

# 2016

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2016





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

FOR YEAR ENDED JUNE 30, 2016

**PREPARED BY:**  
FINANCE DEPARTMENT

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

**CITY OF SANDY SPRINGS, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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# INTRODUCTORY SECTION



## SANDY SPRINGS

GEORGIA

December 7, 2016

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Sandy Springs, Georgia, for the fiscal year ended June 30, 2016 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, 2016 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, 2016 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.



## SANDY SPRINGS

GEORGIA

### PROFILE OF THE GOVERNMENT

Sandy Springs was incorporated in December of 2005, celebrating its tenth anniversary this year. Positioned in the heart of the metro area, 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 105,330 (U.S. Census estimate for 2015). The City's daytime population doubles, swelling to more than 200,000 due to the concentration of major corporations and businesses located within the City, including UPS, Newell Brands, Veritiv, and First Data. Twenty-two miles of the Chattahoochee River flow through Sandy Springs, creating a unique recreational opportunity within a metropolitan setting.

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

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

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

Deploying a non-traditional approach to government services, the City operates as one of the largest public-private partnerships in the country. The City provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. All services outside of public safety and the City Manager's executive 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. The Sandy Springs Hospitality Board is a component unit of the City and functions as the tourism and marketing arm of the government. In addition, the City has a joint venture with the City of Johns Creek for Emergency 911 services through the Chattahoochee River E911 Authority (ChatComm) and with the North



## SANDY SPRINGS

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Fulton Cities of Alpharetta, Milton and Roswell for a unified radio system through the North Fulton Regional Radio System Authority (NFRRSA).

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

### **LOCAL ECONOMY**

A robust community of Fortune 500 corporations, mid-size companies and new businesses, Sandy Springs is one of the best places in the country to do business. The City embodies an urban energy and laid-back lifestyle. The City is home to a burgeoning dining scene and nighttime activities, a place where one can expend energy paddle boarding on the river or slow the pace, enjoying one of the City's many parks and green spaces. Sandy Springs is also located at the crossroads of the most traveled east-west and north-south connections in the metro Atlanta area with prime access to Interstate 285 and Georgia Highway 400, with Interstate 75 located just west of the City's border. Four stations on the MARTA rail transit system also serve Sandy Springs.

The City's commercial properties comprise more than 42 percent of the total tax digest by property value, ensuring a strong economic environment for the government. In addition to the companies listed previously, Sandy Springs is also home to Amtrak, VMware, AirWatch, Graphic Packaging, CSM Bakery, Cox Enterprises, Intercontinental Exchange (the parent company for the New York Stock Exchange), and is the future home of the North American Headquarters for Mercedes Benz. The City is also home to more than 40 percent of the available hospital beds in the metropolitan Atlanta area with nationally recognized Northside Hospital, Emory Saint Joseph's Hospital and Children's Healthcare of Atlanta located within that medical center. Northside Hospital was the only hospital in Georgia to rank in the Forbes magazine list of Best Employers in America, ranking first among the 14 Georgia companies which made the list and 18<sup>th</sup> overall.

According to the 2015 US Census, there were 46,955 housing units within Sandy Springs, with 46.2% recorded as home ownership and 53.8% recorded as units within multi-unit structures. The median value of owner-occupied housing was \$419,100. The average household size was 2.33 people, with a median household income of \$63,401.



## **SANDY SPRINGS**

GEORGIA

YELP! named Sandy Springs as the Most Customer-Friendly Town in America for 2016. The City ranked number 5 as Best Suburb in metro Atlanta for millennials by Niche.com, and was ranked the 27<sup>th</sup> safest city in Georgia by SafeWise. The City's Abernathy Greenway Park received honors by Atlanta Magazine as Best New Park, and Sandy Springs is among the top 2% in the nation to achieve an ISO Class 2 rating.

### **NATIONAL ECONOMY**

With the steadily improving job market, the unemployment rate improved for the state of Georgia in 2016 to 5.2%, city-wide lowered to 4.2%.

According to August 2016 S&P CoreLogic Case-Shiller Home Price Indices, home prices reached rock bottom in February 2012. Using that date as a starting point, home prices are up 38%. The national index, which covers all nine U.S. census divisions, recorded a 5.3% annual gain in August. The 10-City and 20-City composites reported year-after-year increases of 4.3% and 5.1%.

### **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



## SANDY SPRINGS

GEORGIA

Year 2016. Additionally, the commercial community continues to experience significant re-development through builders and investors developing mixed use areas.

### MAJOR INITIATIVES FOR THE YEAR

#### **City Springs**

In December 2012, the Sandy Springs City Council adopted its City Center Master Plan with the objective to create a unique, vibrant, walkable center rich in amenities desired by the community; catalyzing private investment in mixed-use development to introduce new dining, retail and entertainment options; creation of a cultural / civic center that functions as a place of community activity and identity; and introducing a green space network to accommodate a variety of activities as well as tying together City Center, the City's established neighborhoods and existing open spaces. January 2013, the City Council adopted the City Center Phase I Plan, bringing in design, construction and management partners in 2014, with construction underway in 2015.

The City issued \$159,475,000 in Revenue Bonds on October 20, 2015 for the City Center Master Plan. A \$222,712,000 budget was established to provide for the funding toward the completion of the overall project. Construction is now moving upwards as the Performing Arts Center, office tower and residential buildings take shape. Fall 2016, the City Springs project was awarded the Community Redevelopment Award from the Metro Atlanta Redevelopment Summit, recognizing the positive influence City Springs has had within the community.





## SANDY SPRINGS

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### **Lost Corner Preserve**

Located on 24 acres of beautiful woodlands and nature trails, the City's newest park, Lost Corner Preserve, officially opened in 2016. The property dates back to mid-1800's and was once a working farm which had only two owners since Native Americans inhabited the land. The park features a community garden, greenhouse, apiary, walking trails and renovated cottage for rental use for community club meetings and small gatherings. The total cost to renovate the cottage and property for park use was approximately \$1.5 million.



### **INITIATIVES FOR FUTURE YEARS**

#### **City Springs**

Construction continues on the master block with an anticipated 2018 opening of all components: Performing Arts Center, offices, retail, residential and park.

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

The City committed over \$325,000 for park improvements in the 2017 budget. This includes funding to design two new city parks, Crooked Creek and Windsor Meadows Parks. Improvements to Hammond Park continues and should be completed this fiscal year.

#### **Public Works Facilities**

\$7.7 million was included in the 2017 capital budget for infrastructure improvements to roads, bridges, storm water drainage, sidewalks, intersections and traffic management. The City currently has over 23 capital projects in various stages of construction and planning.



## SANDY SPRINGS

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### **TSPLOST**

On November 8, 2016, a referendum passed to impose an additional 0.75% Transportation Special Purpose Local Option Sales Tax (“TSPLOST”) to begin on April 1, 2017. An Intergovernmental Agreement was signed between 13 Fulton County cities who would be eligible to collect for this purpose: Alpharetta, Chattahoochee Hills, College Park, East Point, Fairburn, Hapeville, Johns Creek, Milton, Mountain Park, Palmetto, Roswell, Sandy Springs and Union City. Approximately \$655 million shall be raised by the imposition of this additional tax to improve the County’s transportation infrastructure through various capital transportation projects within these cities to be completed through March 31, 2022.

There are three tiers within the approved project list for the City:

#### TIER 1

- Traffic Efficiency Improvements
- Perimeter Transit Last Mile Connectivity
- Sidewalk Program
- Johnson Ferry/Mt. Vernon Highway Efficiency Improvements
- Mt. Vernon Highway Multi-Use Path
- Hammond Drive Efficiency Improvements

#### TIER 2

- State Road 400 Trail System
- Roberts Drive Multi-Use Path

#### TIER 3

- Roadway Maintenance and Paving

### **The Next Ten**

The City began its update to the Comprehensive Land Use Plan, branded The Next Ten, in June 2015. Throughout 2016, the City worked to draw in community involvement as it developed the policies, guidelines and recommendations to steer orderly development and growth within the City. On December 6, 2016, final recommendations will be brought forth to the City Council for action.



## SANDY SPRINGS

GEORGIA

### 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 and special revenue funds 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.



## SANDY SPRINGS

GEORGIA

### 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, 2015. This was the tenth 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.

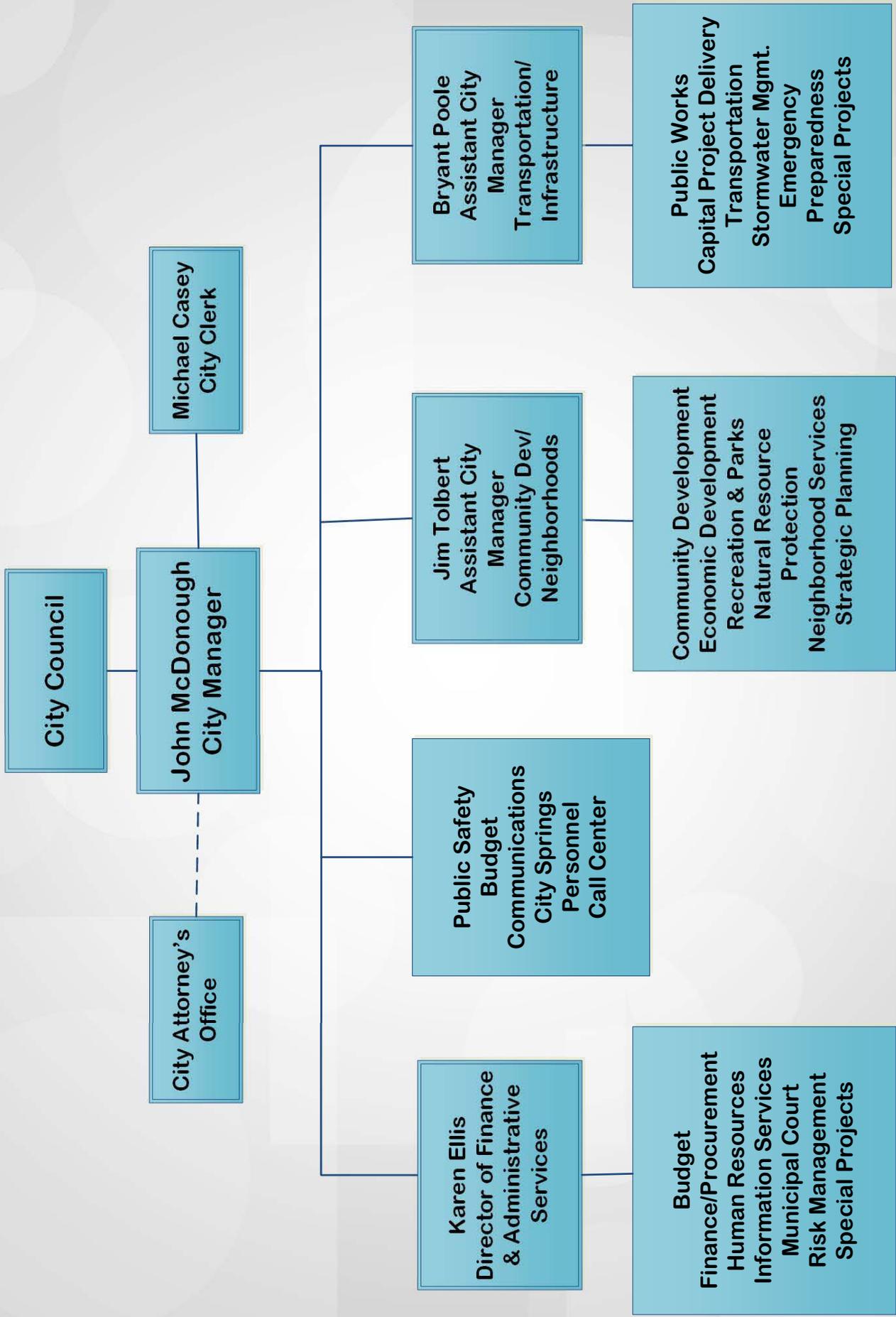
**Acknowledgments** - The preparation of the report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance Department, the auditors for the City and its component units, and the cooperation of City staff in various departments. My sincere appreciation 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

# City of Sandy Springs Georgia Organizational Chart





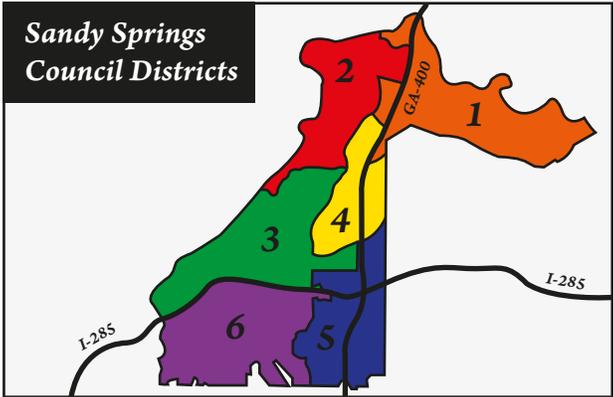
# MAYOR AND CITY COUNCIL

## GOVERNANCE IN SANDY SPRINGS

The City of Sandy Springs is divided into six Council Districts. Each district is represented by a City Councilmember. The Mayor of Sandy Springs chairs the City Council.



Mayor Rusty Paul  
[rpaul@sandyspringsga.gov](mailto:rpaul@sandyspringsga.gov)



**District 1**  
John Paulson  
[jpaulson@sandyspringsga.gov](mailto:jpaulson@sandyspringsga.gov)



**District 2**  
Ken Dishman  
[kdishman@sandyspringsga.gov](mailto:kdishman@sandyspringsga.gov)



**District 3**  
Graham McDonald  
[gmcDonald@sandyspringsga.gov](mailto:gmcDonald@sandyspringsga.gov)



**District 4**  
Gabriel Sterling  
[gsterling@sandyspringsga.gov](mailto:gsterling@sandyspringsga.gov)



**District 5**  
Tiberio "Tibby" DeJulio  
[tdeJulio@sandyspringsga.gov](mailto:tdeJulio@sandyspringsga.gov)



**District 6**  
Andy Bauman  
[abauman@sandyspringsga.gov](mailto:abauman@sandyspringsga.gov)

# City of Sandy Springs, Georgia

## Listing of Principal Officials



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

**Finance Director**  
*Karen Ellis*

**City Clerk**  
*Michael Casey*

**Court Clerk**  
*Cheston Roney*

**Police Chief**  
*Ken DeSimone*

**Fire Chief**  
*Keith Sanders*

**City Attorney**  
*Wendell Willard*

**Communications Director**  
*Sharon Kraun*

**Community Development Director**  
*Michelle Alexander*

**Human Resources Director**  
*Carol Sicard*

**Information Services Director**  
*Jonathan Crowe*

**Public Works Director**  
*Garrin Coleman*

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



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sandy Springs  
Georgia**

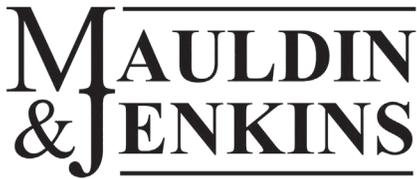
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



# FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Sandy Springs, Georgia**, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Sandy Springs, Georgia's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sandy Springs, Georgia as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 14) and General Fund's budgetary comparison information (on pages 45 and 46) 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 7, 2016 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 7, 2016

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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As management of the City of Sandy Springs (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$322,876,580 (total net position), which represents an increase of \$18,114,051 from the prior year. Of the total net position, \$73,904,502 (unrestricted net position) is available to meet the ongoing obligations of the government.
- The City issued \$159,475,000 of Series 2015 Revenue bonds for the purpose of acquiring, constructing and installing certain public buildings in connection with the City Center Project.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$221,817,270. This represents an increase of \$132,680,030 over the prior year, primarily from the issuance of bonds as described above.
- Total governmental fund revenues were \$107,247,172 an increase of \$3,577,681 or 3.45% from the prior year.
- Total governmental fund expenditures were \$156,797,041, an increase of \$50,660,551 or 47.73% over the prior year, primarily related to construction expenditures on the City Center Project.

**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, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

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

The City maintains eleven 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, capital projects and public facilities authority funds, which are considered to be major funds.

The City adopts an annual appropriated budget for all its governmental funds, except capital project funds for which project length budgets are adopted. A budgetary comparison statement has been provided for the general fund and each of the special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

**Fiduciary funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The City uses an Agency Fund for the collection and remittance of cash appearance bond related activity for municipal court.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 44 of this report.

**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 47 through 60 of this report. Required supplementary information can be found on pages 45 through 46 of this report.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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**Government-wide Financial Analysis**

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets exceeded liabilities and deferred inflows of resources by \$322,876,580, representing a \$18,114,051 or 5.94% increase over last year.

The largest portion of the City's net position, \$243,216,434 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, \$5,755,644, the remaining portion of the City's net position, represents unrestricted net position of \$73,904,502, which is available to meet the ongoing obligations of the government. This amount represents 83.46% of current governmental expenses, and a 12.74% decrease over the prior year.

The City has current and other assets of \$243,702,161, an increase of \$140,169,093 over the prior year. These assets include bond proceeds held in restricted cash and investments of \$143,225,368 in the Public Facilities Authority Fund.

The City's capital assets are \$289,162,338 which represents an increase of \$68,121,840 or 30.82%. The increase is primarily related to the construction costs for the City Center project.

Long term liabilities increased \$180,931,767 from the prior year as a result of the issuance of debt for the City Center project and related premiums on the debt. The City also borrowed \$2,497,296 from the Georgia Transportation Infrastructure Bank for the Windsor Parkway Realignment project.

The table below summarizes the City's Net Position for 2016 and 2015.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**City of Sandy Springs Net Position**

	<u>Governmental Activities</u>		<u>Dollar Increase (Decrease)</u>	<u>Percent</u>
	<u>2016</u>	<u>2015</u>		
Assets				
Current assets	\$ 243,702,161	\$ 103,533,068	\$ 140,169,093	135.39 %
Capital assets, net of accumulated depreciation	<u>289,162,338</u>	<u>221,040,498</u>	<u>68,121,840</u>	<u>30.82</u>
Total assets	<u>532,864,499</u>	<u>324,573,566</u>	<u>208,290,933</u>	<u>64.17</u>
Liabilities				
Current liabilities	22,702,268	13,397,353	9,304,915	69.45
Long-term liabilities	<u>187,195,651</u>	<u>6,263,884</u>	<u>180,931,767</u>	<u>2,888.49</u>
Total liabilities	<u>209,897,919</u>	<u>19,661,237</u>	<u>190,236,682</u>	<u>967.57</u>
Deferred service concession arrangement receipts	<u>90,000</u>	<u>150,000</u>	<u>(60,000)</u>	<u>(40.00)</u>
Net Position				
Net investment in capital assets	243,216,434	216,411,054	26,805,380	12.39
Restricted	5,755,644	3,658,688	2,096,956	57.31
Unrestricted	<u>73,904,502</u>	<u>84,692,787</u>	<u>(10,788,285)</u>	<u>(12.74)</u>
Total net position	<u>\$ 322,876,580</u>	<u>\$ 304,762,529</u>	<u>\$ 18,114,051</u>	<u>5.94 %</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, impact fees, and licenses and permits. These revenues increased \$312,511 or 2.57%. Capital grants and contributions decreased \$487,297 or 12.89% as a result of fewer federal awards. Property taxes increased \$1,044,199 or 3.24% as assessed property values continue to recover from the recession. Hotel motel taxes increased \$799,929 or 17.93% driven by higher room and occupancy rates. Business taxes increased \$828,057 or 5.59% as the economy continues to improve. Unrestricted investment earnings increased \$288,216 or 143.97% as a result of higher interest rates and additional invested funds from bond proceeds. Miscellaneous revenues decreased \$309,076 or 33.45% because of certain significant one-time payments made in the prior fiscal year that did not carry forward into 2016.

**Expenses:** General government expenses increased \$614,854 or 5.65% because of increases in contractual services. Public safety expenses decreased \$3,428,319 or 9.11% because prior year expenses included a \$3.6 million investment in construction a radio system related to the North Fulton Regional Radio System Authority. Public works expenses decreased \$2,731,933 or 14.54% due to decreases in road and storm water repair and maintenance. Culture and recreation expenses increased \$8,993,715 or 138% as a result of non-capitalized expenditures related to the City Center project. Housing and Development expenses increased \$1,340,953 or 33.92% due to expenses related to the Next Ten project and increases in staffing. Interest on long term debt increased \$4,436,795 as a result of the issuance of \$159,475,000 of long term debt related to the City Center project.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

	<u>Governmental Activities</u>		<u>Dollar Increase (Decrease)</u>	<u>Percent</u>
	<u>2016</u>	<u>2015</u>		
Revenues				
Program revenues:				
Charges for services	\$ 12,465,052	\$ 12,152,541	312,511	2.57 %
Operating grants and contributions	3,091	33,619	(30,528)	(90.81)
Capital grants and contributions	3,292,060	3,779,357	(487,297)	(12.89)
General revenues:				
Property taxes	33,240,654	32,196,455	1,044,199	3.24
Sales and use taxes	25,812,125	25,513,897	298,228	1.17
Hotel/motel taxes	5,262,170	4,462,241	799,929	17.93
Franchise taxes	9,842,953	9,671,503	171,450	1.77
Business taxes	15,644,309	14,816,252	828,057	5.59
Unrestricted investment earnings	489,424	200,608	288,816	143.97
Miscellaneous revenues	614,813	923,889	(309,076)	(33.45)
Total revenues	<u>106,666,651</u>	<u>103,750,362</u>	<u>2,916,289</u>	<u>2.81</u>
Expenses				
General government	11,497,805	10,882,951	614,854	5.65
Judicial	1,480,915	1,580,859	(99,944)	(6.32)
Public safety	34,184,497	37,612,816	(3,428,319)	(9.11)
Public works	16,052,761	18,784,694	(2,731,933)	(14.54)
Culture and recreation	15,500,207	6,506,492	8,993,715	138.23
Housing and development	5,294,454	3,953,501	1,340,953	33.92
Interest on long-term debt	4,541,961	105,166	4,436,795	4,218.85
Total expenses	<u>88,552,600</u>	<u>79,426,479</u>	<u>9,126,121</u>	<u>11.49</u>
Change in net position	18,114,051	24,323,883	(6,209,832)	(25.53) %
Net position, beginning of year	<u>304,762,529</u>	<u>280,438,646</u>		
Net position, end of year	<u>\$ 322,876,580</u>	<u>\$ 304,762,529</u>		

**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 2016 and 2015.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

**City of Sandy Springs Governmental Revenues, Expenditures and Changes in Fund Balances**

	<u>Governmental Funds</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	
Revenues:				
Taxes	\$ 89,787,515	\$ 86,357,021	\$ 3,430,494	3.97 %
Licenses and permits	4,069,503	3,817,492	252,011	6.60
Intergovernmental revenues	3,887,278	3,931,859	(44,581)	(1.13)
Fines and forfeitures	3,107,404	3,738,842	(631,438)	(16.89)
Charges for services	5,288,144	4,596,207	691,937	15.05
Interest income	489,424	200,608	288,816	143.97
Other	617,904	1,027,462	(409,558)	(39.86)
Total revenues	<u>107,247,172</u>	<u>103,669,491</u>	<u>3,577,681</u>	<u>3.45</u>
Expenditures:				
General government	15,900,684	28,833,479	(12,932,795)	(44.85)
Public Safety	33,733,508	36,818,536	(3,085,028)	(8.38)
Judicial	1,477,948	1,577,453	(99,505)	(6.31)
Public Works	27,296,011	26,276,197	1,019,814	3.88
Recreation	67,514,805	6,815,373	60,699,432	890.63
Housing and Development	5,357,955	4,931,583	426,372	8.65
Debt service	5,516,130	883,869	4,632,261	524.09
Total expenditures	<u>156,797,041</u>	<u>106,136,490</u>	<u>50,660,551</u>	<u>47.73</u>
Deficiency of revenues over expenditures	(49,549,869)	(2,466,999)	(47,082,870)	1,908.51
Proceeds from sale of capital assets	33,061	44,177	(11,116)	(25.16)
Issuance of note payable	2,497,296	-	2,497,296	-
Issuance of revenue bonds	159,475,000	-	159,475,000	-
Premium on bonds issued	20,224,542	-	20,224,542	-
Net change in fund balance	132,680,030	(2,422,822)	135,102,852	(5,576.26)
Fund balance, beginning of year	89,137,240	91,560,062	(2,422,822)	(2.65)
Fund balance, end of year	<u>\$ 221,817,270</u>	<u>\$ 89,137,240</u>	<u>\$ 132,680,030</u>	<u>148.85 %</u>

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$221,817,270, an increase of \$132,680,030, primarily related to the issuance of debt for the City Center project. Of this balance, \$152,102,595 is restricted by law or contractual agreement, the largest portion of which is bond proceeds related to the City Center project: \$34,481,240 has been assigned by management for infrastructure projects; \$12,758,427 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2017; and \$22,341,887 is considered unassigned and can be used to meet the near term operating needs of the City.

Tax revenues include property taxes, sales taxes, franchise taxes and business taxes and overall have increased \$3,430,494 or 3.97%. Property taxes increased \$1,332,830 or 4.18% as assessed values have risen. Hotel taxes have increased \$799,929 or 17.93% driven by higher room and occupancy rates. Business taxes and insurance

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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premium taxes have increased \$475,154 (4.93%) and \$345,853 (6.83%) respectively, as a result of continuing city growth. Revenues for licenses and permits have increased \$252,011 or 6.6% as building activity within the city continues to grow. Fines and forfeitures decreased \$631,438 or 16.89% as confiscations have decreased and public safety focused on crime prevention over violations and ticketing. Interest income increased \$288,816 primarily from the increase in invested funds received from bond proceeds as well as improvements in interest rates. Other revenue decreased \$409,558 or 39.86% because of certain significant one-time payments made in the prior fiscal year that did not continue into 2016.

Total governmental expenditures have increased \$50,660,551 or 47.73% due to increases in capital projects, primarily the City Center project. General government expenditures decreased \$12,932,795 because expenditures related to the City Center project were reflected as general government expenditures in 2015 and for 2016 are reflected as recreation expenses because they are primarily related to the performing arts center portion of the City Center project. Public safety expenditures decreased \$3,085,028 or 8.38% because prior year expenditures included the City's share of investment in the North Fulton Regional Radio System Authority. Recreation expenditures increased \$60,699,432, and are primarily related to the City Center project. Debt service expenditures increased \$4,632,261 primarily as a result of the issuance of \$159,475,000 of debt related to the City Center project.

**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 \$37,785,002, an increase of \$1,920,828 or 5.36%. 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, 2016 was \$22,341,887 and represents 35% percent of total general fund expenditures.

Total General fund revenues have increased \$2,289,497 or 2.52%. Property taxes increased \$1,332,830 or 4.18% as assessed values have risen. Business taxes and insurance premium taxes have increased \$475,154 (4.93%) and \$345,853 (6.83%), respectively, as the general and local economy has improved. Licenses and permits have increased \$252,011 or 6.60% as building activity continues to improve. Fines and forfeitures have decreased \$445,235 or 13.51% as confiscations have decreased. Other revenue has decreased \$309,076 or 33.45% because of certain non-recurring revenues recorded in the prior fiscal year that did not continue into 2016.

Total General fund expenditures increased \$2,512,376 or 4.11%. General government expenditures increased \$1,012,582 (9.77%); Public works expenditures increased \$593,943 (5%); and Housing and development expenditures increased \$954,146 or 23.69% because of increases in contractual services.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

**City of Sandy Springs General Fund Revenues, Expenditures and Changes in Fund Balances**

	<u>General Fund</u>		<u>Dollar Increase (Decrease)</u>	<u>Percent</u>	
	<u>2016</u>	<u>2015</u>			
Revenues:					
Property taxes	\$33,225,958	\$31,893,128	\$ 1,332,830	4.18	%
Sales taxes	25,812,125	25,513,897	298,228	1.17	
Franchise taxes	9,842,953	9,671,503	171,450	1.77	
Business taxes	10,120,081	9,644,927	475,154	4.93	
Insurance premium tax	5,407,794	5,061,941	345,853	6.83	
Licenses and permits	4,069,503	3,817,492	252,011	6.60	
Charges for services	920,670	915,233	5,437	0.59	
Fines and forfeitures	2,850,289	3,295,524	(445,235)	(13.51)	
Interest earned	372,517	200,504	172,013	85.79	
Contributions	-	9,168	(9,168)	(100.00)	
Other	614,813	923,889	(309,076)	(33.45)	
Total revenues	<u>93,236,703</u>	<u>90,947,206</u>	<u>2,289,497</u>	<u>2.52</u>	
Expenditures:					
General government	11,380,689	10,368,107	1,012,582	9.77	
Judicial	1,477,948	1,577,453	(99,505)	(6.31)	
Public safety	29,506,925	29,587,579	(80,654)	(0.27)	
Public works	12,448,287	11,854,344	593,943	5.01	
Recreation	2,905,430	2,773,231	132,199	4.77	
Housing and development	4,981,492	4,027,346	954,146	23.69	
Debt service:					
Principal	791,182	776,790	14,392	1.85	
Interest	92,352	107,079	(14,727)	(13.75)	
Total expenditures	<u>63,584,305</u>	<u>61,071,929</u>	<u>2,512,376</u>	<u>4.11</u>	
Excess of revenues over expenditures	29,652,398	29,875,277	(222,879)	(0.75)	
Proceeds from sale of capital assets	33,061	44,177	(11,116)	(25.16)	
Proceeds from issuance of capital lease	-	-	-	(100.00)	
Transfers in	2,173,884	1,446,923	726,961	50.24	
Transfers out	<u>(29,938,515)</u>	<u>(29,428,429)</u>	<u>(510,086)</u>	<u>1.73</u>	
Net change in fund balance	1,920,828	1,937,948	(17,120)	(0.88)	
Fund balance, beginning of year	<u>35,864,174</u>	<u>33,926,226</u>	<u>1,937,948</u>	<u>5.71</u>	
Fund balance, end of year	<u>\$37,785,002</u>	<u>\$35,864,174</u>	<u>\$ 1,697,949</u>	<u>4.73</u>	%

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

**General Fund Budgetary Highlights**

The General Fund budget versus actual comparison can be found on pages 45 and 46. For fiscal year 2016, the City had an overall favorable budget variance of \$16,762,401.

Total revenues were \$8,666,135 better than budgeted. Property taxes were \$2,325,958 or 7.53% better than budgeted as assessed values increased faster than previously forecast. Sales taxes were \$1,387,125 or 5.68% better than budgeted as the local economy improves at a faster rate than projected. Licenses and permits were \$2,089,503 or 105% better than budgeted as the City's infrastructure initiatives have brought in increased commercial and residential construction. All other revenue categories except fines and forfeitures reflect favorable budget variances as the city continues to use very conservative revenue estimates.

Total expenditures were \$8,727,664 better than budgeted. Public safety expenditures were \$2,503,841 or 7.82% better than budgeted due to unfilled positions and reduced subsidies for E911 operations. Public works expenditures were \$4,344,025 or 25.87% better than budgeted due to significantly less in repairs and maintenance of storm water infrastructure than originally projected. All other expenditure categories reflect favorable budget variances as the City continues to use very conservative budget models.

***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 2016, the fund balance for this fund was \$31,887,995 which represents a decrease of \$23,445,599 over the prior year as the City made significant transfers to the City Center project that were previously allocated to the Capital Projects Fund. 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, fund balance represents amounts that have been allocated toward specific projects but are in various stages of completion.

As stated above, a significant amount of the resources in the capital projects fund are direct transfers from the general fund. In 2016, the general fund contributed \$10,693,000 toward capital projects. Revenues from state and federal transportation funds were \$3,514,735 in 2016 compared to \$2,552,023 in the prior year. Expenditures totaled \$21,994,915 for 2016 compared to \$37,183,414 in 2015. The significant decrease in expenditures is attributable to more capital expenditure activities being directed to the City Center project which are accounted for in a separate fund. Below is a table comparing capital project funding for 2016 and 2015.

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

	<b>2016</b>	<b>2015</b>	<b>Dollar Increase (Decrease)</b>	<b>Percent</b>
General Government	\$ 4,519,995	\$ 18,465,372	\$(13,945,377)	(75.52) %
Public Safety	491,483	3,698,964	(3,207,481)	(86.71)
Public Works	14,847,724	14,070,009	777,715	5.53
Housing and Development	42,277	94,752	(52,475)	(55.38)
Culture and Recreation	2,093,436	854,317	1,239,119	145.04
	<u>\$ 21,994,915</u>	<u>\$ 37,183,414</u>	<u>\$(15,188,499)</u>	<u>(40.85) %</u>

**CITY OF SANDY SPRINGS, GEORGIA  
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General government capital expenditures decreased \$13,945,377 or 75.52% primarily related City Center expenditures which are now reflected in a separate fund. Public Safety capital expenditures decreased \$3,207,481 or 86.71% because significant expenditures related to the North Fulton Regional Radio System were recorded in the prior year. Public works capital expenditures increased \$777,715 or 5.53% as a result of increased spending on road and sidewalk construction projects in 2016. Culture and recreation capital expenditures increased \$1,239,119 or 145.04% because of increases in expenditures related to two newly added parks projects.

***Public Facilities Authority***

The public facilities authority accounts for the activities for acquiring, constructing and installing certain public buildings, facilities and equipment necessary and convenient for the efficient operation of the City in connection with the proposed City Center project, including, but not limited to, a new performing arts center, public meeting spaces, a studio theater, city office space, and public parking facilities. The City issued \$159,475,000 in Revenue Bonds on October 20, 2015 for the City Center Master Plan. A \$222,712,000 budget was established to provide for the funding toward the completion of the overall project. The bond proceeds, debt service payments and capital expenditures for the project will all flow through the public facilities authority. At the end of 2016, the fund balance for this fund was \$148,747,697.

**Capital Asset and Debt Administration**

**Capital Assets** The City's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$289,162,338 (net of accumulated depreciation). This represents an increase of \$68,121,840 or 30.82% over the prior year. The increase is primarily driven by the City Center project. Additional information on the City's capital assets can be found in Note 6 on page 36 of this report.

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

	<b>Governmental Activities</b>		<b>Dollar</b>	<b>Percent</b>
	<b>2016</b>	<b>2015</b>	<b>Increase (Decrease)</b>	
Land	\$ 27,094,109	\$ 25,618,424	\$ 1,475,685	5.76 %
Construction in progress	132,548,310	63,003,534	69,544,776	110.38
Buildings	6,993,052	7,197,496	(204,444)	(2.84)
Improvements	11,550,423	11,937,284	(386,861)	(3.24)
Machinery and equipment	9,787,697	10,465,301	(677,604)	(6.47)
Infrastructure	101,188,747	102,818,459	(1,629,712)	(1.59)
	<b>\$ 289,162,338</b>	<b>\$ 221,040,498</b>	<b>\$ 68,121,840</b>	<b>30.82 %</b>

**Long-term Debt** At the end of fiscal year 2015, the City had total debt outstanding of \$4,629,444 primarily for police and fire equipment. As of the end of 2016 the City had \$185,522,428 of outstanding debt. During 2016, the City issued \$159,475,000 of Series 2015 Revenue bonds which included \$20,224,542 of premiums, primarily to finance the City Center project. The City also drew down \$2,497,296 of a \$2,750,000 note payable facility to the State Road and Tollway Authority for the purpose of the Windsor Parkway Realignment. 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 page 37 of this report.

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

All of these factors were considered in preparing the City's budget for the 2017 fiscal year.

- Sustainability of Existing Services – the City has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Cost of Government – The operating millage rate of 4.731 mills is statutorily set and cannot be changed without a referendum. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, to facilitate the provision of city services.
- Infrastructure Improvements – The City provided substantial capital funding to continue the work started in prior years to begin to address a significant backlog of existing infrastructure deficiencies. Funding was allocated for repaving program, intersection improvements, parks, buildings, machinery and equipment, roadways, sidewalks, culverts, equipment and signals.
- Economy Impact – The City's revenues and expenditures were implemented with a conservative approach to reflect the economic conditions that are expected to continue through 2017.
- The City restricts the use of one-time revenues to capital projects.

**Requests for Information**

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

**CITY OF SANDY SPRINGS, GEORGIA**

**STATEMENT OF NET POSITION  
JUNE 30, 2016**

	<b>Primary Government</b>	<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Sandy Springs Hospitality &amp; Tourism</b>	<b>Development Authority</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 82,351,643	\$ 1,136,978	\$ 309,426
Investments	10,500,000	-	-
Taxes receivable, net of allowances	1,530,721	-	-
Accounts receivable	1,077,101	3,000	-
Due from other governments, net of allowances	4,884,207	-	-
Due from primary government	-	304,196	-
Restricted:			
Cash and cash equivalents	34,922,950	-	-
Investments	108,302,418	-	-
Prepaid items	133,121	-	-
Capital assets:			
Nondepreciable	159,642,419	-	-
Depreciable, net of accumulated depreciation	129,519,919	-	-
<b>Total assets</b>	<b>532,864,499</b>	<b>1,444,174</b>	<b>309,426</b>
<b>LIABILITIES</b>			
Accounts payable	18,437,130	64,896	-
Accrued liabilities	3,960,942	-	-
Due to component unit	304,196	-	-
Compensated absences due within one year	890,374	-	-
Capital leases, due within one year	955,239	-	-
Bonds payable, due within one year	2,440,000	-	-
Compensated absences due in more than one year	782,849	-	-
Capital leases, due in more than one year	2,883,023	-	-
Bonds payable, due in more than one year	176,746,870	-	-
Note payable, due in more than one year	2,497,296	-	-
<b>Total liabilities</b>	<b>209,897,919</b>	<b>64,896</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	90,000	-	-
<b>Total deferred inflows of resources</b>	<b>90,000</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>			
Net investment in capital assets	243,216,434	-	-
Restricted:			
Infrastructure improvements	2,989,421	-	-
Public safety projects	243,874	-	-
Debt service	2,400,746	-	-
Tourism	-	1,379,278	-
Development	-	-	309,426
Recreation	121,603	-	-
Unrestricted	73,904,502	-	-
<b>Total net position</b>	<b>\$ 322,876,580</b>	<b>\$ 1,379,278</b>	<b>\$ 309,426</b>

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, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 11,497,805	\$ 788,373	\$ -	\$ -
Judicial	1,480,915	2,850,289	-	-
Public safety	34,184,497	3,486,436	-	38,356
Public works	16,052,761	1,403,124	-	3,253,704
Culture and recreation	15,500,207	779,550	3,091	-
Housing and development	5,294,454	3,157,280	-	-
Interest on long-term debt	4,541,961	-	-	-
Total governmental activities	<u>88,552,600</u>	<u>12,465,052</u>	<u>3,091</u>	<u>3,292,060</u>
Total primary government	<u>\$ 88,552,600</u>	<u>\$ 12,465,052</u>	<u>\$ 3,091</u>	<u>\$ 3,292,060</u>
<b>Component Units</b>				
Sandy Springs Hospitality & Tourism	\$ 1,487,718	\$ -	\$ 1,691,740	\$ -
Development Authority	5,520	-	100,000	-
Total component units	<u>\$ 1,487,718</u>	<u>\$ -</u>	<u>\$ 1,691,740</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Franchise taxes				
Excise taxes				
Business taxes				
Insurance premium tax				
Unrestricted investment earnings				
Miscellaneous revenues				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

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

<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Sandy Springs Hospitality &amp; Tourism</b>	<b>Sandy Springs Development Authority</b>
\$ (10,709,432)	\$ -	\$ -
1,369,374	-	-
(30,659,705)	-	-
(11,395,933)	-	-
(14,717,566)	-	-
(2,137,174)	-	-
(4,541,961)	-	-
(72,792,397)	-	-
(72,792,397)	-	-
-	204,022	-
-	-	94,480
-	204,022	94,480
33,240,654	-	-
25,812,125	-	-
5,262,170	-	-
9,842,953	-	-
116,434	-	-
10,120,081	-	-
5,407,794	-	-
489,424	-	-
614,813	-	-
90,906,448	-	-
18,114,051	204,022	94,480
304,762,529	1,175,256	214,946
<b>\$ 322,876,580</b>	<b>\$ 1,379,278</b>	<b>\$ 309,426</b>

**CITY OF SANDY SPRINGS, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

<b>ASSETS</b>	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Public Facilities Authority Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 29,033,751	\$ 31,709,176	\$ 16,366,113	\$ 5,242,603	\$ 82,351,643
Investments	10,500,000	-	-	-	10,500,000
Taxes receivable, net of allowances	1,059,011	-	-	471,710	1,530,721
Other receivables	561,410	-	-	425,691	987,101
Intergovernmental receivables, net of allowances	3,028,311	1,848,986	-	6,910	4,884,207
Restricted:					
Cash and cash equivalents	-	-	34,922,950	-	34,922,950
Investments	-	-	108,302,418	-	108,302,418
Due from other funds	659,736	867,316	-	-	1,527,052
Prepaid items	133,121	-	-	-	133,121
<b>Total assets</b>	<b><u>\$ 44,975,340</u></b>	<b><u>\$ 34,425,478</u></b>	<b><u>\$ 159,591,481</u></b>	<b><u>\$ 6,146,914</u></b>	<b><u>\$ 245,139,213</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 4,555,767	\$ 2,118,489	\$ 10,843,784	\$ 919,090	\$ 18,437,130
Accrued liabilities	2,187,794	380,219	-	-	2,568,013
Due to other funds	-	-	-	1,527,052	1,527,052
Due to component unit	-	-	-	304,196	304,196
<b>Total liabilities</b>	<b><u>6,743,561</u></b>	<b><u>2,498,708</u></b>	<b><u>10,843,784</u></b>	<b><u>2,750,338</u></b>	<b><u>22,836,391</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	227,982	-	-	-	227,982
Unavailable revenue - intergovernmental	218,795	38,775	-	-	257,570
<b>Total deferred inflow of resources</b>	<b><u>446,777</u></b>	<b><u>38,775</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>485,552</u></b>
<b>FUND BALANCES</b>					
Fund balances:					
Nonspendable:					
Prepays	133,121	-	-	-	133,121
Restricted:					
Public safety projects	-	-	-	243,874	243,874
Debt service	-	-	3,657,953	-	3,657,953
Capital projects	-	-	145,089,744	-	145,089,744
Recreation	-	-	-	121,603	121,603
Infrastructure improvements	-	-	-	2,989,421	2,989,421
Assigned:					
Stormwater projects	2,551,567	-	-	-	2,551,567
Capital projects	-	31,887,995	-	-	31,887,995
Community development	-	-	-	41,678	41,678
2017 fiscal year appropriations of fund balance	12,758,427	-	-	-	12,758,427
Unassigned	22,341,887	-	-	-	22,341,887
<b>Total fund balances</b>	<b><u>37,785,002</u></b>	<b><u>31,887,995</u></b>	<b><u>148,747,697</u></b>	<b><u>3,396,576</u></b>	<b><u>221,817,270</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 44,975,340</u></b>	<b><u>\$ 34,425,478</u></b>	<b><u>\$ 159,591,481</u></b>	<b><u>\$ 6,146,914</u></b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	289,162,338
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(188,452,858)
Expenses related to pollution remediation costs are not due and payable in the current period and, therefore, are not reported in the funds.	(135,722)
Some revenues are not available in the current period and, therefore, are not reported in the funds.	485,552

Net position of governmental activities **\$ 322,876,580**

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, 2016**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Public Facilities Authority Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 33,225,958	\$ -	\$ -	\$ -	\$ 33,225,958
Sales taxes	25,812,125	-	-	-	25,812,125
Hotel/Motel taxes	-	-	-	5,262,170	5,262,170
Auto excise taxes	-	-	-	116,434	116,434
Franchise taxes	9,842,953	-	-	-	9,842,953
Business taxes	10,120,081	-	-	-	10,120,081
Insurance premium tax	5,407,794	-	-	-	5,407,794
Licenses and permits	4,069,503	-	-	-	4,069,503
Intergovernmental	-	3,514,735	-	372,543	3,887,278
Charges for services	920,670	-	-	4,367,474	5,288,144
Fines and forfeitures	2,850,289	-	-	257,115	3,107,404
Interest earned	372,517	-	116,907	-	489,424
Contributions	-	-	-	3,091	3,091
Miscellaneous	614,813	-	-	-	614,813
<b>Total revenues</b>	<b>93,236,703</b>	<b>3,514,735</b>	<b>116,907</b>	<b>10,378,827</b>	<b>107,247,172</b>
<b>Expenditures:</b>					
Current:					
General government	11,380,689	4,519,995	-	-	15,900,684
Judicial	1,477,948	-	-	-	1,477,948
Public safety	29,506,925	491,483	-	3,735,100	33,733,508
Public works	12,448,287	14,847,724	-	-	27,296,011
Culture and recreation	2,905,430	2,093,436	59,310,117	3,205,822	67,514,805
Housing and development	4,981,492	42,277	-	334,186	5,357,955
Debt service:					
Principal	791,182	-	-	-	791,182
Interest	92,352	-	3,718,585	-	3,810,937
Cost of issuance	-	-	914,011	-	914,011
<b>Total expenditures</b>	<b>63,584,305</b>	<b>21,994,915</b>	<b>63,942,713</b>	<b>7,275,108</b>	<b>156,797,041</b>
Excess (deficiency) of revenues over expenditures	29,652,398	(18,480,180)	(63,825,806)	3,103,719	(49,549,869)
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	33,061	-	-	-	33,061
Issuance of note payable	-	2,497,296	-	-	2,497,296
Issuance of revenue bonds	-	-	159,475,000	-	159,475,000
Premium on bonds issued	-	-	20,224,542	-	20,224,542
Transfers in	2,173,884	11,960,316	38,634,855	33,691	52,802,746
Transfers out	(29,938,515)	(19,423,031)	-	(3,441,200)	(52,802,746)
<b>Total other financing sources (uses)</b>	<b>(27,731,570)</b>	<b>(4,965,419)</b>	<b>218,334,397</b>	<b>(3,407,509)</b>	<b>182,229,899</b>
Net change in fund balances	1,920,828	(23,445,599)	154,508,591	(303,790)	132,680,030
<b>Fund balances, beginning of year, restated</b>	<b>35,864,174</b>	<b>55,333,594</b>	<b>(5,760,894)</b>	<b>3,700,366</b>	<b>89,137,240</b>
<b>Fund balances, end of year</b>	<b>\$ 37,785,002</b>	<b>\$ 31,887,995</b>	<b>\$ 148,747,697</b>	<b>\$ 3,396,576</b>	<b>\$ 221,817,270</b>

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, 2016

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

Net change in fund balances - total governmental funds \$ 132,680,030

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. 68,215,931

In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed. (25,726)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (580,521)

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. (181,405,656)

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. (770,007)

Change in net position - governmental activities \$ 18,114,051

**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, 2016**

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	<b>ASSETS</b>	<b>Municipal Court Fund</b>
Cash		<u>\$ 232,526</u>
Total assets		<u><u>\$ 232,526</u></u>
	<b>LIABILITIES</b>	
Due to others		<u>\$ 232,526</u>
Total liabilities		<u><u>\$ 232,526</u></u>

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

**CITY OF SANDY SPRINGS, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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

**A. Reporting Entity**

The City, which was incorporated in 2005, operates under a charter adopted December 1, 2005, as a municipal corporation governed by an elected mayor and a six-member council. The government provides such services as police protection, fire and rescue services, cultural and recreational activities, housing and development and public works.

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Reporting Entity (continued)

The Public Facilities Authority of the City of Sandy Springs (the "Authority") has been included as a blended component unit in the accompanying financial statements. All members of the City Council serve as members for the Authority. Although it is legally separate from the City, its sole purpose is to create a governmental entity by which a municipality can, through contractual relationships, lease space for terms over one year, by using the Authority to serve as a financing and ownership partner for major city developments. The debt and assets of the Authority have been reported as a form of the City's debt and assets and all debt service activity is reported as debt service activity of the City.

#### B. Government-wide and Fund Financial Statements

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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. Debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other long-term liabilities are recorded only when payment is due.

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

The City reports the following major governmental funds:

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

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

The **Public Facilities Authority Fund** is used to serve as a financing and ownership partner for major city developments.

Additionally, the City reports the following fund types:

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

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

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

#### D. Encumbrances

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances would then be an assignment of fund balance since the commitments would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at June 30, 2016, and none were recorded.

## NOTES TO FINANCIAL STATEMENTS

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

#### E. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund, and special revenue funds. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended June 30, 2016, 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. Deposits and Investments

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

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

The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### 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.”

#### I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received.

#### J. Capital Assets

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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, 2016 will be recognized as a revenue and increase net position over the remaining life of the contract. As of June 30, 2016 the present value of the service concession arrangement was \$90,000 and will be amortized over the life of the agreement ending December 31, 2017. The final item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

#### L. Compensated Absences

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

## NOTES TO FINANCIAL STATEMENTS

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

#### M. Long-Term Obligations

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

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

#### N. Fund Equity

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

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

Fund balances are classified as follows:

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

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

*Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the City Council. Approval of a resolution after a formal vote of the City Council is required to establish a commitment of fund balance. Similarly, the City Council may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

## NOTES TO FINANCIAL STATEMENTS

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

#### N. Fund Equity (Continued)

*Assigned* – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, through City Ordinance, has expressly delegated to the Finance Director the authority to assign funds for particular purposes.

*Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund and other governmental funds may only report negative unassigned fund balances. The City has a policy to maintain an unassigned fund balance in the general fund of twenty-five percent of the subsequent year's budgeted expenditures and outgoing transfers.

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

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

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

#### O. Use of Estimates

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

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$188,452,858 difference are as follows:

Capital lease payable	\$ (3,838,262)
Bonds payable	(179,186,870)
Notes payable	(2,497,296)
Compensated absences (i.e., vacation)	(1,673,223)
Accrued interest	<u>(1,257,207)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (188,452,858)</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 \$68,215,931 difference are as follows:

Capital outlay	\$ 75,207,488
Depreciation expense	<u>(6,991,557)</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>\$ 68,215,931</u></u>

## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains 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 \$181,405,656 difference are as follows:

Issuance of revenue bonds	\$ (159,475,000)
Notes payable	(2,497,296)
Premium	(20,224,542)
Principal retirements	<u>791,182</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (181,405,656)</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 \$770,007 difference are as follows:

Compensated absences (i.e., vacation)	\$ (38,983)
Accrued interest	(1,243,696)
Amortization of bond premium	<u>512,672</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>\$ (770,007)</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 and general fund departments had an excess of actual expenditures over appropriations for the fiscal year ended June 30, 2016:

Confiscated Assets Fund	\$	493,829
E911 Fund		412,140
Hotel/Motel Fund		526,822
General government		
Legal services		109,718
Human resources		3,812
City clerk		4,508

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

### NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2016 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	\$	82,351,643
Investments		10,500,000
Restricted cash and cash equivalents		34,922,950
Restricted investments		108,302,418
Statement of Fiduciary Assets and Liabilities:		
Cash - Agency Fund		232,526
		<u>\$ 236,309,537</u>
Cash deposited with financial institutions	\$	44,547,193
Cash deposited with Georgia fund 1		72,959,926
Investments		118,802,418
		<u>\$ 236,309,537</u>

## NOTES TO FINANCIAL STATEMENTS

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

**Credit risk.** State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Operating funds of the City are currently invested in the Georgia Fund 1, U.S. Treasuries, or U.S. Government agency securities which are backed by the full faith and credit of the U.S. government.

**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.

At June 30, 2016, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

Investment	Weighted Average Maturity (Years)	Credit Rating	Fair Value
United States Treasuries	0.55	AAA	\$ 108,302,418
Georgia Fund 1	0.12	AAAf	72,959,926
United States Government Sponsored Enterprise	3.98	AAA	8,250,000
Certificates of Deposit	0.72	(a)	2,250,000
			<u>\$ 191,762,344</u>

(a) These certificates of deposit are not rated.

## NOTES TO FINANCIAL STATEMENTS

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

**Fair Value Measurements.** The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2016:

Investment	Level 1	Level 2	Level 3	Fair Value
United States Treasuries	\$ 108,302,418	\$ -	\$ -	\$ 108,302,418
United States Government Sponsored Enterprise Certificates of Deposit	-	8,250,000	-	8,250,000
	2,250,000	-	-	2,250,000
Total investments measured at fair value	<u>\$ 110,552,418</u>	<u>\$ 8,250,000</u>	<u>-</u>	<u>\$ 118,802,418</u>
Investments not subject to level disclosure:				
Georgia Fund 1				<u>72,959,926</u>
Total investments				<u>\$ 191,762,344</u>

The U.S. Treasuries classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investment in the United States Government Sponsored Enterprise classified as Level 2 of the fair value hierarchy are valued using an option-adjusted discounted cash flow model.

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

## NOTES TO FINANCIAL STATEMENTS

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

**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 and City policy 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, 2016, the deposits of the City and its discretely presented component units were properly insured and/or collateralized in accordance with State laws.

### 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, 2016, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>
Receivables:			
Intergovernmental	\$ 11,179,891	\$ 1,848,986	\$ 6,910
Taxes	1,071,011	-	471,710
Other	561,410	-	425,691
Total receivables	<u>12,812,312</u>	<u>1,848,986</u>	<u>904,311</u>
Less allowance for uncollectible	8,163,580	-	-
Net total receivable	<u>\$ 4,648,732</u>	<u>\$ 1,848,986</u>	<u>\$ 904,311</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2016 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Nondepreciable capital assets:					
Land	\$ 25,618,424	\$ 35,100	\$ -	\$ 1,440,585	\$ 27,094,109
Construction in progress	63,003,534	73,046,719	-	(3,501,943)	132,548,310
Total	<u>88,621,958</u>	<u>73,081,819</u>	<u>-</u>	<u>(2,061,358)</u>	<u>159,642,419</u>
Capital assets, being depreciated:					
Buildings	8,578,142	135,375	-	86,317	8,799,834
Improvements	13,834,101	46,826	-	128,335	14,009,262
Machinery and equipment	22,648,492	1,275,199	(240,562)	569,682	24,252,811
Infrastructure	155,510,720	599,904	(42,267)	1,277,024	157,345,381
Total	<u>200,571,455</u>	<u>2,057,304</u>	<u>(282,829)</u>	<u>2,061,358</u>	<u>204,407,288</u>
Less accumulated depreciation for:					
Buildings	(1,380,646)	(426,136)	-	-	(1,806,782)
Improvements	(1,896,817)	(562,022)	-	-	(2,458,839)
Machinery and equipment	(12,183,191)	(2,498,411)	216,488	-	(14,465,114)
Infrastructure	(52,692,261)	(3,504,988)	40,615	-	(56,156,634)
Total	<u>(68,152,915)</u>	<u>(6,991,557)</u>	<u>257,103</u>	<u>-</u>	<u>(74,887,369)</u>
Total capital assets being depreciated, net	<u>132,418,540</u>	<u>(4,934,253)</u>	<u>(25,726)</u>	<u>2,061,358</u>	<u>129,519,919</u>
Governmental activities capital assets, net	<u>\$ 221,040,498</u>	<u>\$ 68,147,566</u>	<u>\$ (25,726)</u>	<u>\$ -</u>	<u>\$ 289,162,338</u>

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

Governmental activities:	
General government	\$ 462,469
Public safety	2,068,425
Public works	3,910,259
Culture and recreation	533,710
Housing and development	16,694
Total depreciation expense - governmental activities	<u>\$ 6,991,557</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT

#### Capital Leases

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

<u>Year Ending June 30,</u>		
2017	\$	402,011
2018		401,603
2019		400,815
2020		<u>400,251</u>
Total minimum lease payments		<u>1,604,680</u>
Less amounts representing interest		<u>(114,158)</u>
Present value of minimum lease payments	\$	<u><u>1,490,522</u></u>

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

<u>Year Ending June 30,</u>		
2017	\$	109,554
2018		109,554
2019		109,554
2020		<u>109,554</u>
Total minimum lease payments		<u>438,216</u>
Less amounts representing interest		<u>(16,210)</u>
Present value of minimum lease payments	\$	<u><u>422,006</u></u>

As of June 30, 2016, the City had \$3,706,273 of buildings, with associated accumulated depreciation of \$270,489, financed under the above capital leases. The related depreciation expense for these assets is included in the capital asset depreciation expense.

## NOTES TO FINANCIAL STATEMENTS

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

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

Year Ending June 30,		
2017	\$	528,602
2018		528,602
2019		528,602
2020		396,732
Total minimum lease payments		1,982,538
Less amounts representing interest		(56,804)
Present value of minimum lease payments	\$	1,925,734

As of June 30, 2016, the City had \$4,858,648 of vehicles and equipment, with associated accumulated depreciation of \$1,735,231, financed under the capital leases. The related depreciation expense for these assets is included in the capital asset depreciation expense.

### Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable	\$ -	\$ 159,475,000	\$ -	\$ 159,475,000	\$ 2,440,000
Plus: Premiums	-	20,224,542	(512,672)	19,711,870	-
Total bonds payable	-	179,699,542	(512,672)	179,186,870	2,440,000
Capital lease payable	4,629,444	-	(791,182)	3,838,262	955,239
Notes payable	-	2,497,296	-	2,497,296	-
Compensated absences	1,634,240	908,614	(869,631)	1,673,223	890,374
Governmental activity					
Long-term liabilities	\$ 6,263,684	\$ 183,105,452	\$ (2,173,485)	\$ 187,195,651	\$ 4,285,613

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

## NOTES TO FINANCIAL STATEMENTS

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

#### Bonds Payable

During November 2015, the Public Facilities Authority issued \$159,475,000 of Series 2015 Revenue Bonds for the purpose of (a) financing the cost of acquiring, constructing and installing certain public buildings in connection with the City Center Project, and (b) paying the cost necessary to accomplish the foregoing. The bonds carry a rate of interest ranging from 2.0% – 5.0% per annum and mature May 1, 2047. The bonds are payable solely from the City through a lease agreement with the Authority, whereby the City agrees to make rental payments in an amount sufficient to enable the Authority to make the annual and semi-annual principal and interest payments. The City has unconditionally agreed to levy taxes, without limitation as to rate or amount, as necessary to meet its obligation under this agreement.

The City's debt service requirements to maturity on the revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 2,440,000	\$ 7,315,250	\$ 9,755,250
2018	2,510,000	7,242,050	9,752,050
2019	2,610,000	7,141,650	9,751,650
2020	2,750,000	7,011,150	9,761,150
2021	2,840,000	6,918,650	9,758,650
2022-2026	16,385,000	32,401,250	48,786,250
2027-2031	20,690,000	28,103,250	48,793,250
2032-2036	25,995,000	22,783,750	48,778,750
2037-2041	32,700,000	16,074,750	48,774,750
2042-2046	41,210,000	7,577,150	48,787,150
2047	9,345,000	407,950	9,752,950
Total	<u>\$ 159,475,000</u>	<u>\$ 142,976,850</u>	<u>\$ 302,451,850</u>

#### Notes Payable

The City has executed a note payable agreement with the State Road and Tollway Authority (SRTA). The note, financed through the Georgia Transportation Infrastructure Bank (GTIB), operates as a line of credit. The City has been approved to borrow up to \$2,750,000 for the Windsor Parkway Realignment. As of June 30, 2016, the City had drawn \$2,497,296 on the note. When the project is concluded and the principal balance finalized, the interest incurred on all draws to date will be added to the principal balance of the loan, and a repayment schedule will be finalized.

## NOTES TO FINANCIAL STATEMENTS

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

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 659,736
Capital Projects Fund	Nonmajor governmental funds	867,316
		<u>\$ 1,527,052</u>

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

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

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Hospitality & Tourism	Nonmajor governmental funds	\$ 304,196
		<u>\$ 304,196</u>

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 2,173,884
Capital Projects Fund	General Fund	10,693,000
Capital Projects Fund	Nonmajor governmental funds	1,267,316
Nonmajor governmental funds	General Fund	33,691
Public Facilities Authority	General Fund	19,211,824
Public Facilities Authority	Capital Projects Fund	19,423,031
		<u>\$ 52,802,746</u>

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

## NOTES TO FINANCIAL STATEMENTS

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

The City has entered into several public/private contractual partnerships for outsourced services and operations. Through these contracts with the private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to the cost of providing these services in-house. Currently, the cost of these contracts is approximately \$14.2 million annually.

In addition to the liabilities enumerated in the balance sheet, at June 30, 2016, the City has contractual commitments on uncompleted contracts of \$146,972,426.

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

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

As part of the development of the City's City Center Project, the City has acquired several parcels of property which were noted to contain ground soil contamination as determined by the Environmental Protection Division (EPD). These properties have required the City to perform testing of contamination levels, to perform necessary clean-up and removal of contamination, as well as to perform subsequent testing and monitoring of the properties. The City has estimated the potential liability based on current contracts with third party vendors, as well as projections of monitoring costs based on the testing and evaluation costs. The City estimates the additional pollution remediation costs to be \$135,722 as of June 30, 2016. This amount has been included with the overall balance of accrued liabilities on the statement of net position.

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

The City of Sandy Springs' Profit Sharing Plan is a single employer defined contribution plan established and administered by the City of Sandy Springs for all full time employees. At June 30, 2016, there were 268 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, 2016, the City's contribution to the Plan, which was also the City's pension expense, was \$2,551,267 and employees contributed \$1,080,289.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. JOINT VENTURES

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

In October 2008, the cities of Sandy Springs and Johns Creek created the Chattahoochee River 911 Authority (ChatComm.), which was created pursuant to the provisions of the Official Code of Georgia Annotated (OCGA) Section 36-75-1, which provides for the organization of a joint public safety and judicial facility authority. ChatComm Board membership includes the City Manager from each participating city, or their designee. ChatComm was created by the two cities contributing a pre-determined capital amount necessary to equip the facility. In accordance with GASB 14: *The Financial Reporting Entity*, ChatComm was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. The cities have also pledged their future E911 revenues to ChatComm to pay for the operation of the emergency 911 answering facility. Additionally, the two cities will be responsible for funding any operating deficits as well as any future capital purchases of ChatComm. For the year ended June 30, 2016, the City of Sandy Springs has collected and remitted \$2,964,350 of E911 revenues. Since the inception of ChatComm, the City of Sandy Springs has contributed approximately \$8,152,000 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, 2016. At June 30, 2016, ChatComm had a negative net position of (\$11,536,591). Separate financial statements may be obtained from the City of Johns Creek, who has been contracted by ChatComm to serve as the accountants, at 12000 Findley Road, Suite 400, Johns Creek, Georgia 30097.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 11. JOINT VENTURES (CONTINUED)**

In July 2013 the cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority will provide an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: *The Financial Reporting Entity*, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. For the fiscal year ended June 30, 2016, the City of Sandy Springs contributed \$397,712 to the Authority. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

### **NOTE 12. HOTEL/MOTEL LODGING TAX**

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2016, the City received \$5,262,170 in hotel/motel taxes. Of this amount, \$3,205,822, or 60.9%, was used for the promotion of tourism, conventions, or trade shows.

### **NOTE 13. MOTOR VEHICLE EXCISE TAX**

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the period ended June 30, 2016, the City received \$116,434 in motor vehicle excise taxes. Of this amount, \$116,434, or 100%, was used for these purposes.

### **NOTE 14. RISK MANAGEMENT**

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. RISK MANAGEMENT (CONTINUED)

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

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

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

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

### NOTE 15. CHANGE IN REPORTING ENTITY

Previously, City reported the activity of the Public Facilities Authority (the "Authority") within the Capital Projects Fund. For the year ended June 30, 2016, management elected to break out the activity of the Authority to report it as a separate fund. Therefore, a restatement to beginning fund balance of the Capital Projects Fund was necessary to show the portion of beginning fund balance applicable to the Authority as follows:

Beginning fund balance, Capital Projects Fund, previously reported	\$ 49,572,700
Creation of separate fund for the Public Facilities Authority	<u>5,760,894</u>
Beginning fund balance, Capital Projects Fund, restated	<u><u>\$ 55,333,594</u></u>



# 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, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 30,900,000	\$ 30,900,000	\$ 33,225,958	\$ 2,325,958
Sales taxes	24,425,000	24,425,000	25,812,125	1,387,125
Franchise taxes	9,225,000	9,225,000	9,842,953	617,953
Business taxes	9,000,000	9,000,000	10,120,081	1,120,081
Insurance premium tax	4,750,000	4,750,000	5,407,794	657,794
Licenses and permits	1,980,000	1,980,000	4,069,503	2,089,503
Charges for services	848,120	848,120	920,670	72,550
Fines and forfeitures	3,000,000	3,000,000	2,850,289	(149,711)
Interest earned	125,000	125,000	372,517	247,517
Miscellaneous	317,448	317,448	614,813	297,365
Total revenues	84,570,568	84,570,568	93,236,703	8,666,135
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor and council	224,922	224,922	205,783	19,139
City manager	885,490	885,490	853,230	32,260
General operations	5,018,811	4,785,811	3,865,961	919,850
Legal services	823,000	823,000	932,718	(109,718)
Human Resources	311,788	311,788	315,600	(3,812)
Facilities and buildings	1,625,020	1,625,020	1,546,671	78,349
City clerk	164,855	264,855	269,363	(4,508)
Data processing / MIS	2,251,258	2,251,258	2,188,732	62,526
Public information	1,246,836	1,246,836	1,202,631	44,205
Total general government	12,551,980	12,418,980	11,380,689	1,038,291
<b>Judicial</b>	1,835,647	1,840,647	1,477,948	362,699
<b>Public safety:</b>				
Police department	19,320,623	19,635,623	18,382,409	1,253,214
Fire department	11,118,143	11,318,143	10,732,666	585,477
E911	1,057,000	1,057,000	391,850	665,150
Total public safety	31,495,766	32,010,766	29,506,925	2,503,841
<b>Public works:</b>				
Public works	12,024,933	12,024,933	11,459,875	565,058
Sanitation and wastewater	459,209	3,967,379	920,346	3,047,033
Storm drainage	800,000	800,000	68,066	731,934
Total public works	13,284,142	16,792,312	12,448,287	4,344,025
<b>Culture and recreation</b>				
Recreation	3,188,808	3,188,808	2,905,430	283,378
Total culture and recreation	3,188,808	3,188,808	2,905,430	283,378

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, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Housing and development</b>				
Building/inspection/code enforcement	\$ 4,793,700	\$ 4,876,700	\$ 4,681,270	\$ 195,430
Economic development	311,570	311,570	300,222	11,348
Total housing and development	5,105,270	5,188,270	4,981,492	195,430
<b>Debt service</b>				
Principal	791,811	791,811	791,182	629
Interest	91,723	91,723	92,352	(629)
Total debt service	883,534	883,534	883,534	-
Total expenditures	68,345,147	72,323,317	63,584,305	8,727,664
Excess of revenues over expenditures	16,225,421	12,247,251	29,652,398	17,405,147
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	25,000	25,000	33,061	8,061
Transfers in	2,921,000	2,921,000	2,173,884	(747,116)
Transfers out	(25,000,000)	(30,034,824)	(29,938,515)	96,309
Total other financing sources (uses)	(22,054,000)	(27,088,824)	(27,731,570)	(642,746)
Net change in fund balances	(5,828,579)	(14,841,573)	1,920,828	16,762,401
<b>Fund balance, beginning of year</b>	35,864,174	35,864,174	35,864,174	-
<b>Fund balance, end of year</b>	\$ 30,035,595	\$ 21,022,601	\$ 37,785,002	\$ 16,762,401

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

## NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

**CITY OF SANDY SPRINGS, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Confiscated Assets Fund</b>	<b>E911 Fund</b>	<b>Federal Grants Fund</b>	<b>Operating Grant Fund</b>
<b>ASSETS</b>				
Cash	\$ 621,035	\$ 126,100	\$ -	\$ 121,603
Taxes receivable	-	-	-	-
Intergovernmental receivable	-	-	6,910	-
Other receivable	-	404,849	-	-
<b>Total assets</b>	<u>\$ 621,035</u>	<u>\$ 530,949</u>	<u>\$ 6,910</u>	<u>\$ 121,603</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 377,161	\$ 530,949	\$ -	\$ -
Due to other funds	-	-	6,910	-
Due to component unit	-	-	-	-
<b>Total liabilities</b>	<u>377,161</u>	<u>530,949</u>	<u>6,910</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted:				
Public safety projects	243,874	-	-	-
Recreation	-	-	-	121,603
Infrastructure improvements	-	-	-	-
Assigned:				
Community development	-	-	-	-
<b>Total fund balances</b>	<u>243,874</u>	<u>-</u>	<u>-</u>	<u>121,603</u>
<b>Total liabilities and fund balances</b>	<u>\$ 621,035</u>	<u>\$ 530,949</u>	<u>\$ 6,910</u>	<u>\$ 121,603</u>

Special Revenue Funds			Capital Project Fund	Total Nonmajor Governmental Funds
CDBG Fund	Hotel/Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	
\$ 31,816	\$ 485,312	\$ -	\$ 3,856,737	\$ 5,242,603
-	461,160	10,550	-	471,710
-	-	-	-	6,910
20,842	-	-	-	425,691
<u>\$ 52,658</u>	<u>\$ 946,472</u>	<u>\$ 10,550</u>	<u>\$ 3,856,737</u>	<u>\$ 6,146,914</u>
\$ 10,980	\$ -	\$ -	\$ -	\$ 919,090
-	642,276	10,550	867,316	1,527,052
-	304,196	-	-	304,196
<u>10,980</u>	<u>946,472</u>	<u>10,550</u>	<u>867,316</u>	<u>2,750,338</u>
-	-	-	-	243,874
-	-	-	-	121,603
-	-	-	2,989,421	2,989,421
<u>41,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,678</u>
<u>41,678</u>	<u>-</u>	<u>-</u>	<u>2,989,421</u>	<u>3,396,576</u>
<u>\$ 52,658</u>	<u>\$ 946,472</u>	<u>\$ 10,550</u>	<u>\$ 3,856,737</u>	<u>\$ 6,146,914</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, 2016**

	Special Revenue Funds			
	Confiscated Assets Fund	E911 Fund	Federal Grants Fund	Operating Grant Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	38,357	-
Charges for services	-	2,964,350	-	-
Fines and forfeitures	257,115	-	-	-
Contributions	-	-	-	3,091
Total revenues	<u>257,115</u>	<u>2,964,350</u>	<u>38,357</u>	<u>3,091</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	693,829	2,964,350	72,048	4,873
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	<u>693,829</u>	<u>2,964,350</u>	<u>72,048</u>	<u>4,873</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(436,714)	-	(33,691)	(1,782)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	33,691	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>33,691</u>	<u>-</u>
Net change in fund balances	(436,714)	-	-	(1,782)
<b>FUND BALANCES, beginning of year</b>	<u>680,588</u>	<u>-</u>	<u>-</u>	<u>123,385</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 243,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,603</u>

CDBG Fund	Special Revenue Funds		Capital Project Fund	Total Nonmajor Governmental Funds
	Hotel/ Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	
\$ -	\$ 5,262,170	\$ 116,434	\$ -	\$ 5,378,604
334,186	-	-	-	372,543
-	-	-	1,403,124	4,367,474
-	-	-	-	257,115
-	-	-	-	3,091
<u>334,186</u>	<u>5,262,170</u>	<u>116,434</u>	<u>1,403,124</u>	<u>10,378,827</u>
-	-	-	-	3,735,100
-	3,205,822	-	-	3,205,822
<u>334,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,186</u>
<u>334,186</u>	<u>3,205,822</u>	<u>-</u>	<u>-</u>	<u>7,275,108</u>
-	2,056,348	116,434	1,403,124	3,103,719
-	-	-	-	33,691
-	(2,057,449)	(116,434)	(1,267,317)	(3,441,200)
-	(2,057,449)	(116,434)	(1,267,317)	(3,407,509)
-	(1,101)	-	135,807	(303,790)
<u>41,678</u>	<u>1,101</u>	<u>-</u>	<u>2,853,614</u>	<u>3,700,366</u>
<u>\$ 41,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,989,421</u>	<u>\$ 3,396,576</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, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 257,115	\$ 57,115
Total revenues	200,000	200,000	257,115	57,115
<b>Expenditures:</b>				
Public safety	200,000	200,000	693,829	(493,829)
Total expenditures	200,000	200,000	693,829	(493,829)
Net change in fund balances	-	-	(436,714)	(436,714)
<b>Fund balances, beginning of year</b>	680,588	680,588	680,588	-
<b>Fund balances, end of year</b>	\$ 680,588	\$ 680,588	\$ 243,874	\$ (436,714)

**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, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 2,552,210	\$ 2,552,210	\$ 2,964,350	\$ 412,140
Total revenues	<u>2,552,210</u>	<u>2,552,210</u>	<u>2,964,350</u>	<u>412,140</u>
<b>Expenditures:</b>				
Public safety	<u>2,552,210</u>	<u>2,552,210</u>	<u>2,964,350</u>	<u>(412,140)</u>
Total expenditures	<u>2,552,210</u>	<u>2,552,210</u>	<u>2,964,350</u>	<u>(412,140)</u>
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANDY SPRINGS, GEORGIA**

**FEDERAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 87,850	\$ 120,850	\$ 38,357	\$ (82,493)
Total revenues	<u>87,850</u>	<u>120,850</u>	<u>38,357</u>	<u>(82,493)</u>
<b>Expenditures:</b>				
Public safety	<u>170,350</u>	<u>170,350</u>	<u>72,048</u>	<u>98,302</u>
Total expenditures	<u>170,350</u>	<u>170,350</u>	<u>72,048</u>	<u>98,302</u>
Deficiency of revenues over expenditures	(82,500)	(49,500)	(33,691)	15,809
<b>Other financing sources:</b>				
Transfers in	<u>82,500</u>	<u>49,500</u>	<u>33,691</u>	<u>(15,809)</u>
Total other financing sources	<u>82,500</u>	<u>49,500</u>	<u>33,691</u>	<u>(15,809)</u>
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANDY SPRINGS, GEORGIA**

**OPERATING GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Contributions	\$ 25,000	\$ 25,000	\$ 3,091	\$ (21,909)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>3,091</u>	<u>(21,909)</u>
<b>Expenditures:</b>				
Public safety	10,000	10,000	4,873	5,127
Culture and recreation	15,000	15,000	-	15,000
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>4,873</u>	<u>20,127</u>
Net change in fund balances	-	-	(1,782)	(1,782)
<b>Fund balances, beginning of year</b>	<u>123,385</u>	<u>123,385</u>	<u>123,385</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 123,385</u>	<u>\$ 123,385</u>	<u>\$ 121,603</u>	<u>\$ (1,782)</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, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,123,426	\$ 1,614,897	\$ 334,186	\$ (1,280,711)
Total revenues	<u>1,123,426</u>	<u>1,614,897</u>	<u>334,186</u>	<u>(1,280,711)</u>
<b>Expenditures:</b>				
Housing and development	1,123,426	1,614,897	334,186	1,280,711
Total expenditures	<u>1,123,426</u>	<u>1,614,897</u>	<u>334,186</u>	<u>1,280,711</u>
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	<u>41,678</u>	<u>41,678</u>	<u>41,678</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 41,678</u>	<u>\$ 41,678</u>	<u>\$ 41,678</u>	<u>\$ -</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, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 3,750,000	\$ 3,750,000	\$ 5,262,170	\$ 1,512,170
Total revenues	<u>3,750,000</u>	<u>3,750,000</u>	<u>5,262,170</u>	<u>1,512,170</u>
<b>Expenditures:</b>				
Culture and recreation	<u>2,679,000</u>	<u>2,679,000</u>	<u>3,205,822</u>	<u>(526,822)</u>
Total expenditures	<u>2,679,000</u>	<u>2,679,000</u>	<u>3,205,822</u>	<u>(526,822)</u>
Excess of revenues over expenditures	1,071,000	1,071,000	2,056,348	985,348
<b>Other financing uses:</b>				
Transfers out	<u>(1,071,000)</u>	<u>(1,071,000)</u>	<u>(2,057,449)</u>	<u>(986,449)</u>
Total other financing uses	<u>(1,071,000)</u>	<u>(1,071,000)</u>	<u>(2,057,449)</u>	<u>(986,449)</u>
Net change in fund balances	-	-	(1,101)	(1,101)
<b>Fund balances, beginning of year</b>	<u>1,101</u>	<u>1,101</u>	<u>1,101</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,101</u>	<u>\$ 1,101</u>	<u>\$ -</u>	<u>\$ (1,101)</u>

**CITY OF SANDY SPRINGS, GEORGIA**

**AUTO EXCISE TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 100,000	\$ 100,000	\$ 116,434	\$ 16,434
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>116,434</u>	<u>16,434</u>
Excess of revenues over expenditures	100,000	100,000	116,434	16,434
<b>Other financing uses:</b>				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(116,434)</u>	<u>(16,434)</u>
Total other financing uses	<u>(100,000)</u>	<u>(100,000)</u>	<u>(116,434)</u>	<u>(16,434)</u>
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **AGENCY FUND**

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

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

**CITY OF SANDY SPRINGS, GEORGIA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

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	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<b>MUNICIPAL COURT FUND</b>				
<b>Assets:</b>				
Cash	<u>\$ 306,650</u>	<u>\$ 3,719,044</u>	<u>\$ 3,793,168</u>	<u>\$ 232,526</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 306,650</u>	<u>\$ 3,719,044</u>	<u>\$ 3,793,168</u>	<u>\$ 232,526</u>

## COMPONENT UNITS

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

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

**CITY OF SANDY SPRINGS, GEORGIA**

**BALANCE SHEET  
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY & TOURISM  
JUNE 30, 2016**

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<b>ASSETS</b>	
Cash	\$ 1,136,978
Other receivables	3,000
Due from primary government	<u>304,196</u>
Total assets	<u><u>\$ 1,444,174</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 64,896</u>
Total liabilities	<u>64,896</u>
<b>FUND BALANCE</b>	
Restricted for tourism	<u>1,379,278</u>
Total fund balance	<u>1,379,278</u>
Total liabilities and fund balance	<u><u>\$ 1,444,174</u></u>

**CITY OF SANDY SPRINGS, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY & TOURISM  
FOR THE YEAR ENDED JUNE 30, 2016**

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**REVENUES**

Intergovernmental	\$ 1,691,585
Miscellaneous	<u>155</u>
Total revenues	<u>1,691,740</u>

**EXPENDITURES**

Current:	
Housing and development	<u>1,487,718</u>
Total expenditures	<u>1,487,718</u>

Net change in fund balance	204,022
----------------------------	---------

<b>FUND BALANCE, beginning of year</b>	<u>1,175,256</u>
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<b>FUND BALANCE, end of year</b>	<u><u>\$ 1,379,278</u></u>
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**CITY OF SANDY SPRINGS, GEORGIA**

**BALANCE SHEET  
COMPONENT UNIT - DEVELOPMENT AUTHORITY  
JUNE 30, 2016**

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<b>ASSETS</b>	
Cash	<u>\$ 309,426</u>
Total assets	<u><u>\$ 309,426</u></u>
<b>FUND BALANCE</b>	
Restricted for development	<u>\$ 309,426</u>
Total fund balance	<u><u>\$ 309,426</u></u>

**CITY OF SANDY SPRINGS, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
COMPONENT UNIT - DEVELOPMENT AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2016**

---

**REVENUES**

Intergovernmental	\$ 100,000
	<u>100,000</u>
Total revenues	<u>100,000</u>

**EXPENDITURES**

Current:	
Community development	<u>5,520</u>
	<u>5,520</u>
Total expenditures	<u>5,520</u>

Net change in fund balance	94,480
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<b>FUND BALANCE, beginning of year</b>	<u>214,946</u>
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<b>FUND BALANCE, end of year</b>	<u><u>\$ 309,426</u></u>
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# STATISTICAL SECTION

# STATISTICAL SECTION

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

**Page**

**Financial Trends..... 61**

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 ..... 63**

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

**Debt Capacity ..... 71**

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..... 74**

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 ..... 75**

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

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

# CITY OF SANDY SPRINGS, GEORGIA

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

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	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Primary government:					
Net investment in capital assets	\$ 243,216,434	\$ 216,411,054	\$ 189,462,862	\$ 170,948,189	\$ 161,513,083
Restricted	5,755,644	3,658,688	3,394,508	2,706,067	2,026,724
Unrestricted	<u>73,904,502</u>	<u>84,692,787</u>	<u>87,581,276</u>	<u>82,177,486</u>	<u>74,749,546</u>
Total primary government net position	<u>\$ 322,876,580</u>	<u>\$ 304,762,529</u>	<u>\$ 280,438,646</u>	<u>\$ 255,831,742</u>	<u>\$ 238,289,353</u>

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

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

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$ 152,866,760	\$ 145,320,434	\$ 134,611,236	\$ 83,403,809	\$ 76,989,747
422,094	-	-	-	-
55,282,364	54,452,631	48,473,993	45,566,572	15,393,045
<u>\$ 208,571,218</u>	<u>\$ 199,773,065</u>	<u>\$ 183,085,229</u>	<u>(1) \$ 128,970,381</u>	<u>\$ 92,382,792</u>

## CITY OF SANDY SPRINGS, GEORGIA

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

	2016	2015	2014	2013	2012
<b>Expenses</b>					
General government	\$ 11,497,805	\$ 10,882,951	\$ 11,467,033	\$ 10,830,697	\$ 10,887,073
Judicial	1,480,915	1,580,859	1,660,176	1,691,681	1,459,938 (7)
Public safety	34,184,497	37,612,816	33,310,061	39,889,067 (9)	30,106,163 (5)
Public works	16,052,761	18,784,694	21,225,313	19,079,592	15,472,596
Culture and recreation	15,500,207	6,506,492	6,086,076	5,803,498	5,593,442
Housing and development	5,294,454	3,953,501	3,733,446	3,238,942	2,065,861 (6)
Interest on long-term debt	4,541,961	105,166	122,202	90,881	187,350
<b>Total expenses</b>	<b>\$ 88,552,600</b>	<b>\$ 79,426,479</b>	<b>\$ 77,604,307</b>	<b>\$ 80,624,358</b>	<b>\$ 65,772,423</b>
<b>Program revenues</b>					
Charges for services:					
General government	\$ 788,373	\$ 795,720	\$ 746,020	\$ 826,641	\$ 668,931
Judicial	2,850,289	3,295,524	3,417,669	3,324,956	3,271,883
Public safety	3,486,436	3,493,548	3,122,072	3,554,021	2,702,483
Public works	1,403,124	945,755	1,127,751	465,425	1,223,719
Culture and recreation	779,550	774,113	848,996	945,132	808,689
Housing and development	3,157,280	2,847,881	2,061,439	1,663,665	1,147,143
Operating grants and contributions	3,091	33,619	34,733	25,462	137,855
Capital grants and contributions	3,292,060	3,779,357	6,503,664	7,024,050	5,955,742
<b>Total program revenues</b>	<b>\$ 15,760,203</b>	<b>\$ 15,965,517</b>	<b>\$ 17,862,344</b>	<b>\$ 17,829,352</b>	<b>\$ 15,916,445</b>
<b>Net (expense)/revenue</b>	<b>\$ (72,792,397)</b>	<b>\$ (63,460,962)</b>	<b>\$ (59,741,963)</b>	<b>\$ (62,795,006)</b>	<b>\$ (49,855,978)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Taxes					
Property taxes	\$ 33,240,654	\$ 32,196,455	\$ 30,945,648	\$ 29,173,500	\$ 29,268,099
Sales taxes	25,812,125	25,513,897	24,444,122	23,727,126	23,717,444
Other taxes	30,749,432	28,949,996	27,864,930	26,793,423	26,040,432
Unrestricted investment earnings	489,424	200,608	113,666	147,672	205,572
Contributions not restricted to specific programs	-	-	-	-	-
Miscellaneous revenues	614,813	923,889	980,501	482,999	342,566
Gain on sale of capital assets	-	-	-	12,675	-
<b>Total</b>	<b>\$ 90,906,448</b>	<b>\$ 87,784,845</b>	<b>\$ 84,348,867</b>	<b>\$ 80,337,395</b>	<b>\$ 79,574,113</b>
<b>Change in Net Position</b>	<b>\$ 18,114,051</b>	<b>\$ 24,323,883</b>	<b>\$ 24,606,904</b>	<b>\$ 17,542,389</b>	<b>\$ 29,718,135</b>

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

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

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

**CITY OF SANDY SPRINGS, GEORGIA**

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

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<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Hotel/Motel Taxes</b>	<b>Franchise Taxes</b>	<b>Business Taxes</b>	<b>Total</b>
2007	27,563,122	24,795,033	4,319,717	7,603,326	9,796,751	74,077,949
2008	29,827,325	24,992,061	4,375,173	8,227,077	17,174,622 (1)	84,596,258
2009	31,870,456	21,652,231 (2)	3,691,845 (2)	8,561,728	14,710,181 (2)	80,486,441
2010	31,639,678	22,021,114	3,322,710	8,207,816	14,827,700	80,019,018
2011	30,230,477	21,683,618	3,536,794	8,660,869	12,371,045	76,482,803
2012	29,268,099	23,717,444	3,695,536	9,593,906	12,750,990	79,025,975
2013	29,173,500	23,727,126	3,763,907	9,311,894	13,717,622	79,694,049
2014	30,945,648	24,444,122	3,866,704	9,164,266	14,833,960	83,254,700
2015	32,196,455	25,513,897	4,462,241	9,671,503	14,816,252	86,660,348
2016	33,240,654	25,812,125	5,262,170	9,842,953	15,644,309	89,802,211

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	-	\$ -
Unreserved	-	-	-	-	-
Nonspendable - Prepays	133,121	-	2,003	4,894,352	219,553
Committed - Recreation	-	-	-	-	12,761
Assigned - Stormwater projects	2,551,567	989,978	467,379	906,466	1,558,193
Appropriations of fund balance for next fiscal year's budget	12,758,427	9,532,370	7,056,652	7,266,222	11,168,204
Unassigned	22,341,887	25,341,826	26,400,192	20,522,843	21,766,616
Total general fund	<u>\$ 37,785,002</u>	<u>\$ 35,864,174</u>	<u>\$ 33,926,226</u>	<u>\$ 33,589,883</u>	<u>\$ 34,725,327</u>
All Other Governmental Funds					
Unreserved, reported in:					
Special revenue funds	\$ -	\$ -	\$ -	-	\$ -
Capital projects funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Restricted:					
Public safety	243,874	680,588	826,567	867,578	346,442
Toursim	-	1,101	1,101	1,075	987
Recreation	121,603	123,385	106,448	122,086	130,621
Infrastructure improvements	2,989,421	2,853,614	2,384,926	1,715,328	1,548,674
Assigned:					
Infrastructure improvements	31,887,995	49,572,700	54,276,325	52,729,595	33,770,010
Community development	41,678	41,678	38,469	41,595	41,221
Total all other governmental funds	<u>\$ 35,284,571</u>	<u>\$ 53,273,066</u>	<u>\$ 57,633,836</u>	<u>\$ 55,477,257</u>	<u>\$ 35,837,955</u>

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

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

**CITY OF SANDY SPRINGS, GEORGIA**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>					
Taxes	\$ 89,787,515	\$ 86,357,021	\$ 83,324,826	\$ 79,868,967	\$ 79,343,825
Licenses and permits	4,069,503	3,817,492	2,906,357	2,482,713	1,851,971
Intergovernmental	3,887,278	3,931,859	5,480,553	6,528,813	5,885,742
Charges for services	5,288,144	4,596,207	4,767,729	4,264,512	4,551,376
Fines and forfeitures	3,107,404	3,738,842	3,649,861	4,032,615	3,419,501
Contributions	3,091	55,785	34,733	25,462	137,855
Interest earned	489,424	200,608	113,666	147,672	205,572
Miscellaneous	614,813	971,677	980,501	482,999	292,566
Total revenues	<u>107,247,172</u>	<u>103,669,491</u>	<u>101,258,226</u>	<u>97,833,753</u>	<u>95,688,408</u>
<b>Expenditures</b>					
Current:					
General government	15,900,684 (16)	28,833,479 (16)	18,791,585 (15)	12,105,333	11,048,889
Judicial	1,477,948	1,577,453	1,657,894	1,691,077	1,459,938
Public safety	33,733,508	36,818,536	36,939,432 (15)	31,338,228	31,003,258
Public works	27,296,011	26,276,197	25,725,759	24,765,819	21,642,758
Culture and recreation	67,514,805 (16)	6,815,373	12,018,423 (15)	6,414,601	5,932,476
Housing and development	5,357,955	4,931,583	4,474,792	3,556,669	2,753,603
Debt service:					
Principal	791,182	776,790	978,094	2,928,142	1,191,289
Interest	3,810,937	107,079	121,562	97,087	190,483
Costs of issuance	914,011	-	-	-	-
Total expenditures	<u>156,797,041</u>	<u>106,136,490</u>	<u>100,707,541</u>	<u>82,896,956</u>	<u>75,222,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,549,869)</u>	<u>(2,466,999)</u>	<u>550,685</u>	<u>14,936,797</u>	<u>20,465,714</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of long term debt	182,196,838	-	725,000	3,507,449	-
Proceeds from sale of capital assets	33,061	44,177	1,217,237	59,612	50,000
Transfers in	52,802,746	31,191,169	26,177,079	29,057,954	13,566,119
Transfers out	<u>(52,802,746)</u>	<u>(31,191,169)</u>	<u>(26,177,079)</u>	<u>(29,057,954)</u>	<u>(13,566,119)</u>
Total other financing sources (uses)	<u>182,229,899</u>	<u>44,177</u>	<u>1,942,237</u>	<u>3,567,061</u>	<u>50,000</u>
Net change in fund balances	<u>\$ 132,680,030</u>	<u>\$ (2,422,822)</u>	<u>\$ 2,492,922</u>	<u>\$ 18,503,858</u>	<u>\$ 20,515,714</u>
Debt service as a percentage of noncapital expenditures	6.8%	1.2%	1.5%	4.3%	2.4%

- (1) In 2008 the City began expending outlays from the capital projects fund which account for approximately \$7,500,000 of the increase.
- (2) In 2009 the City continued expending outlays from the capital projects fund.
- (3) In 2009 the economy across the state and country suffered causing sales tax and hotel tax revenues to see significant decreases.
- (4) In 2009, the economy across the state and country suffered causing the sale of construction license and permits to significantly decrease.
- (5) In 2009 the City received and expended two large Department of Transportation grants for over \$2,000,000.
- (6) In 2010 the City began collecting E911 charges.
- (7) In 2010 the City has several large park improvement projects that were undertaken.
- (8) - In 2011 the City had approximately \$2 million of computer equipment purchases and upgrades as well as saw additional increases in the cost of staffing in the police and fire departments.
- (9) - In 2011 the City restructured their staffing levels in the housing and development function due to a slow down in community and development projects.
- (10) - In 2011 with the restructuring of some of the departments, the City moved several employees to the municipal court.
- (11) - The City completed their stormwater inventory in 2011 which was used to identify the infrastructure needs and began major improvement projects throughout the City.
- (12) - The projects which were undertaken in 2010 were unusually high, as they included many of the land purchases, which is the higher costing items in park improvements.
- (13) - In 2011 the City's property taxes fell approximately \$1 million, caused by the decrease in the gross digest. Additionally, the City also saw a decrease of \$2 million in business taxes.
- (14) - In 2012 the City rebid operating contracts resulting in a decrease in expenditures.
- (15) - In 2014 the City made several large capital outlays for a large infrastructure project, land acquisitions, and park improvements, as well as purchased several new fire trucks. All together capital outlays increase approximately \$17 million from the prior year, thus resulting in increase of functional expenditures and decreases in the change in fund balance.
- (16) - In 2015 the City began construction on the new city center development project, then moved the activity to Culture and Recreation in 2016.

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

**CITY OF SANDY SPRINGS, GEORGIA**

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

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<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Hotel/Motel Taxes</b>	<b>Franchise Taxes</b>	<b>Business Taxes</b>	<b>Total</b>
2007	\$ 27,004,750	\$ 24,795,033	\$ 4,319,717	\$ 7,603,326	\$ 9,796,751	\$ 73,519,577
2008	29,432,372	24,992,061	4,375,173	8,227,077	17,174,622 (1)	84,201,305
2009	32,061,197	21,193,266 (2)	3,691,845 (2)	8,561,826	14,710,181 (2)	80,218,315
2010	32,100,781	22,439,282	3,322,710	8,208,152	14,827,700	80,898,625
2011	30,018,679	21,724,415	3,536,794	8,658,850	12,371,045	76,309,783
2012	29,525,159	23,717,444	3,695,536	9,654,696	12,750,990	79,343,825
2013	29,348,418	23,727,126	3,763,907	9,311,894	13,717,622	79,868,967
2014	31,015,774	24,444,122	3,866,704	9,164,266	14,833,960	83,324,826
2015	31,893,128	25,513,897	4,462,241	9,671,503	14,816,252	86,357,021
2016	33,225,958	25,812,125	5,262,170	9,842,953	15,644,309	89,787,515

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

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

**CITY OF SANDY SPRINGS, GEORGIA**

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

Calendar Year	Real Property				Personal Property	
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Motor Vehicles	Other (1)
2007	\$ 3,974,086,600	\$ 2,675,326,970	\$ 23,156,460	\$ 846,230	\$ 201,863,798	\$ 1,137,843
2008	4,094,509,530	3,439,835,900	15,309,680	308,440	282,296,030	42,906,780 (2)
2009	4,096,518,200	3,072,660,470	14,882,750	308,440	310,256,370	36,383,866
2010	3,966,218,590	3,001,056,530	13,647,940	290,480	274,825,840	45,563,644
2011	3,844,147,560	2,844,527,480	12,356,130	342,320	267,556,810	47,759,277
2012	3,756,986,980	2,681,350,440	9,188,790	411,200	286,683,680	50,794,652
2013	3,833,666,050	2,796,044,990	9,452,520	417,120	311,678,440	51,788,000
2014	3,890,836,390	2,692,498,250	8,588,690	312,520	267,150,490	68,968,965
2015	4,143,679,220	3,004,411,100	7,995,190	113,480	187,532,150	79,418,444
2016	4,274,611,200	3,178,568,040	9,964,420	113,480	128,485,280	58,405,806

Source: Fulton County Tax Commissioner

(1) Reflects conservation use.

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

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<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
\$ 624,230,855	\$ 6,252,187,046	4.731	\$ 15,630,467,615	40%
697,411,661	7,177,754,699	4.731	17,944,386,748	40%
610,103,942	6,920,906,154	4.731	17,302,265,385	40%
598,120,585	6,703,482,439	4.731	16,758,706,098	40%
554,479,555	6,462,210,022	4.731	16,155,525,055	40%
550,368,934	6,235,046,808	4.731	15,587,617,020	40%
537,793,108	6,465,254,012	4.731	16,163,135,030	40%
523,071,081	6,405,284,224	4.731	16,013,210,560	40%
603,418,507	6,819,731,077	4.731	17,049,327,693	40%
626,029,331	7,024,118,895	4.731	17,560,297,238	40%

**CITY OF SANDY SPRINGS, GEORGIA**

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

Calendar Year	Direct		Overlapping School District				Total Direct & Overlapping Rates
	Sandy Springs (1)	Fulton County	Operating Millage	Debt Service Millage	Total School District Millage	State	
2007	4.731	10.281	16.904	1.188	18.092	0.250	33.354
2008	4.731	10.281	16.403	1.099	17.502	0.250	32.764
2009	4.731	10.281	17.502	-	17.502	0.250	32.764
2010	4.731	10.281	18.502	-	18.502	0.250	33.764
2011	4.731	10.551	18.502	-	18.502	0.250	34.034
2012	4.731	10.551	18.502	-	18.502	0.250	34.034
2013	4.731	10.551	18.502	-	18.502	0.200	33.984
2014	4.731	10.551	18.502	-	18.502	0.200	33.984
2015	4.731	10.500	18.502	-	18.502	0.050	33.783
2016	4.731	10.700	18.483	-	18.483	0.000	33.914

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 NINE YEARS AGO  
JUNE 30, 2016**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Development Authority of Fulton County	\$ 93,571,702	1	1.32 %	\$ 73,122,792	1	1.17 %
Concourse Owner V/VI LLC	78,186,001	2	1.11			
Cousins Northpark 500/600 LLC	72,890,271	3	1.03			
Georgia Power Company	48,399,529	4	0.68	35,350,272	2	0.57
Highwoods Realty Limited Partnership	38,026,519	5	0.54	26,874,519	10	0.43
Cousins Northpark Owner 400 LLC	35,175,360	6	0.50			
BT Property LLC	32,503,631	7	0.46	27,282,761	9	0.44
NR Perimeter Property Owner LLC	31,279,880	8	0.44			
Piedmont 1155 PCW LLC	31,078,759	9	0.44			
Gateway Hammond LLC	30,931,520	10	0.44			
Four Eight Prop LLC				35,000,000	3	0.56
Concourse V Associates				34,600,000	4	0.55
Northpark Associates LTD				33,086,079	5	0.53
Northpark Five Hundred Assoc				29,720,000	6	0.48
Lakeside Commons LTD Ptnrship				27,557,719	7	0.44
Eop Lakeside Office LLC				27,524,680	8	0.44
Sprintcom, Inc				26,874,519	10	0.43
Totals	<u>\$ 492,043,172</u>		<u>6.96 %</u>	<u>\$ 376,993,341</u>		<u>6.03 %</u>

Source: Fulton County Tax Commissioner

**CITY OF SANDY SPRINGS, GEORGIA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Period Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 25,186,176	\$ 24,559,900	97.5 %	\$ 590,707	\$ 25,150,607	99.86 %
2008	27,162,838	26,271,821	96.7	850,893	27,122,714	99.85
2009	29,635,929	28,869,540	97.4	727,020	29,596,560	99.87
2010	30,023,553	29,768,046	99.1	222,503	29,990,549	99.89
2011	28,645,938	28,201,259	98.4	418,566	28,619,825	99.91
2012	27,482,337	27,341,375	99.5	115,913	27,457,288	99.91
2013	27,145,118	26,489,079	97.6	634,873	27,123,952	99.92
2014	27,612,718	27,453,075	99.4	131,384	27,584,459	99.90
2015	28,502,532	28,290,291	99.3	180,041	28,470,332	99.89
2016	30,754,398	30,678,557	99.8	-	30,678,557	99.75

Source: Fulton County Tax Commissioner

**CITY OF SANDY SPRINGS, GEORGIA**

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

Fiscal Period Ended June 30,	Governmental Activities				Total	Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable	Notes Payable	Capital Lease Payable				
2007	\$ -	\$ 9,656,563	\$ -		\$ 9,656,563	0.18 %	\$ 98.64
2008	-	8,326,040	-		8,326,040	0.15	83.42
2009	-	5,059,788	2,563,682		7,623,470	0.15	76.38
2010	-	3,428,740	2,453,791		5,882,531	0.11	58.02
2011	-	3,850,776	2,420,534		6,271,310	0.13	66.82
2012	-	2,842,105	2,237,916		5,080,021	0.10	52.45
2013	-	212,060	5,447,268		5,659,328	0.12	56.92
2014	-	-	5,406,234		5,406,234	0.11	54.19
2015	-	-	4,629,444		4,629,444	0.09	45.43
2016	179,186,870	2,497,296	3,838,262		185,522,428	3.50	1,761.34

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

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING AS OF JUNE 30, 2016

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<b>Fiscal Year</b>	<b>Bonds Payable</b>	<b>Less: Amounts Restricted to Repaying Principal</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2016	\$ 179,186,870	\$ 3,657,953	\$ 175,528,917	0.99%	\$ 1,666

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The City had no bonded debt prior to 2016.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.  
(2) See the Schedule of Demographic and Economic Statistics for population data.

# CITY OF SANDY SPRINGS, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping general obligation debt:			
Fulton County	\$ 224,056,000	11.786 %	\$ 26,407,240
Fulton County school district	71,840,000	11.786	8,467,062
Total overlapping debt	295,896,000		34,874,303
City direct debt:			
Bonds payable	179,186,870	100	179,186,870
Notes payable	2,497,296	100	2,497,296
Capital leases	3,838,262	100	3,838,262
Total direct debt	185,522,428		185,522,428
Total direct and overlapping debt	\$ 481,418,428		\$ 220,396,731

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

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

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

# CITY OF SANDY SPRINGS, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	Unemployment Rate (2)
2007	97,898	\$ 5,265,933	\$ 53,790	38.6	4.3 %
2008	99,808	5,376,735	53,871	37.9	5.4
2009	99,808	5,231,035	52,411	35.2	10.4
2010	101,390	5,208,607	51,372	34.8	10.2
2011	93,853 (3)	4,933,008	52,561	33.9	8.3
2012	96,856	5,129,397	52,959	34.9	8.3
2013	99,419	4,805,815	48,339	33.4	8.8
2014	99,770	5,115,208	51,270	35.0	5.8
2015	101,908	5,091,731	49,964	35.6	4.4
2016	105,330	5,307,263	50,387	35.4	4.2

(1) Source: U. S. Census Bureau

(2) Georgia Department of Labor

**CITY OF SANDY SPRINGS, GEORGIA**

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

Employer	2016			2007		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
IBM Corp	3,924	1	5.8%	810	6	1.3%
Cox Communications	2,432	2	3.6%			
United Parcel Services General	1,869	3	2.8%	1,621	3	2.7%
Airwatch LLC	1,416	4	2.1%			
Cisco Systems, Inc	1,415	6	2.1%			
Oracle USA Inc	1,040	7	1.5%			
Cox Enterprises	826	5	1.2%			
Intercontinental Exchange, Inc	800	8	1.2%			
Walden Security	775	9	1.1%			
World Pay US	721	10	1.1%			
Troy University				2,897	1	5.0%
Internet Security Systems				701	8	1.2%
AT&T Mobility				1,182	4	2.0%
RBS Lynk Inc				663	9	1.1%
Allied Barton Security Service				1,984	2	3.0%
Ceridian Corporation				661	10	1.1%
Autotrader.com				897	5	1.5%
Aspire Visa				782	7	1.3%
<b>Totals</b>	<b>15,218</b>		<b>22.5%</b>	<b>12,198</b>		<b>20.2%</b>

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

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

**CITY OF SANDY SPRINGS, GEORGIA**

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

<b>Function</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
General government	50.25	49	46	46	46	46	63	63	62	55
Judicial	12	12	13	13	15	15	11	11	12	10
Public safety										
Police										
Officers	133	129	124	129	129	129	132	132	124	111
Civilians	22	22	14	17	17	17	7	7	15	15
Fire										
Firefighters (1)	115	96	138	133	135	128	122	123	106	105
Civilians	1	1	1	2	2	2	17	16	3	5
Public works										
Highways and streets	32	31	30	30	25	25	25	25	26	23
Culture and recreation	11	10	7	7	12	12	9	9	8	6
Housing and development	38.9	34	30	30	27	27	37	37	45	44
<b>Total</b>	<b>415.15</b>	<b>384</b>	<b>403</b>	<b>407</b>	<b>408</b>	<b>401</b>	<b>423</b>	<b>423</b>	<b>401</b>	<b>374</b>

Source: City of Sandy Springs Human Resources Department

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

**CITY OF SANDY SPRINGS, GEORGIA**

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

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government									
Ordinances approved	38	48	32	26	36	38	82	70	108
Court cases	18,323	18,323	22,313	22,943	23,344	22,083	24,781	28,631	28,793
Grants managed	13	17	26	16	26	28	21	21	18
Police									
Calls for service	93,201	95,138	99,525	102,319	85,480	61,727	91,494	84,393	92,482
Part 1 crimes reported	2,727	2,766	3,012	2,924	2,817	2,639	2,984	3,104	3,827
Traffic citations issued	24,125	21,274	22,877	21,519	21,266	22,976	20,467	20,933	23,013
Fire									
Incident responses	10,853	11,347	12,177	12,069	10,567	10,769	12,668	15,885	18,425
Average response time	7	7	7.5 minutes	7 minutes	6 minutes	6.45 minutes	6 minutes	6 minutes	6 minutes
Fire safety programs conducted	369	463	378	403	383	308	220	575	138
Inspections conducted	4,448	5,729	4,160	3,449	3,834	3,810	3,139	3,341	2,256
Highways and streets									
Traffic signals timed	130	126	124	123	123	114	60	60	121
Average days to repair pothole	1-3 days	1-5 days	1-5 days	1-5 days	1-5 days	1-5 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days
Community development									
Stormwater plans reviewed	68	57	42	55	29	21	64	65	38
New building permits issued	2,127	2,749	1,442	1,458	1,382	1,545	1,368	1,188	1,814
Parcels annexed	0	0	0	0	0	0	0	0	0
Culture and recreation									
Park acres maintained	220	220	220	227	220	220	225	225	155
Park & facilities	17	17	17	16	16	16	15	14	13
Annual program registrants	52,268	45,110	45,110	83,857	36,500	36,500	(1) 9,050	9,010	7,250

Sources: Various City departments.

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

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

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police										
Stations (1)	1	1	1	1	1	1	1	1	1	1
Patrol Units	191	176	156	137	165	156	131	100	106	100
Patrol Zones	8	8	8	8	8	8	8	8	8	8
Fire stations										
Leased (1)	1	1	1	1	1	2	2	2	2	2
Owned	3	3	3	3	3	2	2	2	2	2
Public Works										
Streets (miles)	360	360	360	360	360	360	360	360	360	360
Traffic Signals	126	126	123	123	123	114	122	119	121	119
Culture and recreation										
Park acreage	220	220	220	227	220	220	219	219	195	168
Recreational facilities	17	17	17	16	16	16	15	14	13	12

Source: Various City departments.

(1) Reflects building operating lease.

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