	<u>9,486,218</u>	<u>97,833,753</u>
Expenditures:				
Current:				
General government	10,529,546	1,575,787	-	12,105,333
Judicial	1,691,077	-	-	1,691,077
Public safety	28,165,044	-	3,173,184	31,338,228
Public works	12,023,806	11,067,997	1,674,016	24,765,819
Culture and recreation	2,827,219	898,445	2,688,937	6,414,601
Housing and development	3,551,515	5,154	-	3,556,669
Debt service:				
Principal	2,928,142	-	-	2,928,142
Interest	97,087	-	-	97,087
Total expenditures	<u>61,813,436</u>	<u>13,547,383</u>	<u>7,536,137</u>	<u>82,896,956</u>
Excess (deficiency) of revenues over expenditures	<u>21,878,953</u>	<u>(8,892,237)</u>	<u>1,950,081</u>	<u>14,936,797</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	59,612	-	-	59,612
Issuance of capital lease	3,507,449	-	-	3,507,449
Transfers in	1,088,248	27,851,822	117,884	29,057,954
Transfers out	<u>(27,669,706)</u>	<u>-</u>	<u>(1,388,248)</u>	<u>(29,057,954)</u>
Total other financing sources (uses)	<u>(23,014,397)</u>	<u>27,851,822</u>	<u>(1,270,364)</u>	<u>3,567,061</u>
Net change in fund balances	(1,135,444)	18,959,585	679,717	18,503,858
Fund balances, beginning of year	<u>34,725,327</u>	<u>33,770,010</u>	<u>2,067,945</u>	<u>70,563,282</u>
Fund balances, end of year	<u>\$ 33,589,883</u>	<u>\$ 52,729,595</u>	<u>\$ 2,747,662</u>	<u>\$ 89,067,140</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, 2013

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

Net change in fund balances - total governmental funds	\$ 18,503,858
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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.	6,672,832
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The net effect of various miscellaneous transactions involving capital assets (disposals) is to decrease net position.	(46,937)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	320,319
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Some long-term assets, such as receivables from joint venture, are reported as receivables on the statement of net position. Allowances for the collection of these receivables are reported on the statement of net position and increases in the allowance will increase the functional expenses.	(7,156,301)
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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 net effect of these differences in the treatment of long-term debt and related items.	(579,307)
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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>(172,075)</u>
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Change in net position - governmental activities	<u>\$ 17,542,389</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, 2013**

	ASSETS	<u>Municipal Court Fund</u>
Cash		\$ 373,630
Total assets		<u>\$ 373,630</u>
	LIABILITIES	
Due to others		\$ 373,630
Total liabilities		<u>\$ 373,630</u>

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

CITY OF SANDY SPRINGS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Sandy Springs Hospitality Board has been included as a discretely presented component unit in the accompanying financial statements. A voting majority of the Sandy Springs Hospitality Board's governing body is appointed by the City and the City provides a significant amount of funding to the Hospitality Board. The Sandy Springs Hospitality Board 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 Board can be obtained from the Board's administrative offices at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350. Separate financial statements for the Sandy Springs Hospitality Board are not prepared.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. The primary government is reported separately from its discretely presented component unit. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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.

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. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, sales taxes, 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.

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 type:

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2013, and none were recorded.

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, 2013, 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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received. Additionally, at June 30, 2013 the City was reporting a prepaid asset of approximately \$4,707,000 which represents deposits paid for the acquisition of several new fire trucks which were not delivered as of June 30, 2013. These assets will be expended upon delivery of the vehicles.

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

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of financial position.

NOTES TO FINANCIAL STATEMENTS

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, 2013 will be recognized as a revenue and increase net position over the remaining life of the contract. As of June 30, 2013 the present value of the service concession arrangement was \$270,000 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.

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.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

Net Position – Net position represents the difference between assets, 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

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 \$7,218,514 difference are as follows:

Notes payable	\$ (212,060)
Capital lease payable	(5,447,268)
Compensated absences (i.e., vacation)	(1,544,402)
Accrued interest	<u>(14,784)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (7,218,514)</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 \$6,672,832 difference are as follows:

Capital outlay	\$ 12,827,908
Depreciation expense	<u>(6,155,076)</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>\$ 6,672,832</u></u>

NOTES TO FINANCIAL STATEMENTS

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 that reconciliation states that “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.” The details of this \$579,307 difference are as follows:

Issuance of capital lease	\$ (3,507,449)
Current year payments on notes payable	2,630,045
Current year payment on capital leases payable	<u>298,097</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u><u>\$ (579,307)</u></u>

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 \$172,075 difference are as follows:

Compensated absences (i.e., vacation)	\$ (178,281)
Accrued interest	<u>6,206</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>\$ (172,075)</u></u>

NOTES TO FINANCIAL STATEMENTS

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, 2013:

General Fund departments:		
Debt service	\$	421,746
Confiscated Assets Fund		12,170
E911 Fund		195,905
Hotel/Motel Fund		177,821

These over expenditures were funded by greater than anticipated revenues and by other line items coming under budget.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2013 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	\$	84,049,836
Investments		2,590,044
Statement of Fiduciary Assets and Liabilities:		
Cash - Agency fund		373,630
	\$	<u>87,013,510</u>
Cash deposited with financial institutions	\$	10,055,636
Cash deposited with Georgia fund 1		76,957,874
	\$	<u>87,013,510</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2013, the City's investment in Georgia Fund 1 received a rating of AA+ by Standard & Poor's, with a weighted average maturity of 43 days.

As of June 30, 2013, the City had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificates of deposit	0- 6 months	<u>\$ 2,590,044</u>

Interest rate risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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, 2013, the City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Custodial credit risk – deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2013, all of the City's and Hospitality Board's bank balances were insured and/or collateralized as defined by State statutes.

NOTES TO FINANCIAL STATEMENTS

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, 2013, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Capital Projects	Nonmajor Governmental
Receivables:			
Intergovernmental	\$ 10,116,993	\$ 3,181,196	\$ 322,487
Taxes	1,772,764	-	383,594
Other	182,845	17,563	353,605
Total receivables	12,072,602	3,198,759	1,059,686
Less allowance for uncollectible	8,582,721	-	-
Net total receivable	\$ 3,489,881	\$ 3,198,759	\$ 1,059,686

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets					
Land	\$ 22,303,780	\$ 1,269,313	\$ -	\$ -	\$ 23,573,093
Construction in progress	31,868,375	9,300,701	-	(9,241,031)	31,928,045
Total	<u>54,172,155</u>	<u>10,570,014</u>	<u>-</u>	<u>(9,241,031)</u>	<u>55,501,138</u>
Capital assets, being depreciated					
Buildings	6,066,248	-	-	-	6,066,248
Improvements	4,255,832	34,649	-	4,880,394	9,170,875
Machinery and equipment	18,286,847	894,729	(774,541)	-	18,407,035
Infrastructure	138,205,922	1,328,516	(259,344)	4,360,637	143,635,731
Total	<u>166,814,849</u>	<u>2,257,894</u>	<u>(1,033,885)</u>	<u>9,241,031</u>	<u>177,279,889</u>
Less accumulated depreciation for:					
Buildings	(816,558)	(199,790)	-	-	(1,016,348)
Improvements	(670,315)	(253,603)	-	-	(923,918)
Machinery and equipment	(9,789,730)	(2,444,310)	774,541	-	(11,459,499)
Infrastructure	(43,117,297)	(3,257,373)	212,407	-	(46,162,263)
Total	<u>(54,393,900)</u>	<u>(6,155,076)</u>	<u>986,948</u>	<u>-</u>	<u>(59,562,028)</u>
Total capital assets being depreciated, net	<u>112,420,949</u>	<u>(3,897,182)</u>	<u>(46,937)</u>	<u>9,241,031</u>	<u>117,717,861</u>
Governmental activities capital assets, net	<u>\$ 166,593,104</u>	<u>\$ 6,672,832</u>	<u>\$ (46,937)</u>	<u>\$ -</u>	<u>\$ 173,218,999</u>

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

Governmental activities:	
General government	\$ 305,378
Public safety	2,065,745
Public works	3,495,406
Culture and recreation	287,341
Housing and Development	1,206
Total depreciation expense - governmental activities	<u>\$ 6,155,076</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Notes Payable

During November 2010, the City entered into an agreement through a financial institution to borrow \$1,500,000 for the purchase of vehicles and equipment for the police department. Monthly payments of \$42,561, including interest at a rate of 1.04% began in December 2010 and will continue through November 2013. The debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2014	\$ 212,060	\$ 743	\$ 212,803

In July 2012 the City paid in full the remaining \$2,082,852 balance on the 2006 note payable which was originally used to finance a fire truck.

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:

Year Ending June 30,	
2014	\$ 246,562
2015	245,713
2016	245,378
2017	402,011
2018	401,603
2019-2020	801,066
Total minimum lease payments	2,342,333
Less amounts representing interest	(283,583)
Present value of minimum lease payments	\$ 2,058,750

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 \$3,507,449. 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:

<u>Year Ending June 30,</u>		
2014	\$	528,602
2015		528,602
2016		528,602
2017		528,602
2018		528,602
2019-2020		925,054
Total minimum lease payments		<u>3,568,064</u>
Less amounts representing interest		<u>(179,546)</u>
Present value of minimum lease payments	\$	<u><u>3,388,518</u></u>

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable	\$ 2,842,105	\$ -	\$ (2,630,045)	\$ 212,060	\$ 212,060
Capital lease payable	2,237,916	3,507,449	(298,097)	5,447,268	664,650
Compensated absences	1,366,121	812,369	(634,088)	1,544,402	716,837
Governmental activity					
Long-term liabilities	<u>\$ 6,446,142</u>	<u>\$ 4,319,818</u>	<u>\$ (3,562,230)</u>	<u>\$ 7,203,730</u>	<u>\$ 1,593,547</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, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 1,147,435
Nonmajor governmental funds	General Fund	<u>2,470</u>
Total		<u>\$ 1,149,905</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 Board	Nonmajor Governmental Funds	<u>\$ 199,837</u>

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,088,248
Capital Projects Fund	General Fund	27,551,822
Capital Projects Fund	Nonmajor Governmental Funds	300,000
Nonmajor Governmental Funds	General Fund	<u>117,884</u>
		<u>\$ 29,057,954</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

NOTE 9. OPERATING LEASES

The leases for the City Hall building and office facilities as well as the Police headquarters are under non-cancelable operating leases. Total costs for these leases were \$1,367,531 for the fiscal year ended June 30, 2013. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2014	\$ 1,418,140
2015	1,449,117
Total	<u>\$ 2,867,257</u>

NOTE 10. 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 million annually.

In addition to the liabilities enumerated in the balance sheet, at June 30, 2013, the City has contractual commitments on uncompleted contracts of \$14,401,834.

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 of June 30, 2013, the City is in the process of acquiring four adjacent land parcels for re-development of the downtown area. During the inspection for the first parcels which were purchased during the fiscal year, it was discovered that there was run-off from chemical treatment used by one of the local businesses which will require pollution remediation for the entire development area. As of June 30, 2013, it is not reasonable to estimate the potential cost of remediation as the City cannot assess the extent of the run-off on the parcels they do not yet own. Once the City has acquired the remaining land parcels the City will perform a thorough assessment of the damage to determine the appropriate remediation action. Once the estimate can be established, the City will accrue the pollution remediation obligation.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. 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, 2013, there were 240 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, 2013, the City's contributions to the Plan were \$2,119,182 and employees contributed \$850,844.

NOTE 12. JOINT VENTURE

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 (Chatt Comm.), 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. Chatt Comm Board membership includes the City Manager from each participating city, or their designee. Chatt Comm 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*, Chatt Comm 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 Chatt Comm 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 Chatt Comm. For the year ended June 30, 2013, the City of Sandy Springs has collected and remitted \$2,748,115 of E911 revenues. Since the inception of Chatt Comm, the City of Sandy Springs has contributed approximately \$7,582,000 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, 2013. At June 30, 2013, Chatt Comm had a negative net position of (\$8,700,153). Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by Chatt Comm to serve as the accountants, at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. 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, 2013, the City received \$3,763,907 in hotel/motel taxes. Of this amount, \$2,688,937, or 71.4%, was used for the promotion of tourism, conventions, or trade shows.

NOTE 14. 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, 2013, the City received \$105,249 in motor vehicle excise taxes. Of this amount, \$105,249, or 100%, was used for these purposes.

NOTE 15. 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RISK MANAGEMENT (CONTINUED)

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.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2013**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 28,633,000	\$ 28,633,000	\$ 29,348,418	\$ 715,418
Sales taxes	22,240,000	22,240,000	23,727,126	1,487,126
Franchise taxes	9,250,000	9,250,000	9,311,894	61,894
Business taxes	7,600,000	7,600,000	9,041,856	1,441,856
Insurance premium tax	4,200,000	4,200,000	4,675,766	475,766
Licenses and permits	1,202,000	1,112,000	2,482,713	1,370,713
Intergovernmental	-	-	79,636	79,636
Charges for services	738,000	738,000	1,050,972	312,972
Fines and forfeitures	3,500,000	3,500,000	3,324,956	(175,044)
Interest earned	250,000	250,000	145,291	(104,709)
Contributions	15,000	15,000	20,762	5,762
Miscellaneous	200,000	290,000	482,999	192,999
Total revenues	<u>77,828,000</u>	<u>77,828,000</u>	<u>83,692,389</u>	<u>5,864,389</u>
Expenditures:				
Current:				
General government:				
Mayor and council	158,691	158,691	136,787	21,904
City manager	808,306	808,306	714,227	94,079
General administration	4,587,127	4,802,640	4,031,157	771,483
Legal services	808,000	1,308,000	1,138,593	169,407
Human Resources	-	358,987	238,636	120,351
Facilities and buildings	1,332,682	1,332,682	1,260,391	72,291
City clerk	181,858	181,858	136,405	45,453
Contingencies	600,000	-	-	-
Data processing / MIS	1,691,215	1,691,215	1,512,438	178,777
Public information	1,600,436	1,600,436	1,360,912	239,524
Total general government	<u>11,768,315</u>	<u>12,242,815</u>	<u>10,529,546</u>	<u>1,713,269</u>
Judicial	<u>1,665,585</u>	<u>1,691,085</u>	<u>1,691,077</u>	<u>8</u>
Public safety:				
Police department	18,540,240	18,540,240	16,497,840	2,042,400
Fire department	10,907,946	10,907,945	10,116,405	791,540
E911	1,553,700	1,553,700	1,550,799	2,901
Total public safety	<u>31,001,886</u>	<u>31,001,885</u>	<u>28,165,044</u>	<u>2,836,841</u>
Public works:				
Public works	9,978,765	9,988,765	9,852,079	136,686
Sanitation and wastewater	1,520,085	1,520,085	194,398	1,325,687
Other Maintenance	622,611	622,611	461,886	160,725
Storm Drainage	1,606,579	1,606,579	1,515,443	91,136
Total public works	<u>13,728,040</u>	<u>13,738,040</u>	<u>12,023,806</u>	<u>1,714,234</u>
Culture and recreation				
Recreation	2,999,742	2,999,742	2,768,876	230,866
Anne Frank	85,000	85,000	58,343	26,657
Total culture and recreation	<u>3,084,742</u>	<u>3,084,742</u>	<u>2,827,219</u>	<u>257,523</u>

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, 2013**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Housing and development				
Building/inspection/code enforcement	\$ 3,602,312	\$ 3,622,688	\$ 3,385,455	\$ 237,233
Community development	225,000	225,000	166,060	58,940
Total housing and development	<u>3,827,312</u>	<u>3,847,688</u>	<u>3,551,515</u>	<u>296,173</u>
Debt service				
Principal	2,596,265	2,596,265	2,928,142	(331,877)
Interest	7,218	7,218	97,087	(89,869)
Total debt service	<u>2,603,483</u>	<u>2,603,483</u>	<u>3,025,229</u>	<u>(421,746)</u>
Total expenditures	<u>67,679,363</u>	<u>68,209,738</u>	<u>61,813,436</u>	<u>6,396,302</u>
Excess of revenues over expenditures	<u>10,148,637</u>	<u>9,618,262</u>	<u>21,878,953</u>	<u>12,260,691</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	59,612	59,612
Proceeds from capital lease	-	-	3,507,449	3,507,449
Transfers in	2,253,159	2,253,159	1,088,248	(1,164,911)
Transfers out	(23,570,000)	(26,571,822)	(27,669,706)	(1,097,884)
Total other financing sources (uses)	<u>(21,316,841)</u>	<u>(24,318,663)</u>	<u>(23,014,397)</u>	<u>1,304,266</u>
Net change in fund balances	(11,168,204)	(14,700,401)	(1,135,444)	13,564,957
Fund balance, beginning of year	<u>34,725,327</u>	<u>34,725,327</u>	<u>34,725,327</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,557,123</u>	<u>\$ 20,024,926</u>	<u>\$ 33,589,883</u>	<u>\$ 13,564,957</u>

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.

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, 2013**

	Special Revenue Funds			
	Confiscated Assets Fund	E911 Fund	Federal Grants Fund	Operating Grant Fund
ASSETS				
Cash	\$ 1,002,907	\$ 117,235	\$ 676,725	\$ 121,236
Taxes receivable	-	-	-	-
Intergovernmental receivable	-	-	321,637	850
Other receivable	2,647	350,958	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 1,005,554</u>	<u>\$ 468,193</u>	<u>\$ 998,362</u>	<u>\$ 122,086</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 137,976	\$ 468,193	\$ 28,504	\$ -
Due to other funds	-	-	969,858	-
Due to component unit	-	-	-	-
Total liabilities	<u>137,976</u>	<u>468,193</u>	<u>998,362</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Public safety projects	867,578	-	-	-
Tourism	-	-	-	-
Recreation	-	-	-	122,086
Infrastructure improvements	-	-	-	-
Assigned:				
Community development	-	-	-	-
Total fund balances	<u>867,578</u>	<u>-</u>	<u>-</u>	<u>122,086</u>
Total liabilities and fund balances	<u>\$ 1,005,554</u>	<u>\$ 468,193</u>	<u>\$ 998,362</u>	<u>\$ 122,086</u>

Special Revenue Funds		Capital Project Fund	Total Nonmajor Governmental Funds
CDBG Fund	Hotel/Motel Fund	Impact Fees Fund	
\$ 41,595	\$ 238,426	\$ 1,713,682	\$ 3,911,806
-	383,594	-	383,594
-	-	-	322,487
-	-	-	353,605
-	824	1,646	2,470
<u>\$ 41,595</u>	<u>\$ 622,844</u>	<u>\$ 1,715,328</u>	<u>\$ 4,973,962</u>
\$ -	\$ 244,355	\$ -	\$ 879,028
-	177,577	-	1,147,435
-	199,837	-	199,837
-	621,769	-	2,226,300
-	-	-	867,578
-	1,075	-	1,075
-	-	-	122,086
-	-	1,715,328	1,715,328
<u>41,595</u>	<u>-</u>	<u>-</u>	<u>41,595</u>
<u>41,595</u>	<u>1,075</u>	<u>1,715,328</u>	<u>2,747,662</u>
<u>\$ 41,595</u>	<u>\$ 622,844</u>	<u>\$ 1,715,328</u>	<u>\$ 4,973,962</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, 2013**

	Special Revenue Funds			
	Confiscated Assets Fund	E911 Fund	Federal Grants Fund	Operating Grant Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,509,034	-
Charges for services	-	2,748,115	-	-
Fines and forfeitures	707,659	-	-	-
Interest income	647	-	-	41
Contributions	-	-	-	4,700
Total revenues	708,306	2,748,115	1,509,034	4,741
EXPENDITURES				
Current:				
Public safety	187,170	2,748,115	237,899	-
Public works	-	-	1,389,019	-
Culture and recreation	-	-	-	-
Total expenditures	187,170	2,748,115	1,626,918	-
Excess (deficiency) of revenues over expenditures	521,136	-	(117,884)	4,741
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	117,884	-
Transfers out	-	-	-	(13,276)
Total other financing sources (uses)	-	-	117,884	(13,276)
Net change in fund balances	521,136	-	-	(8,535)
FUND BALANCES, beginning of year	346,442	-	-	130,621
FUND BALANCES, end of year	\$ 867,578	\$ -	\$ -	\$ 122,086

Special Revenue Funds		Capital Project Fund	Total Nonmajor Governmental Funds
CDBG Fund	Hotel/ Motel Fund	Impact Fees Fund	
\$ -	\$ 3,763,907	\$ -	\$ 3,763,907
284,997	-	-	1,794,031
-	-	465,425	3,213,540
-	-	-	707,659
374	90	1,229	2,381
-	-	-	4,700
<u>285,371</u>	<u>3,763,997</u>	<u>466,654</u>	<u>9,486,218</u>
-	-	-	3,173,184
284,997	-	-	1,674,016
-	2,688,937	-	2,688,937
<u>284,997</u>	<u>2,688,937</u>	<u>-</u>	<u>7,536,137</u>
374	1,075,060	466,654	1,950,081
-	-	-	117,884
-	(1,074,972)	(300,000)	(1,388,248)
-	(1,074,972)	(300,000)	(1,270,364)
374	88	166,654	679,717
41,221	987	1,548,674	2,067,945
<u>\$ 41,595</u>	<u>\$ 1,075</u>	<u>\$ 1,715,328</u>	<u>\$ 2,747,662</u>

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, 2013**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 175,000	\$ 175,000	\$ 707,659	\$ 532,659
Interest	-	-	647	647
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>708,306</u>	<u>533,306</u>
Expenditures:				
Public safety	<u>175,000</u>	<u>175,000</u>	<u>187,170</u>	<u>(12,170)</u>
Total expenditures	<u>175,000</u>	<u>175,000</u>	<u>187,170</u>	<u>(12,170)</u>
Net change in fund balances	-	-	521,136	521,136
Fund balances, beginning of year	<u>346,442</u>	<u>346,442</u>	<u>346,442</u>	<u>-</u>
Fund balances, end of year	<u>\$ 346,442</u>	<u>\$ 346,442</u>	<u>\$ 867,578</u>	<u>\$ 521,136</u>

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, 2013**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 2,552,210	\$ 2,552,210	\$ 2,748,115	\$ 195,905
Total revenues	<u>2,552,210</u>	<u>2,552,210</u>	<u>2,748,115</u>	<u>195,905</u>
Expenditures:				
Public safety	<u>2,552,210</u>	<u>2,552,210</u>	<u>2,748,115</u>	<u>(195,905)</u>
Total expenditures	<u>2,552,210</u>	<u>2,552,210</u>	<u>2,748,115</u>	<u>(195,905)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<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, 2013**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,361,260	\$ 3,361,260	\$ 1,509,034	\$ (1,852,226)
Total revenues	<u>3,361,260</u>	<u>3,361,260</u>	<u>1,509,034</u>	<u>(1,852,226)</u>
Expenditures:				
Public safety	860,718	860,718	237,899	622,819
Public works	<u>3,156,027</u>	<u>3,156,027</u>	<u>1,389,019</u>	<u>1,767,008</u>
Total expenditures	<u>4,016,745</u>	<u>4,016,745</u>	<u>1,626,918</u>	<u>2,389,827</u>
Deficiency of revenues under expenditures	(655,485)	(655,485)	(117,884)	537,601
Other financing sources:				
Transfers in	<u>655,485</u>	<u>655,485</u>	<u>117,884</u>	<u>(537,601)</u>
Total other financing sources	<u>655,485</u>	<u>655,485</u>	<u>117,884</u>	<u>(537,601)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<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, 2013**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Contributions	\$ 25,000	\$ 25,000	\$ 4,700	\$ (20,300)
Interest	-	-	41	41
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>4,741</u>	<u>(20,259)</u>
Expenditures:				
Public safety	10,000	10,000	-	10,000
Culture and recreation	15,000	15,000	-	15,000
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess of revenues over expenditures	-	-	4,741	4,741
Other financing uses:				
Transfers out	-	-	(13,276)	(13,276)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(13,276)</u>	<u>(13,276)</u>
Net change in fund balances	-	-	(8,535)	(8,535)
Fund balances, beginning of year	<u>130,621</u>	<u>130,621</u>	<u>130,621</u>	<u>-</u>
Fund balances, end of year	<u>\$ 130,621</u>	<u>\$ 130,621</u>	<u>\$ 122,086</u>	<u>\$ (8,535)</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, 2013**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,412,104	\$ 1,412,104	\$ 284,997	\$ (1,127,107)
Interest income	-	-	374	374
Total revenues	<u>1,412,104</u>	<u>1,412,104</u>	<u>285,371</u>	<u>(1,126,733)</u>
Expenditures:				
Public works	<u>1,412,104</u>	<u>1,412,104</u>	<u>284,997</u>	<u>1,127,107</u>
Total expenditures	<u>1,412,104</u>	<u>1,412,104</u>	<u>284,997</u>	<u>1,127,107</u>
Net change in fund balances	-	-	374	374
Fund balances, beginning of year	<u>41,221</u>	<u>41,221</u>	<u>41,221</u>	<u>-</u>
Fund balances, end of year	<u>\$ 41,221</u>	<u>\$ 41,221</u>	<u>\$ 41,595</u>	<u>\$ 374</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, 2013**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,515,000	\$ 3,515,000	\$ 3,763,907	\$ 248,907
Interest income	-	-	90	90
Total revenues	<u>3,515,000</u>	<u>3,515,000</u>	<u>3,763,997</u>	<u>248,997</u>
Expenditures:				
Culture and recreation	<u>2,511,116</u>	<u>2,511,116</u>	<u>2,688,937</u>	<u>(177,821)</u>
Total expenditures	<u>2,511,116</u>	<u>2,511,116</u>	<u>2,688,937</u>	<u>(177,821)</u>
Excess of revenues over expenditures	1,003,884	1,003,884	1,075,060	71,176
Other financing uses:				
Transfers out	<u>(1,003,884)</u>	<u>(1,003,884)</u>	<u>(1,074,972)</u>	<u>(71,088)</u>
Total other financing uses	<u>(1,003,884)</u>	<u>(1,003,884)</u>	<u>(1,074,972)</u>	<u>(71,088)</u>
Net change in fund balances	-	-	88	88
Fund balances, beginning of year	<u>987</u>	<u>987</u>	<u>987</u>	<u>-</u>
Fund balances, end of year	<u>\$ 987</u>	<u>\$ 987</u>	<u>\$ 1,075</u>	<u>\$ 88</u>

AGENCY FUND

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, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
MUNICIPAL COURT FUND				
Assets:				
Cash	<u>\$ 426,317</u>	<u>\$ 4,355,887</u>	<u>\$ 4,408,574</u>	<u>\$ 373,630</u>
Liabilities:				
Due to others	<u>\$ 426,317</u>	<u>\$ 4,355,887</u>	<u>\$ 4,408,574</u>	<u>\$ 373,630</u>

COMPONENT UNIT

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

CITY OF SANDY SPRINGS, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY BOARD
JUNE 30, 2013**

ASSETS	
Cash	\$ 408,535
Accounts receivable	398
Due from primary government	199,837
Prepaid items	<u>7,156</u>
Total assets	<u><u>\$ 615,926</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ 43,334</u>
Total liabilities	<u>43,334</u>
FUND BALANCE	
Nonspendable for prepaid items	7,156
Restricted for tourism	<u>565,436</u>
Total fund balance	<u>572,592</u>
Total liabilities and fund balance	<u><u>\$ 615,926</u></u>

CITY OF SANDY SPRINGS, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY BOARD
FOR THE YEAR ENDED JUNE 30, 2013**

REVENUES

Intergovernmental	\$ 1,209,720
Miscellaneous	<u>159</u>

Total revenues	<u>1,209,879</u>
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EXPENDITURES

Current:

Culture and recreation	<u>1,156,579</u>
------------------------	------------------

Total expenditures	<u>1,156,579</u>
--------------------	------------------

Net change in fund balance	53,300
----------------------------	--------

FUND BALANCE, beginning of year	<u>519,292</u>
--	----------------

FUND BALANCE, end of year	<u><u>\$ 572,592</u></u>
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STATISTICAL SECTION

STATISTICAL SECTION

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..... 55

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 57

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

Debt Capacity 65

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..... 67

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 68

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. The government implemented GASB Statement 34 in 2006 which was the City's first year of incorporation; schedules presented include information beginning in that year.

CITY OF SANDY SPRINGS, GEORGIA

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Primary government:				
Net investment in capital assets	\$ 170,948,189	\$ 161,513,083	\$ 152,866,760	\$ 145,320,434
Restricted	2,706,067	2,026,724	422,094	-
Unrestricted	82,177,486	74,749,546	55,282,364	54,452,631
Total primary government net position	<u>\$ 255,831,742</u>	<u>\$ 238,289,353</u>	<u>\$ 208,571,218</u>	<u>\$ 199,773,065</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.

2009	2008	2007	2006
\$ 134,611,236	\$ 83,403,809	\$ 76,989,747	\$ 56,330,759
-	-	-	-
48,473,993	45,566,572	15,393,045	(5,586,019)
<u>\$ 183,085,229</u> (1)	<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 EIGHT FISCAL YEARS (accrual basis of accounting)

	2013	2012	2011	2010
Expenses				
General government	\$ 10,830,697	\$ 10,887,073	\$ 15,144,396	\$ 15,710,228
Judicial	1,691,681	1,459,938 (7)	1,945,524 (7)	859,627
Public safety	39,889,067 (9)	30,106,163 (5)	32,710,740 (5)	28,804,834 (4)
Public works	19,079,592	15,472,596	15,837,964	17,971,905
Culture and recreation	5,803,498	5,593,442	7,357,811	5,154,082
Housing and development	3,238,942	2,065,861 (6)	3,164,420 (6)	6,469,377
Interest on long-term debt	90,881	187,350	221,804	176,855
Total expenses	\$ 80,624,358	\$ 65,772,423	\$ 76,382,659	\$ 75,146,908
Program revenues				
Charges for services:				
General government	\$ 826,641	\$ 668,931	\$ 750,711	\$ 806,746
Judicial	3,324,956	3,271,883	3,769,291	4,290,960
Public safety	3,554,021	2,702,483	3,052,392	2,707,819 (4)
Public works	465,425	1,223,719	601,604	786,177
Culture and recreation	945,132	808,689	689,294	607,460
Housing and development	1,663,665	1,147,143	650,203	692,252
Operating grants and contributions	25,462	137,855	251,227	151,796
Capital grants and contributions	7,024,050	5,955,742	3,087,167	4,012,715
Total program revenues	\$ 17,829,352	\$ 15,916,445	\$ 12,851,889	\$ 14,055,925
Net (expense)/revenue	\$ (62,795,006)	\$ (49,855,978)	\$ (63,530,770)	\$ (61,090,983)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	\$ 29,173,500	\$ 29,268,099	\$ 30,230,477	\$ 31,639,678
Sales taxes	23,727,126	23,717,444	21,683,618	22,021,114
Other taxes	26,793,423	26,040,432	24,568,708	26,358,226
Unrestricted investment earnings	147,672	205,572	166,946	300,151
Contributions not restricted to specific programs	-	-	-	-
Miscellaneous revenues	482,999	342,566	179,935	193,516
Gain on sale of capital assets	12,675	-	-	-
Special item - donation of infrastructure at incorporation	-	-	-	-
Total	\$ 80,337,395	\$ 79,574,113	\$ 76,829,684	\$ 80,512,685
Change in Net Position	\$ 17,542,389	\$ 29,718,135	\$ 13,298,914	\$ 19,421,702

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 collectable, and thus established an allowance for \$7,156,301.

	2009	2008	2007	2006
\$	15,111,854	\$ 13,818,852	\$ 14,455,096	\$ 9,154,700
	1,149,765	955,759	782,597	328,008
	25,720,258	23,006,598	23,090,567	9,867,430
	19,643,196	16,341,371	12,515,340	5,105,770
	3,827,709	4,708,976	4,105,728	2,699,718
	6,506,536	6,322,427	7,236,048	2,697,519
	299,772	376,778	536,480	194,709
\$	<u>72,259,090</u>	<u>65,530,761</u>	<u>62,721,856</u>	<u>30,047,854</u>
\$	722,753	\$ 724,193	\$ 652,646	\$ 577,667
	4,657,134	5,273,492	3,447,821	401,377
	362,585	252,473	77,240	-
	529,103	471,789	370,645	-
	376,610	252,846	167,975	43,349
	865,063 (3)	2,207,413	2,933,954	1,193,931
	17,397	85,068	125,798	-
	3,911,180	6,170,789	21,653,418 (1)	-
\$	<u>11,441,825</u>	<u>15,438,063</u>	<u>29,429,497</u>	<u>2,216,324</u>
\$	<u>(60,817,265)</u>	<u>(50,092,698)</u>	<u>(33,292,359)</u>	<u>(27,831,530)</u>
\$	31,870,456	\$ 29,827,325	\$ 27,563,122	\$ 996,312
	21,652,231 (2)	24,992,061	24,795,033	9,627,122
	26,963,754 (2)	29,776,872	21,719,794	10,712,107
	953,901	1,395,026	734,079	113,746
	-	19,498	2,044	70,000
	378,119	669,505	116,339	2,898
	-	-	-	-
	-	-	-	57,054,085
\$	<u>81,818,461</u>	<u>86,680,287</u>	<u>74,930,411</u>	<u>78,576,270</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 EIGHT FISCAL YEARS
(accrual basis of accounting)**

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

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 EIGHT FISCAL YEARS
(modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011 (a)</u>	<u>2010</u>	<u>2009</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ 1,300,071	\$ 1,462,461
Unreserved	-	-	-	19,903,286	23,483,803
Nonspendable - Prepays	4,894,352	219,553	72,022	-	-
Committed - Recreation	-	12,761	12,237	-	-
Assigned - Stormwater projects	906,466	1,558,193	425,864	-	-
Appropriations of fund balance for next fiscal year's budget	7,266,222	11,168,204	-	-	-
Unassigned	20,522,843	21,766,616	20,944,346	-	-
Total general fund	<u>\$ 33,589,883</u>	<u>\$ 34,725,327</u>	<u>\$ 21,454,469</u>	<u>\$ 21,203,357</u>	<u>\$ 24,946,264</u>
All Other Governmental Funds					
Unreserved, reported in:					
Special revenue funds	\$ -	\$ -	\$ -	\$ 367,860	\$ 320,488
Capital projects funds	-	-	-	27,885,013	20,079,444
Debt service fund	-	-	-	-	50,357
Restricted:					
Public safety	867,578	346,442	343,914	-	-
Toursim	1,075	987	923	-	-
Recreation	122,086	130,621	77,257	-	-
Infrastructure improvements	1,715,328	1,548,674	-	-	-
Assigned:					
Infrastructure improvements	52,729,595	33,770,010	28,129,952	-	-
Community development	41,595	41,221	41,053	-	-
Total all other governmental funds	<u>\$ 55,477,257</u>	<u>\$ 35,837,955</u>	<u>\$ 28,593,099</u>	<u>\$ 28,252,873</u>	<u>\$ 20,450,289</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.

2008	2007	2006
\$ 815,003	\$ 3,899,995	\$ 2,468,031
32,995,487	9,093,886	(5,755,635)
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 33,810,490</u>	<u>\$ 12,993,881</u>	<u>\$ (3,287,604)</u>

\$ 196,466	\$ 264,402	\$ 227,025
11,394,577	5,490,469	-
(27,546)	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<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 EIGHT FISCAL YEARS (modified accrual basis of accounting)

	2013	2012	2011	2010
Revenues				
Taxes	\$ 79,868,967	\$ 79,343,825	\$ 76,309,783 (13)	\$ 80,898,625
Licenses and permits	2,482,713	1,851,971	1,302,189	1,346,983
Intergovernmental	6,528,813	5,885,742	3,417,008	4,155,881
Charges for services	4,264,512	4,551,376	4,275,388	3,856,201 (6)
Fines and forfeitures	4,032,615	3,419,501	3,935,918	4,481,207
Contributions	25,462	137,855	68,753	147,073
Interest earned	147,672	205,572	166,946	300,151
Miscellaneous	482,999	292,566	179,021	185,604
Total revenues	97,833,753	95,688,408	89,655,006	95,371,725
Expenditures				
Current:				
General government	12,105,333	11,048,889	15,463,566	15,774,609
Judicial	1,691,077	1,459,938	1,945,524 (10)	859,627
Public safety	31,338,228	31,003,258	33,099,211 (8)	30,213,605 (6)
Public works	24,765,819	21,642,758	27,737,474 (11)	22,256,953
Culture and recreation	6,414,601	5,932,476	7,219,744 (12)	13,437,115 (7)
Housing and development	3,556,669	2,753,603	3,764,554 (9)	6,990,292
Debt service:				
Principal	2,928,142	1,191,289	1,111,221	1,740,939
Interest	97,087	190,483	223,288	163,435
Total expenditures	82,896,956	75,222,694	90,564,582	91,436,575
Excess (deficiency) of revenues over (under) expenditures	14,936,797	20,465,714	(909,576)	3,935,150
Other Financing Sources (Uses)				
Issuance of long term debt	3,507,449	-	1,500,000	7,912
Proceeds from sale of capital assets	59,612	50,000	914	-
Transfers in	29,057,954	13,566,119	16,062,062	26,375,804
Transfers out	(29,057,954)	(13,566,119)	(16,062,062)	(26,375,804)
Total other financing sources (uses)	3,567,061	50,000	1,500,914	7,912
Net change in fund balances	\$ 18,503,858	\$ 20,515,714	\$ 591,338	\$ 3,943,062
Debt service as a percentage of noncapital expenditures	4.3%	2.2%	1.8%	2.7%

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.

	2009	2008	2007	2006
\$	80,218,315 (3)	\$ 84,201,305	\$ 73,519,577	\$ 21,335,541
	1,965,630 (4)	3,216,026	3,868,934	1,744,329
	3,860,706 (5)	984,545	301,730	-
	582,733	455,095	333,527	70,618
	4,964,885	5,511,084	3,447,820	401,377
	167,772	236,126	172,069	70,000
	953,901	1,395,026	734,079	113,746
	448,121	599,503	116,339	2,898
	<u>93,162,063</u>	<u>96,598,710</u>	<u>82,494,075</u>	<u>23,738,509</u>
	23,123,876 (2)	13,730,116	14,662,914	9,180,705
	1,149,765	955,759	784,594	328,008
	26,677,292	23,017,162	28,023,354	11,332,550
	23,866,587 (2)	18,016,930 (1)	10,884,786	4,353,238
	7,442,979	6,332,157	4,227,399	2,713,318
	6,506,536	6,322,427	7,236,048	2,697,519
	3,266,252	2,830,523	1,843,437	-
	307,919	371,671	522,212	193,750
	<u>92,341,206</u>	<u>71,576,745</u>	<u>68,184,744</u>	<u>30,799,088</u>
	<u>820,857</u>	<u>25,021,965</u>	<u>14,309,331</u>	<u>(7,060,579)</u>
	-	1,500,000	7,500,000	4,000,000
	-	103,270	-	-
	34,746,391	20,005,239	7,414,647	670,889
	(34,746,391)	(20,005,239)	(7,414,647)	(670,889)
	<u>-</u>	<u>1,603,270</u>	<u>7,500,000</u>	<u>4,000,000</u>
\$	<u>820,857</u>	<u>\$ 26,625,235</u>	<u>\$ 21,809,331</u>	<u>\$ (3,060,579)</u>
	4.9%	5.0%	3.8%	0.7%

CITY OF SANDY SPRINGS, GEORGIA

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

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	27,004,750	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

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

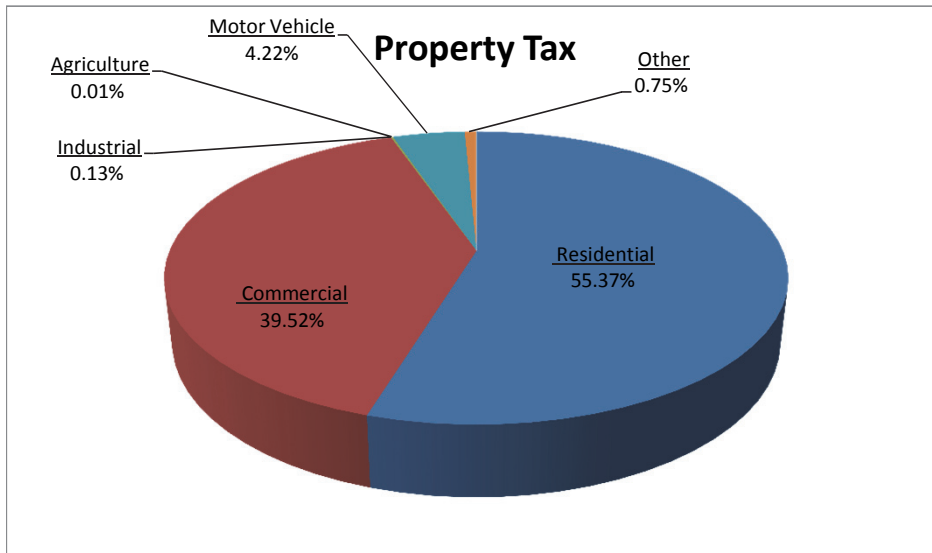
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST EIGHT CALENDAR YEARS

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

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.



Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 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%

CITY OF SANDY SPRINGS, GEORGIA

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

Calendar Year	Direct		Overlapping School District				Total Direct & Overlapping Rates
	Sandy Springs (1)	Fulton County	Operating Millage	Debt Service Millage	Total School District Millage	State	
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

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 SIX YEARS AGO
JUNE 30, 2013**

Taxpayer	2013				2007			
	Taxable Assessed		Percentage of Total Taxable Assessed		Taxable Assessed		Percentage of Total Taxable Assessed	
	Value	Rank	Value		Value	Rank	Value	
Development Authority of Fulton County	\$ 118,417,338	1	1.83 %		\$ 73,122,792	1	1.29 %	
FULCOPROP Fifty Six, LLC	64,679,630	2	1.00					
485 Properties LLC	59,938,341	3	0.93					
Georgia Power Company	45,501,025	4	0.70		35,350,272	5	0.62	
BT Property, LLC	33,990,911	5	0.53					
FULCOPROP 400, LLC	32,602,731	6	0.50					
Highwoods DLF 97 26 DFL 99 32	31,560,000	7	0.49		27,282,761	9	0.48	
Teachers Concourse LLC	31,246,479	8	0.48		26,874,519	10	0.47	
Ctech Holdings LLC	29,049,740	9	0.45					
FEF V Atlanta Portfolio SPE LLC	28,048,480	10	0.43					
Four Eight Prop LLC			-		35,000,000	2	0.62	
Concourse V Associates					34,600,000	3	0.61	
Northpark Associates LTD					33,086,079	4	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	\$ 475,034,675		7.35 %		\$ 350,118,822		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 SEVEN 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	718,821	29,588,361	99.84
2010	30,023,553	29,768,046	99.1	212,870	29,980,916	99.86
2011	28,645,938	28,201,259	98.4	409,216	28,610,475	99.88
2012	27,482,337	27,341,375	99.5	68,018	27,409,393	99.73
2013	26,887,323	26,489,079	98.5	-	26,489,079	98.52

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 EIGHT 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

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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping general obligation debt:			
Fulton County	\$ 161,545,110	12.43 %	\$ 20,080,057
Fulton County school district	118,700,000	12.43	14,754,410
Total overlapping debt	280,245,110		34,834,467
City direct debt:			
Notes payable	212,060	100	212,060
Capital leases	5,447,268	100	5,447,268
Total direct debt	5,659,328		5,659,328
 Total direct and overlapping debt	 \$ 285,904,438		 \$ 40,493,795

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 EIGHT FISCAL YEARS

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	Unemployment Rate (2)
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

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

(2) Bureau of Labor Statistics July, 2010

(3) Source: 2010 U.S. Census

Note: 2007 population, per capita, and personal income are estimates based on past regional trends.

CITY OF SANDY SPRINGS, GEORGIA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO**

Employer	2013			2006		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
IBM Corporation	3,674	1	7.0 %	894	4	1.5 %
COX Enterprises Inc	1,754	2	3.3			
Cisco Systems, Inc.	1,750	3	3.3			
United Parcel Service	1,620	4	3.1	1,653	1	2.7
Oracle America Inc	1,054	5	2.0			
Airwatch LLC	912	6	1.7			
Manheim Auctions, Inc	875	7	1.7			
AT&T Mobility	730	8	1.4	1,137	2	1.9
National Account Svc, Co.	690	9	1.3			
Walden Security	690	10	1.3			
Autotrader.com				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	13,749		26.2 %	8,439		13.9 %

(1) Source: Fulton County Development Authority and 2013 individual 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 EIGHT FISCAL YEARS**

Function	2013	2012	2011	2010	2009	2008	2007	2006
General government	46	46	46	63	63	62	55	120
Judicial	13	15	15	11	11	12	10	-
Public safety								
Police								
Officers	129	129	129	132	132	124	111	44
Civilians	17	17	17	7	7	15	15	2
Fire								
Firefighters (1)	133	135	128	122	123	106	105	-
Civilians	2	2	2	17	16	3	5	-
Public works								
Highways and streets	30	25	25	25	25	26	23	65
Culture and recreation	7	12	12	9	9	8	6	-
Housing and development	30	27	27	37	37	45	44	5
Total	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.
(1) Includes the full time equivalents for the part time positions

CITY OF SANDY SPRINGS, GEORGIA

**OPERATING INDICATORS BY FUNCTION
LAST SIX FISCAL YEARS**

Function	2013	2012	2011	2010	2009	2008
General government						
Ordinances approved	26	36	38	82	70	108
Court cases	22,943	23,344	22,083	24,781	28,631	28,793
Grants managed	16	26	28	21	21	18
Police						
Calls for service	102,319	85,480	61,727	91,494	84,393	92,482
Part 1 crimes reported	2,924	2,817	2,639	2,984	3,104	3,827
Traffic citations issued	21,519	21,266	22,976	20,467	20,933	23,013
Fire						
Incident responses	12,069	10,567	10,769	12,668	15,885	18,425
Average response time	7 minutes	6 minutes	6.45 minutes	6 minutes	6 minutes	6 minutes
Fire safety programs conducted	403	383	308	220	575	138
Inspections conducted	3,449	3,834	3,810	3,139	3,341	2,256
Highways and streets						
Traffic signals timed	123	123	114	60	60	121
Average days to repair pothole	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	55	29	21	64	65	38
New building permits issued	1,458	1,382	1,545	1,368	1,188	1,814
Parcels annexed	0	0	0	0	0	0
Culture and recreation						
Park acres maintained	227	220	220	225	225	155
Park & facilities	16	16	16	15	14	13
Annual program registrants	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 EIGHT FISCAL YEARS**

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