

# 2019

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2019



**CITY OF SANDY SPRINGS, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Prepared by:**  
**Finance Department**

**Submitted by:**  
**Peggy Merriss**  
**Interim City Manager**

**CITY OF SANDY SPRINGS, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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# INTRODUCTORY SECTION



**SANDY SPRINGS**  
GEORGIA

December 9, 2019

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, 2019 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, 2019 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, 2019 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. 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. 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.

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.

The City of Sandy Springs pioneered the Public-Private Partnership service delivery model for the delivery of general city services. During the 2019 procurement to re-compete those contracted services, the City estimated a savings of more than \$14 million over five years by bringing many of the contracted services in-house. As part of the FY 2020 budget, Public Works/TSPLOST, Community Development, IT, Finance, Economic Development, Communications, Facilities, Municipal Court, Recreation & Parks, and Performing Arts Center Operations transitioned from contracting to city employees. The City will continue to use a hybrid model of outsourced and City-provided services. The City's Call Center and 911 Services, as well as Public Works Field Services, Fleet Services, City Attorney's Office, and Municipal Court Solicitor will remain with private sector partners, with those contracts valued at more than \$11 million.

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



## **SANDY SPRINGS**

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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 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**

Sandy Springs is located at the crossroads of one of the most traveled east-west and north-south vehicular connections 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, creating an attractive transportation location for business. Close to 6,000 businesses, from small, family-owned retailers to world-known corporate headquarters, currently call Sandy Springs home.

The City’s largest employers are hospitals and regional corporate headquarters. More than 40 percent of the available hospital beds in the metropolitan Atlanta area are located in Sandy Springs. The City is home to nationally recognized Children’s Healthcare of Atlanta, Northside Hospital and Emory Saint Joseph’s Hospital. Sandy Springs is also home to a large number of Fortune 500 and 1000 companies. Among those corporate employers are United Parcel Service, WestRock, Veritiv Corp., Newell Brands Inc., Intercontinental Exchange/NYSE, and Graphic Packaging. In addition, nationally and internationally recognized brands including Cox Communications, Inspire Brands and Mercedes Benz USA call Sandy Springs their corporate home. The City’s commercial properties comprise more than 42 percent of the total tax digest by property value, which ensures a strong economic foundation for the government.

Kiplinger ranks Sandy Springs among the *Top Ten Places for Early Retirement*; Value Penguin ranks the city number five - *Best Cities for Young Families*; and Livability.com ranks Sandy Springs number four as a *Top Best City for Recent College Grads*. Sandy Springs is home to a



## **SANDY SPRINGS**

**GEORGIA**

flourishing dining scene and nighttime activities, a place where one can expend energy paddle boarding on the river or enjoy one of the City's many parks and green spaces, and also enjoy live entertainment.

According to the US Census, the estimated population for Sandy Springs is 108,797. There were approximately 44,919 households reported, with an estimated 46.1 percent recorded as home ownership, and 53.9 percent were recorded as units within multi-unit structures. The median value of owner-occupied housing in 2017 was \$440,500. The average household size was 2.30 people, with a median household income of \$70,920.

Quality of life is an important component in attracting and keeping residents and businesses to Sandy Springs. In August 2018, the curtain went up on the Sandy Springs Performing Arts Center and in just a short time; the theatre complex has become a prime destination in the metropolitan area. City Springs is intended to be a community gathering spot, and it has exceeded all expectations. In addition to the hub of energy created through the performances and events at City Springs, tremendous redevelopment activity has occurred throughout the city, with many new retailers and restaurants coming online.

In 2019, WalletHub named Sandy Springs the second Most Diverse Mid-sized City in America. Niche Magazine named Sandy Springs the 23<sup>rd</sup> Best City to Live, the 22<sup>nd</sup> Best City for Young Professionals, and the 19<sup>th</sup> Best City to Retire in America. The City prides itself on providing *Honest, Efficient and Responsive* services for the people it serves.

### **NATIONAL ECONOMY**

With the steadily improving job market, the unemployment rate improved for the state of Georgia in 2018 to 3.5% and citywide it lowered to 3.5%, according to the Bureau of Labor Statistics for September.

According to July 2019 S&P CoreLogic Case-Shiller Home Price Indices, home prices continued to slow across the country over the last 12 months. The national index, which covers all nine U.S. census divisions, reported a 3.4% annual gain but down from 3.5% the prior month. All 20 cities in the report were up year over year.



## **SANDY SPRINGS**

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### **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 \$20,500,000 or 25% of operating expenditures, whichever is greater. 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.

The City is expected to continue developing as an economic hub and preferred location for business and residential investment. 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**



The Performing Arts Center officially opened in August 2018 with a sold out performance in the Byers Theatre. From August through September, more than 67 events took place in the Byers



## **SANDY SPRINGS**

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Theatre, Studio Theatre and City Green. Another 60 events were recorded in the City Hall Conference Center.

### **TSPLOST**

On November 8, 2016, a referendum passed to impose an additional 0.75 percent Transportation Special Purpose Local Option Sales Tax (“TSPLOST”) to begin on April 1, 2017. Approximately \$655 million was estimated to 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.



At the close of the fiscal year, 18 projects were in design and right-of-way acquisition, with three in bid and award. Six projects are set to begin construction in late 2019 and early 2020. Three TSPLOST Projects have been completed since 2017.

### **INITIATIVES FOR FUTURE YEARS**

#### **City Springs**

Retail continues to expand at City Springs, including several restaurants and personal services companies. The Performing Arts Center will continue to showcase a wide range of offerings to meet the needs of the City’s diverse community. Arts Education programming will move forward, providing enrichment for the City’s youth as well as underserved markets. The City’s commitment to visual arts continues on the City Green. Building on the successful first annual sculpture competition, the second annual competition is set to begin through a continuing partnership program with arts nonprofit, Art Sandy Springs. In addition, the City will look toward future opportunities to grow cultural offerings in the City Springs area, creating a true cultural setting for the City.



# SANDY SPRINGS

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## **Construction on Park Facilities**

The City committed \$2,225,000 for park improvements in the 2020 budget. This includes funding to make needed repairs in its major parks, Hammond Park, Morgan Falls Overlook Park and Athletic Fields as well as improvements for Ridgeview Park and Ison Springs Elementary School. In addition, the City has allocated \$750,000 towards future trail construction.





## **SANDY SPRINGS**

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### **Public Works Facilities**

\$10.7 million was included in the 2020 capital budget for infrastructure improvements to roads, bridges, storm water drainage, sidewalks, intersections and traffic management. The City currently has more than 25 capital projects in various stages of construction and planning.

### **FINANCIAL POLICIES**

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

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

As part of the City's annual single audit, required in conformity with provisions of 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



**SANDY SPRINGS**  
GEORGIA

accomplishing budgetary control. Encumbered amounts at year end are carried forward to the ensuing year's budget on a case by case basis.

**OTHER INFORMATION**

**Awards and Achievements** - The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandy Springs for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the thirteenth 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.

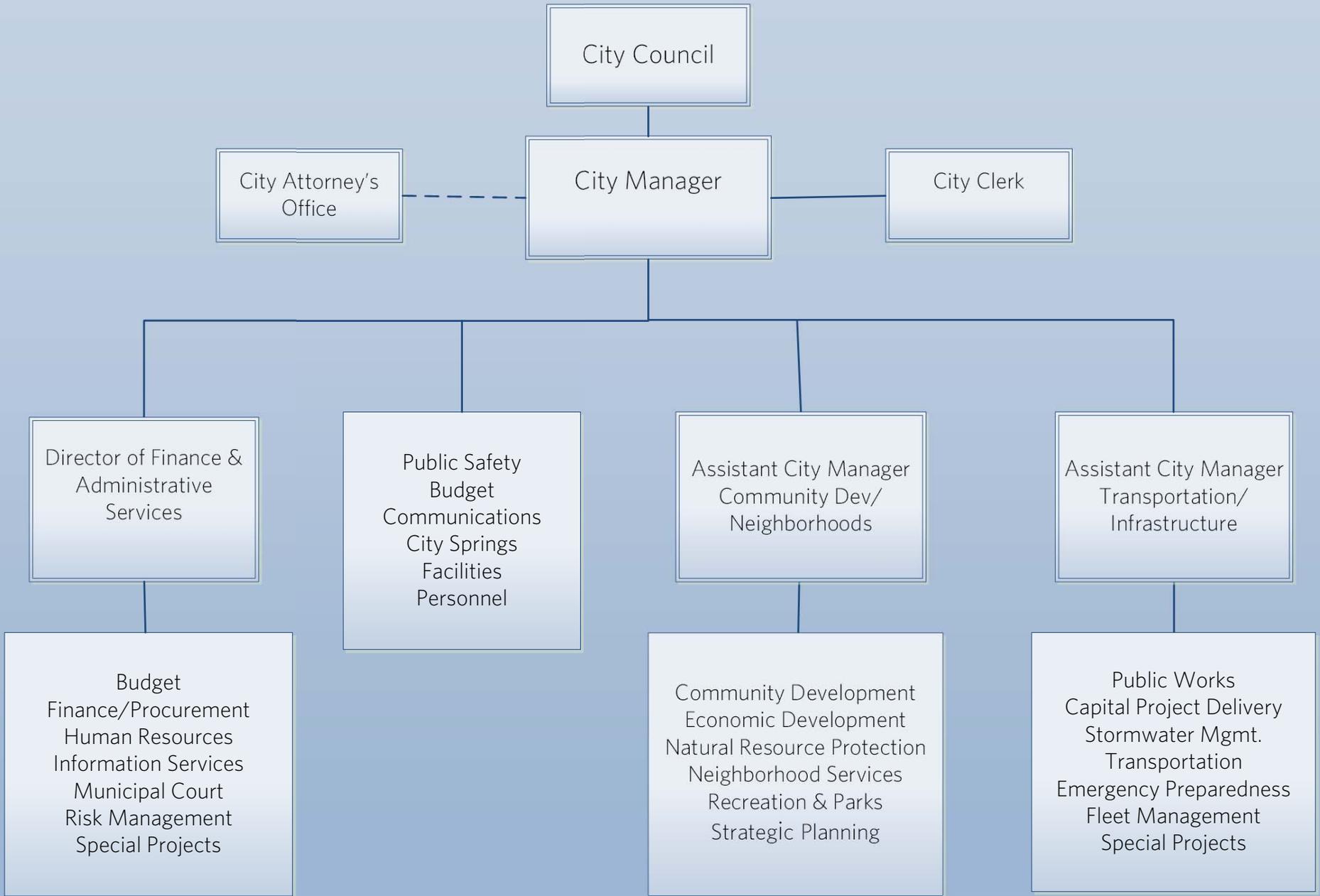
A Certificate of Achievement is valid for only one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**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,

Peggy Merriss  
Interim City Manager

Karen Ellis  
Finance Director



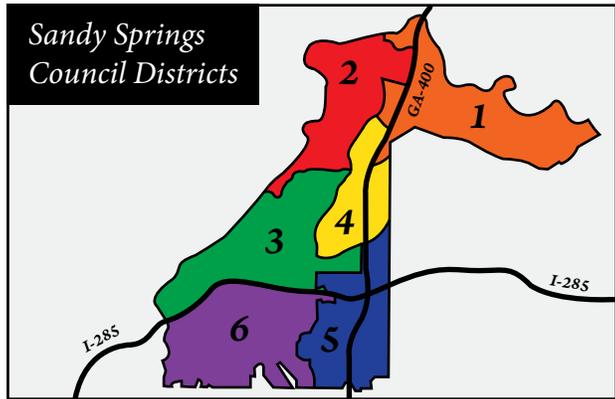
# MAYOR AND CITY COUNCIL

## 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**  
Steve Soteres  
[ssoteres@sandyspringsga.gov](mailto:ssoteres@sandyspringsga.gov)



**District 3**  
Chris Burnett  
[cburnett@sandyspringsga.gov](mailto:cburnett@sandyspringsga.gov)



**District 4**  
Jodi Reichel  
[jreichel@sandyspringsga.gov](mailto:jreichel@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



### **Interim City Manager**

*Peggy Merriss*

### **Assistant City Manager**

*Jim Tolbert*

### **Finance Director**

*Karen Ellis*

### **City Clerk**

*Coty Thigpen*

### **Court Clerk**

*Cheston Roney*

### **Police Chief**

*Ken DeSimone*

### **Fire Chief**

*Keith Sanders*

### **Communications Director**

*Sharon Kraun*

### **Community Development Director**

*Ginger Sottile*

### **Economic Development Director**

*Andrea Worthy*

### **Facilities Director**

*Dave Wells*

### **Human Resources Director**

*Carol Sicard*

### **Information Services Director**

*Jonathan Crowe*

### **Performing Arts Center Executive Director**

*Shaun Albrechtson*

### **Public Works Director**

*Marty Martin*

### **Recreation and Parks Director**

*Michael Perry*



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, 2018**

*Christopher P. Morill*

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, 2019, 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, 2019, 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 47 and 48) 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.

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*Other Information (continued)*

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 9, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sandy Springs, Georgia's 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 9, 2019

**CITY OF SANDY SPRINGS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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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, 2019. 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 \$423,808,005 (total net position), which represents an increase of \$33,554,440 or 8.6% from the prior year. Of the total net position, \$81,376,670 (unrestricted net position) is available to meet the ongoing obligations of the government.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$127,578,476. This represents an increase of \$18,879,508 from the prior year.
- Total governmental fund revenues were \$138,294,962, an increase of \$1,079,515 or 0.79%.
- Total governmental fund expenditures were \$127,993,463 a decrease of \$44,754,331 or 25.91% over the prior year, primarily related to reduced expenditures on the City Center Project as the project was completed during fiscal 2019.

**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.

**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

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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 46 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 49 through 64 of this report. Required supplementary information can be found on pages 47 and 48 of this report.

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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 \$423,808,005, representing a \$33,554,440 or 8.6% increase over last year.

The largest portion of the City's net position, \$297,446,240 reflects its investment in capital assets (e.g., buildings, machinery and equipment, roadways, sidewalks, culverts, 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 the amount of net position (\$44,985,095) that is restricted as to use by law or agreement, the remaining portion of the City's net position represents unrestricted net position of \$81,376,670 that is available to meet the ongoing obligations of the government. This amount represents 77.63% of current governmental expenses.

The City has current and other assets of \$147,142,315, an increase of \$11,888,410 or 8.79% over the prior year. These assets include \$137,058,913 of cash and investments.

The City's capital assets are \$476,814,762, which represents an increase of \$16,176,670 or 3.51%. The increase is primarily related to the construction costs for the City Center project.

Long-term liabilities increased \$1,255,014 from the prior year because of additional borrowings for equipment and infrastructure improvements.

The table below summarizes the City's Net Position for 2019 and 2018.

**City of Sandy Springs Net Position**

	<u>Governmental Activities</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	
Assets				
Current assets	\$ 147,142,315	\$ 135,253,905	\$ 11,888,410	8.79 %
Capital assets, net of accumulated depreciation	<u>476,814,762</u>	<u>460,638,092</u>	<u>16,176,670</u>	<u>3.51</u>
Total assets	<u><u>623,957,077</u></u>	<u><u>595,891,997</u></u>	<u><u>28,065,080</u></u>	<u><u>4.71</u></u>
Liabilities				
Current liabilities	25,128,856	31,753,230	(6,624,374)	(20.86)
Long-term liabilities	<u>174,660,216</u>	<u>173,405,202</u>	<u>1,255,014</u>	<u>0.72</u>
Total liabilities	<u><u>199,789,072</u></u>	<u><u>205,158,432</u></u>	<u><u>(5,369,360)</u></u>	<u><u>(2.62)</u></u>
Deferred service concession arrangement receipts	<u>360,000</u>	<u>480,000</u>	<u>(120,000)</u>	<u>(25.00)</u>
Net Position				
Net investment in capital assets	297,446,240	276,338,164	21,108,076	7.64
Restricted	44,985,095	27,561,495	17,423,600	63.22
Unrestricted	<u>81,376,670</u>	<u>86,353,906</u>	<u>(4,977,236)</u>	<u>(5.76)</u>
Total net position	<u><u>\$ 423,808,005</u></u>	<u><u>\$ 390,253,565</u></u>	<u><u>\$ 33,554,440</u></u>	<u><u>8.60 %</u></u>

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**Governmental activities:** Governmental activities are those that have a direct impact on its citizens such as public safety, zoning, recreation, and parks and road improvements. The table below reflects changes in net position for 2019 and 2018.

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

	<u>Governmental Activities</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	
Revenues				
Program revenues:				
Charges for services	\$ 13,601,897	\$ 18,880,617	(5,278,720)	(27.96) %
Operating grants and contributions	1,933	151,259	(149,326)	(98.72)
Capital grants and contributions	22,994,063	22,775,443	218,620	0.96
General revenues:				
Property taxes	38,192,028	34,803,725	3,388,303	9.74
Sales and use taxes	28,981,123	27,474,424	1,506,699	5.48
Hotel/motel taxes	5,681,086	5,531,780	149,306	2.70
Franchise taxes	9,626,740	9,224,562	402,178	4.36
Business taxes	16,701,982	16,529,631	172,351	1.04
Unrestricted investment earnings	1,852,629	912,960	939,669	102.93
Gain on sale of capital assets	-	2,561,276	(2,561,276)	(100.00)
Miscellaneous revenues	<u>750,242</u>	<u>2,811,263</u>	<u>(2,061,021)</u>	<u>(73.31)</u>
Total revenues	<u>138,383,723</u>	<u>141,656,940</u>	<u>(3,273,217)</u>	<u>(2.31)</u>
Expenses				
General government	20,570,073	14,774,462	5,795,611	39.23
Judicial	1,500,223	1,621,822	(121,599)	(7.50)
Public safety	40,621,132	37,471,210	3,149,922	8.41
Public works	17,614,378	22,343,592	(4,729,214)	(21.17)
Culture and recreation	11,784,629	12,125,056	(340,427)	(2.81)
Housing and development	6,249,077	5,750,697	498,380	8.67
Interest on long-term debt	<u>6,489,771</u>	<u>6,317,627</u>	<u>172,144</u>	<u>2.72</u>
Total expenses	<u>104,829,283</u>	<u>100,404,466</u>	<u>4,424,817</u>	<u>4.41</u>
Change in net position	33,554,440	41,252,474	(7,698,034)	(18.66) %
Net position, beginning of year	<u>390,253,565</u>	<u>349,001,091</u>		
Net position, end of year	<u>\$ 423,808,005</u>	<u>\$ 390,253,565</u>		

**Revenues:** Charges for services includes fines and forfeitures, E911 telephone service charges, impact fees, and licenses and permits. These revenues decreased \$5,278,720, or 27.96%, primarily because of decreased building activity in the city. Capital grants and contributions increased slightly by \$218,620 or 0.96%. Property taxes increased \$3,388,303 or 9.74% as property values and the tax digest have increased. Sales and use taxes and business taxes increased \$1,506,699 (5.48%) and \$172,351 (1.04%), respectively, and were driven by continued improvements in the retail economy. Franchise Taxes increased \$402,178 or 4.36% primarily related to increases in taxes allocated by the electric utilities operating in the City. Unrestricted investment earnings increased \$939,669 or 102.93%, as a result of higher interest rates. The prior year reflected a gain on sale of \$2,561,276 related to sale of a land parcel adjoining

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the City Center project. Miscellaneous revenues decreased \$2,061,021 or 73.31% as prior year miscellaneous revenues reflected a claim settlement for \$2,096,000 with the Georgia Department of Transportation.

**Expenses:** General government expenses increased \$5,795,611 or 39.23% and is primarily attributable to increased depreciation expenses related to the City Center facilities. Public safety expenses increased \$3,149,922 or 8.41% and include \$2,575,000 of expenses related to the trade in of fire vehicles. General increases in salaries and other general expenses accounted for the remainder of the increase in public safety expenses. Public works expenses decreased \$4,729,214 or 21.17% because prior year expenses included significant additional capital costs that could not be capitalized under GASB guidelines such as road resurfacing. Housing and development costs increased \$498,380 or 8.67% and are primarily related to additional costs related to parking facilities associated with the City Center.

**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 2019 and 2018.

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

	<u>Governmental Funds</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	
Revenues:				
Taxes	\$ 99,174,113	\$ 93,780,228	\$ 5,393,885	5.75 %
Licenses and Permits	2,977,714	4,984,317	(2,006,603)	(40.26)
Intergovernmental Revenues	22,830,155	22,775,443	54,712	0.24
Charges for Services	7,532,520	11,016,993	(3,484,473)	(31.63)
Fines and Forfeitures	2,919,796	2,879,306	40,490	1.41
Interest Income	1,936,622	912,960	1,023,662	112.13
Other	924,042	866,200	57,842	6.68
Total Revenues	<u>138,294,962</u>	<u>137,215,447</u>	<u>1,079,515</u>	<u>0.79</u>
Expenditures:				
General Government	18,336,795	21,743,685	(3,406,890)	(15.67)
Judicial	1,492,453	1,619,227	(126,774)	(7.83)
Public Safety	42,329,360	36,932,141	5,397,219	14.61
Public Works	31,428,914	30,090,874	1,338,040	4.45
Culture and Recreation	16,105,238	65,731,006	(49,625,768)	(75.50)
Housing and Development	6,206,702	5,713,276	493,426	8.64
Debt Service	12,094,001	10,917,585	1,176,416	10.78
Total Expenditures	<u>127,993,463</u>	<u>172,747,794</u>	<u>(44,754,331)</u>	<u>(25.91)</u>
Deficiency of Revenues over Expenditures	10,301,499	(35,532,347)	45,833,846	(128.99)
Proceeds from Sale of Capital Assets	1,418,406	5,859,052	(4,440,646)	(75.79)
Proceeds from General Long Term Liabilities	2,872,000	-	2,872,000	100.00
Issuance of Capital Leases	4,287,603	-	4,287,603	100.00
Net Change in Fund Balance	18,879,508	(29,673,295)	48,552,803	(163.62)
Fund Balance, Beginning of Year	<u>108,698,968</u>	<u>138,372,263</u>	<u>(29,673,295)</u>	<u>(21.44)</u>
Fund Balance, End of Year	<u>\$ 127,578,476</u>	<u>\$ 108,698,968</u>	<u>\$ 18,879,508</u>	<u>17.37 %</u>

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$127,578,476, an increase of \$18,879,508. Of this balance, \$143,989 is considered nonspendable as these items are not expected to be converted to cash; \$43,384,457 is restricted by law or contractual agreement; \$480,219 is committed by resolution of the City Council; \$39,086,789 has been assigned by management for infrastructure projects; \$17,866,830 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2020; and \$26,616,192 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, increased \$5,393,885 or 5.75%. This is primarily made up of property tax increases of \$3,163,351 as a result of increases in assessed values and sales tax increases of \$1,506,699, as the local retail economy continues to grow. Revenues for licenses and permits have decreased \$2,006,603 or 40.26% as new development activity within the city has slowed. Intergovernmental revenues increased slightly \$54,712 or 0.24%. Charges for services decreased \$3,484,473 or 31.63% and is primarily a result of decreases in impact fees as new development within the city has slowed. Interest income increased \$1,023,662 or 112.13% as interest rates have risen.

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Total governmental expenditures have decreased \$44,754,331 or 25.91%. General government expenditures decreased \$3,406,890, or 15.67%, and the decrease is primarily related to slowing capital expenditures related to the City Center project. Public works expenses increased \$1,338,040, or 4.45%, primarily related to expenditures of TSPLOST fund for various transportation projects. Public safety expenditures increased \$5,397,219, or 14.61%, and is primarily related to expenditures of approximately \$4.3 million for replacement of fire vehicles in 2019 as well as general increases in salaries benefits and other expenditures. Recreation expenditures decreased \$49,625,768, or 75.50%, as the City Center project nears completion.

**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 \$46,377,011, an increase of \$3,110,450 or 7.19%. 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, 2019 was \$26,616,192 and represents 32.71% of total general fund expenditures.

Total General Fund revenues have increased \$5,866,017 or 5.94%. Property taxes have increased \$3,163,351 or 9.03% as property values and the tax digest have increased. Franchise taxes increased \$402,178 or 4.36% primarily related to increases electric franchise fees as a result of favorable weather conditions and increased development in the City. Sales taxes have increased \$1,506,699, or 5.48%, as the retail economy continues to grow in the City. Business taxes have decreased \$307,292 or 3.02% because prior year revenues reflected additional penalties and back taxes from additional audits. Insurance premium taxes have increased \$488,829 or 7.84% based on increased allocations from the state. Licenses and permits have decreased \$2,006,603 or 40.26% as building activity slows in the area. Charges for services increased \$1,480,248 or 186.67% due to the opening of Sandy Springs Performing Arts Center. Interest revenues have increased \$968,744 or 119.11% as interest rates have risen.

Total General Fund expenditures increased \$8,219,593 or 11.24%. General government expenses increased \$2,089,744 or 15.43% and is primarily due to increased costs related to operations of the City Springs complex. Public safety expenses were little changed from the prior year. Public works expenses increased \$1,662,988 or 12.38% primarily due to increased stormwater maintenance requirements as compared to the prior year. Recreation expenses increased \$2,490,752 or 50.79% due to increases in operating costs related to the new City Center and Performing Arts Center. Housing and development costs increased \$725,890 or 15.38% primarily from increased costs related to parking operations associated with the City Center. Principal and interest expenses increased \$951,067 and \$143,834 respectively based on schedule debt service payments.

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

	<u>General Fund</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	
<b>Revenues:</b>				
Property taxes	\$38,183,182	\$35,019,831	\$ 3,163,351	9.03 %
Sales taxes	28,981,123	27,474,424	1,506,699	5.48
Franchise taxes	9,626,740	9,224,562	402,178	4.36
Business taxes	9,876,057	10,183,349	(307,292)	(3.02)
Insurance premium tax	6,724,330	6,235,501	488,829	7.84
Licenses and permits	2,977,714	4,984,317	(2,006,603)	(40.26)
Intergovernmental revenues	661,945	593,808	68,137	11.47
Charges for services	2,273,203	792,955	1,480,248	186.67
Fines and forfeitures	2,543,046	2,650,421	(107,375)	(4.05)
Interest earned	1,782,060	813,316	968,744	119.11
Other	924,042	714,941	209,101	29.25
<b>Total revenues</b>	<u>104,553,442</u>	<u>98,687,425</u>	<u>5,866,017</u>	<u>5.94</u>
<b>Expenditures:</b>				
General government	15,633,785	13,544,041	2,089,744	15.43
Judicial	1,492,453	1,619,227	(126,774)	(7.83)
Public safety	34,050,450	33,768,358	282,092	0.84
Public works	15,092,777	13,429,789	1,662,988	12.38
Culture and Recreation	7,394,880	4,904,128	2,490,752	50.79
Housing and development	5,446,945	4,721,055	725,890	15.38
Debt service:				
Principal	2,022,679	1,071,612	951,067	88.75
Interest	237,757	93,923	143,834	153.14
<b>Total expenditures</b>	<u>81,371,726</u>	<u>73,152,133</u>	<u>8,219,593</u>	<u>11.24</u>
<b>Excess of revenues over expenditures</b>	23,181,716	25,535,292	(2,353,576)	(9.22)
Proceeds from sale of capital assets	1,418,406	66,316	1,352,090	2,038.86
Transfers in	3,957,303	4,540,836	(583,533)	(12.85)
Transfers out	(25,446,975)	(29,374,540)	3,927,565	(13.37)
<b>Net change in fund balance</b>	3,110,450	767,904	2,342,546	305.06
Fund balance, beginning of year	43,266,561	42,498,657	767,904	1.81
Fund balance, end of year	<u>\$46,377,011</u>	<u>\$43,266,561</u>	<u>\$ 756,874</u>	<u>1.75 %</u>

**Capital Projects Fund**

Revenues for the Capital Projects for 2019 and 2018 were \$2,935,693 and \$3,814,274, respectively, a decrease of \$878,581 or 23.03%. These revenues are primarily related to transportation grants and are decreasing as the City uses more TSPLOST funds for transportation projects.

Expenditures for 2019 and 2018 were \$17,070,187 and \$22,954,137, respectively, a decrease of \$5,883,950 or 25.63% as expenditures related to the City Center decrease as the project reached completion.

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**Public Facilities Authority Fund**

The Public Facilities Authority Fund is used to serve as a financing and ownership partner for major city developments. Total expenditures for 2019 and 2018 were \$15,120,102 and \$67,187,111, respectively, a decrease of \$52,067,009 or 77%. The decrease is primarily related to the completion of infrastructure for the City Center project.

**TSPLOST**

The TSPLOST fund is used to account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum. Total revenues for 2019 and 2018 were \$18,706,509 and \$17,793,860, respectively, an increase of \$912,649 or 5.13% as the local retail economy improves. Expenditures for 2019 and 2018 were \$7,772,568 and \$3,755,417, respectively, an increase of \$4,017,151 or 106.97% as more TSPLOST projects come online.

**General Fund Budgetary Highlights**

The General Fund budget versus actual comparison can be found on pages 47 and 48. For fiscal year 2019, the City had an overall favorable budget variance of \$17,204,174.

Total revenues were \$11,574,432 better than budgeted. Property taxes reflect a favorable budget variance of \$5,408,182, or 16.5%, as budgeted tax revenues are based on prior year collections as the tax digest continues to grow. Sales taxes were \$3,106,123 or 10.72% better than budgeted as the local economy improves at a faster rate than projected. Franchise taxes were \$551,740 or 6.08% better than budgeted and is primarily related to electric franchise fees which were better than projected due to favorable weather conditions and growth in the electric utilities within the city. Insurance premium taxes were \$1,224,330 or 22.26% better than the budget that did not take into consideration this much of an increased allocation from the state. Charges for services were \$899,647 worse than budgeted as parking revenues drastically declined as parking has become predominantly free. Interest earned was \$1,557,060 better than budgeted as interest rates have increased and the budget was based on prior year rates. All other revenue categories reflect modest variances as the city continues to use very conservative revenue estimates.

Total expenditures were \$14,937,798 better than budgeted. Public safety expenditures were \$3,452,539 or 9.21% better than budgeted due to very conservative budget estimates. Public works expenditures were \$9,239,929, or 37.97%, better than budgeted due to significantly less in repairs and maintenance of storm water infrastructure than originally projected. Housing and development expenditures were \$1,511,755 better than budgeted, permitting and parking expenditures were significantly less than budgeted along with the related revenues. All other expenditure categories reflect favorable budget variances as the City continues to use very conservative budget models.

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**Capital Asset and Debt Administration**

**Capital Assets** The City's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$476,814,762 (net of accumulated depreciation). This represents an increase of \$16,176,670 or 3.51% 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 37 of this report.

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

	<u>Governmental Activities</u>		<u>Dollar Increase (Decrease)</u>	<u>Percent</u>
	<u>2019</u>	<u>2018</u>		
Land	\$ 64,963,848	\$ 64,963,848	\$ -	- %
Construction in progress	30,736,116	36,989,537	(6,253,421)	(16.91)
Buildings	141,894,007	139,347,278	2,546,729	1.83
Improvements	82,256,995	83,457,467	(1,200,472)	(1.44)
Machinery and equipment	20,822,334	17,582,054	3,240,280	18.43
Infrastructure	136,141,462	118,297,908	17,843,554	15.08
	<u>\$ 476,814,762</u>	<u>\$ 460,638,092</u>	<u>\$ 16,176,670</u>	<u>3.51 %</u>

**Long-term Debt** At the end of fiscal year 2019 and 2018, the City had total debt outstanding of \$177,847,799 and \$176,305,477, respectively. The Series 2015 Revenue bonds included \$20,224,542 of premiums, primarily to finance the City Center project. The balance of the Series 2015 debt including premiums is \$168,635,288 as of June 30, 2019. The remaining debt is comprised of financed purchases related to equipment and notes payable for infrastructure improvements. 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 38 of this report.

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

All of these factors were considered in preparing the City's budget for the 2020 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.

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FOR THE YEAR ENDED JUNE 30, 2019**

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- 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 2020.
- 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, 1 Galambos Way, Sandy Springs, Georgia, 30328, or by calling 770-730-5600.

# CITY OF SANDY SPRINGS, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2019

ASSETS	Primary	Component Units	
	Government	Sandy Springs	
	Governmental Activities	Hospitality & Tourism	Development Authority
Cash and cash equivalents	\$ 126,721,704	\$ 1,247,768	\$ 264,571
Investments	10,337,209	-	-
Taxes receivable, net of allowances	4,080,037	-	-
Accounts receivable, net of allowances	1,401,597	-	7,676
Due from other governments, net of allowances	4,433,076	-	-
Due from primary government	-	302,360	-
Due from component unit	24,465	-	-
Restricted:			
Cash and cash equivalents	238	-	-
Inventories	32,944	-	-
Prepaid items	111,045	4,273	-
Capital assets:			
Nondepreciable	95,699,964	-	-
Depreciable, net of accumulated depreciation	381,114,798	-	-
<b>Total assets</b>	<b>623,957,077</b>	<b>1,554,401</b>	<b>272,247</b>
<b>LIABILITIES</b>			
Accounts payable	15,799,283	127,305	-
Accrued liabilities	2,846,615	-	-
Intergovernmental payable	17,192	-	-
Due to component unit	302,360	-	-
Due to primary government	-	-	24,465
Unearned revenue	1,102,083	-	-
Compensated absences due within one year	1,146,082	-	-
Financed purchases, due within one year	964,914	-	-
Bonds payable, due within one year	2,750,000	-	-
Note payable, due within one year	200,327	-	-
Compensated absences due in more than one year	727,658	-	-
Financed purchases, due in more than one year	3,175,473	-	-
Bonds payable, due in more than one year	165,885,288	-	-
Note payable, due in more than one year	4,871,797	-	-
<b>Total liabilities</b>	<b>199,789,072</b>	<b>127,305</b>	<b>24,465</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	360,000	-	-
<b>Total deferred inflows of resources</b>	<b>360,000</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>			
Net investment in capital assets	297,446,240	-	-
Restricted:			
Infrastructure improvements	36,126,144	-	-
Public safety projects	274,645	-	-
Capital projects	8,506,391	-	-
Tourism	-	1,427,096	-
Development	77,915	-	247,782
Unrestricted	81,376,670	-	-
<b>Total net position</b>	<b>\$ 423,808,005</b>	<b>\$ 1,427,096</b>	<b>\$ 247,782</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, 2019**

<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	\$ 20,570,073	\$ 1,721,471	\$ -	\$ -
Judicial	1,500,223	2,543,046	-	-
Public safety	40,621,132	4,127,827	-	12,314
Public works	17,614,378	1,598,758	-	22,115,719
Culture and recreation	11,784,629	1,480,729	1,933	188,428
Housing and development	6,249,077	2,130,066	-	677,602
Interest on long-term debt	6,489,771	-	-	-
Total governmental activities	<u>104,829,283</u>	<u>13,601,897</u>	<u>1,933</u>	<u>22,994,063</u>
Total primary government	<u>\$ 104,829,283</u>	<u>\$ 13,601,897</u>	<u>\$ 1,933</u>	<u>\$ 22,994,063</u>
<b>Component Units</b>				
Sandy Springs Hospitality & Tourism	\$ 1,779,883	\$ -	\$ 1,825,901	\$ -
Development Authority	676,679	-	657,217	-
Total component units	<u>\$ 2,456,562</u>	<u>\$ -</u>	<u>\$ 2,483,118</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>Component Units</b>	
<b>Governmental Activities</b>	<b>Sandy Springs Hospitality &amp; Tourism</b>	<b>Sandy Springs Development Authority</b>
\$ (18,848,602)	\$ -	\$ -
1,042,823	-	-
(36,480,991)	-	-
6,100,099	-	-
(10,113,539)	-	-
(3,441,409)	-	-
(6,489,771)	-	-
<u>(68,231,390)</u>	<u>-</u>	<u>-</u>
(68,231,390)	-	-
-	46,018	-
<u>-</u>	<u>-</u>	<u>(19,462)</u>
<u>-</u>	<u>46,018</u>	<u>(19,462)</u>
38,192,028	-	-
28,981,123	-	-
5,681,086	-	-
9,626,740	-	-
101,595	-	-
9,876,057	-	-
6,724,330	-	-
1,852,629	706	-
750,242	2,879	-
<u>101,785,830</u>	<u>3,585</u>	<u>-</u>
33,554,440	49,603	(19,462)
390,253,565	1,377,493	267,244
<u>\$ 423,808,005</u>	<u>\$ 1,427,096</u>	<u>\$ 247,782</u>

**CITY OF SANDY SPRINGS, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

<b>ASSETS</b>	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Public Facilities Authority Fund</b>	<b>TSPLOST Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 42,313,587	\$ 37,471,156	\$ 6,743,094	\$ 27,873,325	\$ 12,320,542	\$ 126,721,704
Investments	10,337,209	-	-	-	-	10,337,209
Taxes receivable, net of allowances	3,562,114	-	-	-	517,923	4,080,037
Other receivables, net of allowances	492,537	-	5,393	-	543,667	1,041,597
Intergovernmental receivables, net of allowances	1,161,890	1,585,196	-	1,556,847	129,143	4,433,076
Restricted:						
Cash and cash equivalents	-	-	238	-	-	238
Due from other funds	654,149	38,342	-	-	1,325	693,816
Due from component units	24,465	-	-	-	-	24,465
Inventory	32,944	-	-	-	-	32,944
Prepaid items	111,045	-	-	-	-	111,045
<b>Total assets</b>	<b>\$ 58,689,940</b>	<b>\$ 39,094,694</b>	<b>\$ 6,748,725</b>	<b>\$ 29,430,172</b>	<b>\$ 13,512,600</b>	<b>\$ 147,476,131</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 9,441,305	\$ 1,605,917	\$ 2,569,235	\$ 763,048	\$ 1,419,778	\$ 15,799,283
Accrued liabilities	1,484,936	151,988	-	-	-	1,636,924
Intergovernmental payable	17,192	-	-	-	-	17,192
Due to other funds	1,325	-	-	-	692,491	693,816
Due to component unit	6	-	-	-	302,354	302,360
Unearned revenue	1,102,083	-	-	-	-	1,102,083
<b>Total liabilities</b>	<b>12,046,847</b>	<b>1,757,905</b>	<b>2,569,235</b>	<b>763,048</b>	<b>2,414,623</b>	<b>19,551,658</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	256,994	-	-	-	-	256,994
Unavailable revenue - intergovernmental	9,088	-	-	-	79,915	89,003
<b>Total deferred inflow of resources</b>	<b>266,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,915</b>	<b>345,997</b>
<b>FUND BALANCES</b>						
Fund balances:						
Nonspendable:						
Inventory	32,944	-	-	-	-	32,944
Prepaid items	111,045	-	-	-	-	111,045
Restricted:						
Public safety projects	-	-	-	-	274,645	274,645
Capital projects	-	-	4,179,490	-	-	4,179,490
Infrastructure improvements	-	-	-	28,667,124	7,459,020	36,126,144
Housing and development	-	-	-	-	2,804,178	2,804,178
Committed:						
Tree replacement	-	-	-	-	480,219	480,219
Assigned:						
Stormwater projects	1,750,000	-	-	-	-	1,750,000
Capital projects	-	35,111,789	-	-	-	35,111,789
Recreation	-	2,225,000	-	-	-	2,225,000
2020 fiscal year appropriations of						
fund balance	17,866,830	-	-	-	-	17,866,830
Unassigned	26,616,192	-	-	-	-	26,616,192
<b>Total fund balances</b>	<b>46,377,011</b>	<b>37,336,789</b>	<b>4,179,490</b>	<b>28,667,124</b>	<b>11,018,062</b>	<b>127,578,476</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 58,689,940</b>	<b>\$ 39,094,694</b>	<b>\$ 6,748,725</b>	<b>\$ 29,430,172</b>	<b>\$ 13,512,600</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.						
						476,814,762
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						
						(180,931,230)
Some revenues are not available in the current period and, therefore, are not reported in the funds.						
						345,997
Net position of governmental activities						
						<b>\$ 423,808,005</b>

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

**CITY OF SANDY SPRINGS, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Capital Projects Fund	Public Facilities Authority Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 38,183,182	\$ -	\$ -	\$ -	\$ -	\$ 38,183,182
Sales taxes	28,981,123	-	-	-	-	28,981,123
Hotel/Motel taxes	-	-	-	-	5,681,086	5,681,086
Auto excise taxes	-	-	-	-	101,595	101,595
Franchise taxes	9,626,740	-	-	-	-	9,626,740
Business taxes	9,876,057	-	-	-	-	9,876,057
Insurance premium tax	6,724,330	-	-	-	-	6,724,330
Licenses and permits	2,977,714	-	-	-	-	2,977,714
Intergovernmental	661,945	2,935,693	-	18,622,516	610,001	22,830,155
Charges for services	2,273,203	-	-	-	5,259,317	7,532,520
Fines and forfeitures	2,543,046	-	-	-	376,750	2,919,796
Interest earned	1,782,060	-	30	83,993	70,539	1,936,622
Contributions	1,933	-	-	-	-	1,933
Miscellaneous	922,109	-	-	-	-	922,109
<b>Total revenues</b>	<b>104,553,442</b>	<b>2,935,693</b>	<b>30</b>	<b>18,706,509</b>	<b>12,099,288</b>	<b>138,294,962</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	15,633,785	2,703,010	-	-	-	18,336,795
Judicial	1,492,453	-	-	-	-	1,492,453
Public safety	34,050,450	4,287,603	-	-	3,991,307	42,329,360
Public works	15,092,777	8,563,569	-	7,772,568	-	31,428,914
Culture and recreation	7,394,880	1,516,005	5,368,452	-	1,825,901	16,105,238
Housing and development	5,446,945	-	-	-	759,757	6,206,702
<b>Debt service:</b>						
Principal	2,022,679	-	2,610,000	-	-	4,632,679
Interest	237,757	-	7,141,650	-	-	7,379,407
Cost of issuance	-	-	-	-	81,915	81,915
<b>Total expenditures</b>	<b>81,371,726</b>	<b>17,070,187</b>	<b>15,120,102</b>	<b>7,772,568</b>	<b>6,658,880</b>	<b>127,993,463</b>
Excess (deficiency) of revenues over expenditures	23,181,716	(14,134,494)	(15,120,072)	10,933,941	5,440,408	10,301,499
<b>Other financing sources (uses):</b>						
Proceeds from sale of capital assets	1,418,406	-	-	-	-	1,418,406
Issuance of notes payable	-	-	-	-	2,872,000	2,872,000
Proceeds from financed purchases	-	4,287,603	-	-	-	4,287,603
Transfers in	3,957,303	19,245,107	9,751,650	-	-	32,954,060
Transfers out	(25,446,975)	-	-	-	(7,507,085)	(32,954,060)
<b>Total other financing sources (uses)</b>	<b>(20,071,266)</b>	<b>23,532,710</b>	<b>9,751,650</b>	<b>-</b>	<b>(4,635,085)</b>	<b>8,578,009</b>
Net change in fund balances	3,110,450	9,398,216	(5,368,422)	10,933,941	805,323	18,879,508
<b>Fund balances, beginning of year</b>	<b>43,266,561</b>	<b>27,938,573</b>	<b>9,547,912</b>	<b>17,733,183</b>	<b>10,212,739</b>	<b>108,698,968</b>
<b>Fund balances, end of year</b>	<b>\$ 46,377,011</b>	<b>\$ 37,336,789</b>	<b>\$ 4,179,490</b>	<b>\$ 28,667,124</b>	<b>\$ 11,018,062</b>	<b>\$ 127,578,476</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, 2019

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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	\$	18,879,508
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.		20,170,611
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.		(3,993,941)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		88,761
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.		(2,526,924)
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.		936,425
Change in net position - governmental activities	\$	<u>33,554,440</u>

**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, 2019**

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	<b>ASSETS</b>	<b>Municipal Court Fund</b>
Cash		<u>\$ 215,443</u>
Total assets		<u><u>\$ 215,443</u></u>
	<b>LIABILITIES</b>	
Due to others		<u>\$ 215,443</u>
Total liabilities		<u><u>\$ 215,443</u></u>

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

**CITY OF SANDY SPRINGS, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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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, three 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 has been included 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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period; however, grant revenues are considered to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. 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.

## 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)

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

The City reports the following major governmental funds:

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

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

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

The **TSPLOST Fund** is used to account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum.

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.

## NOTES TO FINANCIAL STATEMENTS

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

#### D. Encumbrances

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances would then be an assignment of fund balance since the commitments would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at June 30, 2019, and none were recorded.

#### E. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund, and special revenue funds. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended June 30, 2019, 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 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### G. Receivables

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

#### H. Interfund Receivables and Payables

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

#### I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received.

#### J. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. Inventories reported in the governmental funds are equally offset by nonspendable fund balance, which indicates that they do not constitute “available, spendable resources.”

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## NOTES TO FINANCIAL STATEMENTS

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

#### K. 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 acquisition 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.

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## NOTES TO FINANCIAL STATEMENTS

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

#### L. 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, 2019 will be recognized as a revenue and increase net position over the remaining life of the contract. As of June 30, 2019 the present value of the service concession arrangement was \$360,000 and will be amortized over the life of the agreement ending June 30, 2022. The second 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.

#### M. 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)

#### N. 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.

#### O. 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)

#### O. 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.

#### P. 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 \$180,931,230 difference are as follows:

Financed purchases	\$ (4,140,387)
Bonds payable, including premiums	(168,635,288)
Notes payable	(5,072,124)
Compensated absences (i.e., vacation)	(1,873,740)
Accrued interest	<u>(1,209,691)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (180,931,230)</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 \$20,170,611 difference are as follows:

Capital outlay	\$ 35,287,473
Depreciation expense	<u>(15,116,862)</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>\$ 20,170,611</u>

## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation 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. The transaction, however, has no effect on net position.” The detail of this \$2,526,924 difference is as follows:

Principal retirements	\$ 4,632,679
Issuance of long term debt	<u>(7,159,603)</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>\$ (2,526,924)</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 \$936,425 difference are as follows:

Compensated absences (i.e., vacation)	\$ (73,848)
Accrued interest	(13,051)
Change in pollution remediation obligation	38,722
Amortization of bond premium	<u>984,602</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>\$ 936,425</u>

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2019:

Confiscated Assets Fund	\$	359,271
E911 Fund		519,722
CDBG:		
Debt Service:		
Costs of issuance		81,915
Private Contributions Fund:		
Transfers out		522
Hotel/Motel Fund		218,901
General Fund:		
General government:		
Legal services		970,049
Debt service:		
Interest		4,577

These expenditures in excess of appropriations were funded by greater than anticipated revenues and available fund balance.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2019 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 126,721,704
Investments	10,337,209
Restricted cash and cash equivalents	238
Statement of Fiduciary Assets and Liabilities:	
Cash - Agency Fund	215,443
	<u>\$ 137,274,594</u>
Cash deposited with financial institutions	\$ 57,528,102
Cash deposited with Georgia Fund 1	69,409,283
Investments	10,337,209
	<u>\$ 137,274,594</u>

**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 and 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.

## NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2019, 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
Georgia Fund 1	0.11	AAAf	\$ 69,409,283
United States Government Sponsored Enterprise Certificates of Deposit	2.20 3.32	AAA (a)	9,087,209 1,250,000
			<u>\$ 79,746,492</u>

(a) These certificates of deposit are not rated.

**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, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
United States Government Sponsored Enterprise Certificates of Deposit	\$ 994,790 <u>1,250,000</u>	\$ 8,092,419 <u>-</u>	\$ - <u>-</u>	\$ 9,087,209 <u>1,250,000</u>
Total investments measured at fair value	<u>\$ 2,244,790</u>	<u>\$ 8,092,419</u>	<u>\$ -</u>	\$ 10,337,209
Investments not subject to level disclosure:				
Georgia Fund 1				<u>69,409,283</u>
Total investments				<u>\$ 79,746,492</u>

The U.S. Government Sponsored Enterprise (GSE) security 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 GSE security classified as Level 2 of the fair value hierarchy is 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.

The City's certificate of deposit are nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

## 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 require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2019, the financial institution holding all of the City's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2019, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

### 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, 2019, 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>TSPLOST</u>	<u>Nonmajor Governmental</u>
Receivables:				
Intergovernmental	\$ 9,412,927	\$ 1,585,196	\$ 1,566,847	\$ 129,143
Taxes	3,736,115	-	-	517,923
Other	592,536	-	-	543,667
Total receivables	13,741,578	1,585,196	1,566,847	1,190,733
Less allowance for uncollectible	8,525,037	-	-	-
Net total receivable	<u>\$ 5,216,541</u>	<u>\$ 1,585,196</u>	<u>\$ 1,566,847</u>	<u>\$ 1,190,733</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2019 is as follows:

**Governmental activities:**

Nondepreciable  
capital assets:

Land	\$ 64,963,848	\$ -	\$ -	\$ -	\$ 64,963,848
Construction in progress	36,989,537	32,729,528	(3,320,691)	(35,662,258)	30,736,116
Total	101,953,385	32,729,528	(3,320,691)	(35,662,258)	95,699,964

Capital assets,  
being depreciated:

Buildings	142,051,865	292,692	-	5,956,262	148,300,819
Improvements	87,456,995	168,753	-	1,281,031	88,906,779
Machinery and equipment	36,943,587	2,096,500	(3,015,023)	6,163,490	42,188,554
Infrastructure	181,759,236	-	-	22,261,475	204,020,711
Total	448,211,683	2,557,945	(3,015,023)	35,662,258	483,416,863

Less accumulated  
depreciation for:

Buildings	(2,704,588)	(3,702,224)	-	-	(6,406,812)
Improvements	(3,999,528)	(2,650,256)	-	-	(6,649,784)
Machinery and equipment	(19,361,532)	(4,346,461)	2,341,773	-	(21,366,220)
Infrastructure	(63,461,328)	(4,417,921)	-	-	(67,879,249)
Total	(89,526,976)	(15,116,862)	2,341,773	-	(102,302,065)

Total capital assets being  
depreciated, net

	358,684,707	(12,558,917)	(673,250)	35,662,258	381,114,798
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Governmental activities capital  
assets, net

	\$ 460,638,092	\$ 20,170,611	\$ (3,993,941)	\$ -	\$ 476,814,762
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Depreciation expense was charged to functions/programs of the City as follows:

**Governmental activities:**

General government	\$ 5,416,858
Judicial	9,143
Public safety	2,441,882
Public works	5,052,709
Culture and recreation	2,158,849
Housing and development	37,421
	\$ 15,116,862

Total depreciation expense - governmental activities

\$ 15,116,862

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT

#### Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 154,525,000	\$ -	\$ (2,610,000)	\$ 151,915,000	\$ 2,750,000
Plus: Premiums	17,704,890	-	(984,602)	16,720,288	-
Total bonds payable	172,229,890	-	(3,594,602)	168,635,288	2,750,000
Financed purchases from direct borrowings	1,678,431	4,287,603	(1,825,647)	4,140,387	964,914
Notes payable from direct borrowings	2,397,156	2,872,000	(197,032)	5,072,124	200,327
Compensated absences	1,799,892	1,174,760	(1,100,912)	1,873,740	1,146,082
Governmental activity Long-term liabilities	<u>\$ 178,105,369</u>	<u>\$ 8,334,363</u>	<u>\$ (6,718,193)</u>	<u>\$ 179,721,539</u>	<u>\$ 5,061,323</u>

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

#### Financed Purchases from Direct Borrowings

During January 2007, the City entered into an agreement with Fulton County to finance the purchase of a fire station for fire protection services. 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>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 388,514	\$ 11,737	\$ 400,251

## NOTES TO FINANCIAL STATEMENTS

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

#### Financed Purchases from Direct Borrowings (Continued)

During April 2019, the City entered into an agreement with a financial institution to finance the purchase of vehicles and equipment for fire protection services. The vehicles and equipment have an original cost of \$4,287,603. Annual payments of \$698,336, including interest at a rate of 3.25% began in April 2019 and will continue through April 2025. The debt service requirements to maturity are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 576,400	\$ 121,936	\$ 698,336
2021	595,133	103,203	698,336
2022	614,475	83,861	698,336
2023	634,445	63,891	698,336
2024	655,065	43,271	698,336
2025	676,355	21,981	698,336
	<u>\$ 3,751,873</u>	<u>\$ 438,143</u>	<u>\$ 4,190,016</u>

As of June 30, 2019, the City had \$7,268,876 of assets, with associated accumulated depreciation of \$846,696, financed. The related depreciation expense for these assets is included in the capital asset depreciation expense.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### Bonds Payable (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2020	\$ 2,750,000	\$ 7,011,150	\$ 9,761,150
2021	2,840,000	6,918,650	9,758,650
2022	2,980,000	6,776,650	9,756,650
2023	3,130,000	6,627,650	9,757,650
2024	3,285,000	6,471,150	9,756,150
2025-2029	18,850,000	29,948,250	48,798,250
2030-2034	23,655,000	25,117,250	48,772,250
2035-2039	29,830,000	18,956,150	48,786,150
2040-2044	37,705,000	11,072,200	48,777,200
2045-2047	26,890,000	2,378,800	29,268,800
Total	<u>\$ 151,915,000</u>	<u>\$ 121,277,900</u>	<u>\$ 273,192,900</u>

#### Notes Payable from Direct Borrowings

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), allowed the City to borrow \$2,750,000 for the Windsor Parkway Realignment Project. The project was completed and the note finalized in August 2016. Monthly payments of principal and interest in the amount of \$19,611 are due until the note matures on August 1, 2029. The note bears interest at 1.66%.

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

Year Ending June 30,	Principal	Interest	Total
2020	\$ 200,327	\$ 35,002	\$ 235,329
2021	203,678	31,652	235,330
2022	207,085	28,245	235,330
2023	210,548	24,781	235,329
2024	214,070	21,259	235,329
2025-2029	1,125,276	51,371	1,176,647
2030	39,140	81	39,221
Total	<u>\$ 2,200,124</u>	<u>\$ 192,391</u>	<u>\$ 2,392,515</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### Notes Payable from Direct Borrowings (Continued)

The City has executed a note payable agreement with the U.S. Department of Housing and Urban Development under the Section 108 Loan Guarantee Program. The note, financed through Suntrust Bank, allowed the City to borrow \$2,872,000 for the South Roswell Road Sidewalk Project. The City intends to pay back this note using future CDBG grant revenues. Annual principal payments in the amount of \$287,000 begin August 1, 2021 and are due until the note matures on August 1, 2030. Interest payments are due semi-annually beginning August 1, 2019 until maturity. The note bears interest at a variable rate of 0.2% above the applicable LIBOR rate for the first day of each month. This rate at June 30, 2019 was 2.6%.

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

Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 68,358	\$ 68,358
2021	-	81,217	81,217
2022	287,000	77,529	364,529
2023	287,000	70,186	357,186
2024	287,000	62,774	349,774
2025-2029	1,435,000	195,967	1,630,967
2030-2031	576,000	18,594	594,594
Total	<u>\$ 2,872,000</u>	<u>\$ 574,625</u>	<u>\$ 3,446,625</u>

## NOTES TO FINANCIAL STATEMENTS

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

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 654,149
Nonmajor governmental funds	General Fund	1,325
Capital Projects Fund	Nonmajor governmental funds	38,342
		<u>\$ 693,816</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	\$ 302,354
General Fund	Development Authority	24,465
Hospitality & Tourism	General Fund	6
		<u>\$ 326,825</u>

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 3,957,303
Capital Projects Fund	General Fund	15,695,325
Capital Projects Fund	Nonmajor governmental funds	3,549,782
Public Facilities Authority	General Fund	9,751,650
		<u>\$ 32,954,060</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**

In addition to the liabilities enumerated in the balance sheet, at June 30, 2019, the City has contractual commitments on uncompleted contracts of \$14,905,491.

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.

### **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, 2019, there were 296 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, 2019, the City's contribution to the Plan, which was also the City's pension expense, was \$3,012,882 and employees contributed \$1,294,214.

### **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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. JOINT VENTURES (CONTINUED)

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, 2019, the City of Sandy Springs has collected and remitted \$3,419,722 of E911 revenues. Since the inception of ChatComm, the City of Sandy Springs has contributed approximately \$8,251,000 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, 2019. At June 30, 2019, ChatComm had a negative net position of (\$12,082,910). Separate financial statements may be obtained from the City of Johns Creek, who has been contracted by ChatComm to serve as the accountants, at 11360 Lakefield Drive, Johns Creek, Georgia 30097.

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, 2019, the City of Sandy Springs contributed \$447,544 to the Authority. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 1 Galambos Way, Sandy Springs, Georgia 30328.

## NOTES TO FINANCIAL STATEMENTS

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### **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, 2019, the City received \$5,681,086 in hotel/motel taxes. Of this amount, \$4,058,568, or 71.4%, was used for the promotion of tourism, conventions, or trade shows.

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

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the period ended June 30, 2019, the City received \$101,595 in motor vehicle excise taxes. Of this amount, \$101,595, 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.

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 14. RISK MANAGEMENT (CONTINUED)**

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

### **NOTE 15. CHANGE IN REPORTING ENTITY**

In the fiscal year ending June 30, 2018, the City included the Sandy Springs Foundation as a discretely presented component unit in the financial statements. The Foundation operates for purposes that are charitable and educational to raise funds for the benefit of recreational, artistic, and educational endeavors on any portion of the Performing Arts Center and the City Green. The Foundation was originally set up to operate under a seven member board who were each appointed by the Mayor of the City and confirmed by City Council. The Foundation's resources were also held entirely by the City and its component units. During the fiscal year ending June 30, 2019, the Foundation revised its by-laws and the City no longer appoints a voting majority of the Foundation's governing body and is no longer financially responsible for the Foundation. As such, the Foundation is no longer included as a discretely presented component unit of the City.



# 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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 32,775,000	\$ 32,775,000	\$ 38,183,182	\$ 5,408,182
Sales taxes	25,875,000	25,875,000	28,981,123	3,106,123
Franchise taxes	9,075,000	9,075,000	9,626,740	551,740
Business taxes	9,550,000	9,550,000	9,876,057	326,057
Insurance premium tax	5,500,000	5,500,000	6,724,330	1,224,330
Licenses and permits	3,060,000	3,060,000	2,977,714	(82,286)
Intergovernmental	850,000	850,000	661,945	(188,055)
Charges for services	3,214,010	3,172,850	2,273,203	(899,647)
Fines and forfeitures	2,500,000	2,500,000	2,543,046	43,046
Interest earned	225,000	225,000	1,782,060	1,557,060
Contributions	-	-	1,933	1,933
Miscellaneous	355,000	396,160	922,109	525,949
Total revenues	<u>92,979,010</u>	<u>92,979,010</u>	<u>104,553,442</u>	<u>11,574,432</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor and council	226,322	226,322	215,650	10,672
City manager	1,116,258	1,057,158	841,377	215,781
General operations	5,480,655	5,280,655	4,806,216	474,439
Legal services	-	-	970,049	(970,049)
Human Resources	456,540	456,540	391,032	65,508
Facilities and buildings	3,542,374	3,842,374	3,624,010	218,364
City clerk	249,221	308,321	307,590	731
Data processing/MIS	2,800,883	2,800,883	2,673,288	127,595
Public information	1,778,080	1,889,080	1,804,573	84,507
Total general government	<u>15,650,333</u>	<u>15,861,333</u>	<u>15,633,785</u>	<u>227,548</u>
<b>Judicial</b>	<u>1,640,288</u>	<u>1,640,288</u>	<u>1,492,453</u>	<u>147,835</u>
<b>Public safety:</b>				
Police department	22,880,045	22,880,045	20,948,483	1,931,562
Fire department	13,045,944	13,045,944	12,351,027	694,917
E911	1,577,000	1,577,000	750,940	826,060
Total public safety	<u>37,502,989</u>	<u>37,502,989</u>	<u>34,050,450</u>	<u>3,452,539</u>
<b>Public works:</b>				
Public works	13,565,327	13,565,327	12,122,887	1,442,440
Sanitation and wastewater	3,985,081	9,210,383	2,150,101	7,060,282
Storm drainage	1,675,000	1,556,996	819,789	737,207
Total public works	<u>19,225,408</u>	<u>24,332,706</u>	<u>15,092,777</u>	<u>9,239,929</u>
<b>Culture and recreation</b>				
Recreation	4,522,042	4,372,042	4,104,894	267,148
Special facilities	3,369,700	3,369,700	3,289,986	79,714
Total culture and recreation	<u>7,891,742</u>	<u>7,741,742</u>	<u>7,394,880</u>	<u>346,862</u>

Continued

**CITY OF SANDY SPRINGS, GEORGIA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Housing and development</b>				
Building/inspection/code enforcement	\$ 4,787,764	\$ 4,726,764	\$ 4,397,980	\$ 328,784
Economic development	368,553	368,553	286,037	82,516
Parking	1,863,383	1,863,383	762,928	1,100,455
Total housing and development	<u>7,019,700</u>	<u>6,958,700</u>	<u>5,446,945</u>	<u>1,511,755</u>
<b>Debt service</b>				
Principal	2,038,586	2,038,586	2,022,679	15,907
Interest	233,180	233,180	237,757	(4,577)
Total debt service	<u>2,271,766</u>	<u>2,271,766</u>	<u>2,260,436</u>	<u>11,330</u>
Total expenditures	<u>91,202,226</u>	<u>96,309,524</u>	<u>81,371,726</u>	<u>14,937,798</u>
Excess (deficiency) of revenues over expenditures	<u>1,776,784</u>	<u>(3,330,514)</u>	<u>23,181,716</u>	<u>26,512,230</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	1,425,000	1,425,000	1,418,406	(6,594)
Transfers in	5,734,637	13,258,765	3,957,303	(9,301,462)
Transfers out	(25,446,975)	(25,446,975)	(25,446,975)	-
Total other financing sources	<u>(18,287,338)</u>	<u>(10,763,210)</u>	<u>(20,071,266)</u>	<u>(9,308,056)</u>
Net change in fund balances	(16,510,554)	(14,093,724)	3,110,450	17,204,174
<b>Fund balance, beginning of year</b>	<u>43,266,561</u>	<u>43,266,561</u>	<u>43,266,561</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 26,756,007</u>	<u>\$ 29,172,837</u>	<u>\$ 46,377,011</u>	<u>\$ 17,204,174</u>

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.

**Tree Fund** – This fund is used to account for the charges for services collected by the City from third parties who remove trees during the land development process pursuant to the City's Tree Replacement Ordinance. The revenues in this fund are committed by an Ordinance passed by the City Council.

**Federal Grants Fund** – To account for the expenditures and revenues of federal grants.

**Private Contributions 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, 2019**

ASSETS	Special Revenue Funds				
	Confiscated Assets Fund	E911 Fund	Tree Fund	Federal Grants Fund	Private Contributions Fund
Cash	\$ 856,194	\$ 276,461	\$ 496,995	\$ -	\$ -
Taxes receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Other receivable	-	543,667	-	-	-
Due from other funds	1,325	-	-	-	-
<b>Total assets</b>	<b>\$ 857,519</b>	<b>\$ 820,128</b>	<b>\$ 496,995</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 582,874	\$ 820,128	\$ 16,776	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to component unit	-	-	-	-	-
<b>Total liabilities</b>	<b>582,874</b>	<b>820,128</b>	<b>16,776</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - intergovernmental	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted:					
Public safety projects	274,645	-	-	-	-
Infrastructure improvements	-	-	-	-	-
Housing and development	-	-	-	-	-
Committed:					
Tree replacement	-	-	480,219	-	-
<b>Total fund balances</b>	<b>274,645</b>	<b>-</b>	<b>480,219</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 857,519</b>	<b>\$ 820,128</b>	<b>\$ 496,995</b>	<b>\$ -</b>	<b>\$ -</b>

Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
CDBG Fund	Hotel/Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	
\$ 2,754,950	\$ 438,580	\$ -	\$ 7,497,362	\$ 12,320,542
-	502,162	15,761	-	517,923
129,143	-	-	-	129,143
-	-	-	-	543,667
-	-	-	-	1,325
<u>\$ 2,884,093</u>	<u>\$ 940,742</u>	<u>\$ 15,761</u>	<u>\$ 7,497,362</u>	<u>\$ 13,512,600</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,419,778
-	638,388	15,761	38,342	692,491
-	302,354	-	-	302,354
-	940,742	15,761	38,342	2,414,623
79,915	-	-	-	79,915
79,915	-	-	-	79,915
-	-	-	-	274,645
-	-	-	7,459,020	7,459,020
2,804,178	-	-	-	2,804,178
-	-	-	-	480,219
2,804,178	-	-	7,459,020	11,018,062
<u>\$ 2,884,093</u>	<u>\$ 940,742</u>	<u>\$ 15,761</u>	<u>\$ 7,497,362</u>	<u>\$ 13,512,600</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, 2019**

	<b>Special Revenue Funds</b>				
	<b>Confiscated Assets Fund</b>	<b>E911 Fund</b>	<b>Tree Fund</b>	<b>Federal Grants Fund</b>	<b>Private Contributions Fund</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	12,314	-
Charges for services	-	3,419,722	240,837	-	-
Fines and forfeitures	376,750	-	-	-	-
Interest income	2,975	-	17,025	-	-
<b>Total revenues</b>	<b>379,725</b>	<b>3,419,722</b>	<b>257,862</b>	<b>12,314</b>	<b>-</b>
<b>EXPENDITURES</b>					
Current:					
Public safety	559,271	3,419,722	-	12,314	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	162,070	-	-
Debt service:					
Costs of issuance	-	-	-	-	-
<b>Total expenditures</b>	<b>559,271</b>	<b>3,419,722</b>	<b>162,070</b>	<b>12,314</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(179,546)</b>	<b>-</b>	<b>95,792</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	-	-	(522)
Issuance of notes payable	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(522)</b>
<b>Net change in fund balances</b>	<b>(179,546)</b>	<b>-</b>	<b>95,792</b>	<b>-</b>	<b>(522)</b>
<b>FUND BALANCES, beginning of year</b>	<b>454,191</b>	<b>-</b>	<b>384,427</b>	<b>-</b>	<b>522</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 274,645</b>	<b>\$ -</b>	<b>\$ 480,219</b>	<b>\$ -</b>	<b>\$ -</b>

Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
CDBG Fund	Hotel/Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	
\$ -	\$ 5,681,086	\$ 101,595	\$ -	\$ 5,782,681
597,687	-	-	-	610,001
-	-	-	1,598,758	5,259,317
-	-	-	-	376,750
14,093	-	-	36,446	70,539
<u>611,780</u>	<u>5,681,086</u>	<u>101,595</u>	<u>1,635,204</u>	<u>12,099,288</u>
-	-	-	-	3,991,307
-	1,825,901	-	-	1,825,901
597,687	-	-	-	759,757
<u>81,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,915</u>
<u>679,602</u>	<u>1,825,901</u>	<u>-</u>	<u>-</u>	<u>6,658,880</u>
(67,822)	3,855,185	101,595	1,635,204	5,440,408
-	(3,855,185)	(101,595)	(3,549,783)	(7,507,085)
<u>2,872,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,872,000</u>
<u>2,872,000</u>	<u>(3,855,185)</u>	<u>(101,595)</u>	<u>(3,549,783)</u>	<u>(4,635,085)</u>
2,804,178	-	-	(1,914,579)	805,323
-	-	-	9,373,599	10,212,739
<u>\$ 2,804,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,459,020</u>	<u>\$ 11,018,062</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 376,750	\$ 176,750
Interest income	-	-	2,975	2,975
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>379,725</u>	<u>179,725</u>
<b>Expenditures:</b>				
Public safety	<u>200,000</u>	<u>200,000</u>	<u>559,271</u>	<u>(359,271)</u>
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>559,271</u>	<u>(359,271)</u>
Net change in fund balances	-	-	(179,546)	(179,546)
<b>Fund balances, beginning of year</b>	<u>454,191</u>	<u>454,191</u>	<u>454,191</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 454,191</u>	<u>\$ 454,191</u>	<u>\$ 274,645</u>	<u>\$ (179,546)</u>

**CITY OF SANDY SPRINGS, GEORGIA**

**E911 FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 2,900,000	\$ 2,900,000	\$ 3,419,722	\$ 519,722
Total revenues	<u>2,900,000</u>	<u>2,900,000</u>	<u>3,419,722</u>	<u>519,722</u>
<b>Expenditures:</b>				
Public safety	<u>2,900,000</u>	<u>2,900,000</u>	<u>3,419,722</u>	<u>(519,722)</u>
Total expenditures	<u>2,900,000</u>	<u>2,900,000</u>	<u>3,419,722</u>	<u>(519,722)</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**

**TREE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 100,000	\$ 100,000	\$ 240,837	\$ 140,837
Interest income	-	-	17,025	17,025
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>257,862</u>	<u>157,862</u>
<b>Expenditures:</b>				
Housing and development	<u>200,000</u>	<u>345,000</u>	<u>162,070</u>	<u>182,930</u>
Total expenditures	<u>200,000</u>	<u>345,000</u>	<u>162,070</u>	<u>182,930</u>
Net change in fund balances	(100,000)	(245,000)	95,792	340,792
<b>Fund balances, beginning of year</b>	<u>384,427</u>	<u>384,427</u>	<u>384,427</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 284,427</u>	<u>\$ 139,427</u>	<u>\$ 480,219</u>	<u>\$ 340,792</u>

**CITY OF SANDY SPRINGS, GEORGIA**

**PRIVATE CONTRIBUTIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Other financing uses:</b>				
Transfers out	\$ -	\$ -	\$ (522)	\$ (522)
Total other financing uses	-	-	(522)	(522)
Net change in fund balances	-	-	(522)	(522)
<b>Fund balances, beginning of year</b>	522	522	522	-
<b>Fund balances, end of year</b>	\$ 522	\$ 522	\$ -	\$ (522)

**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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,009,195	\$ 1,903,013	\$ 597,687	\$ (1,305,326)
Interest income	-	-	14,093	14,093
Total revenues	<u>1,009,195</u>	<u>1,903,013</u>	<u>611,780</u>	<u>(1,291,233)</u>
<b>Expenditures:</b>				
Housing and development	1,009,195	1,903,013	597,687	1,305,326
Debt service:				
Costs of issuance	-	-	81,915	(81,915)
Total expenditures	<u>1,009,195</u>	<u>1,903,013</u>	<u>679,602</u>	<u>1,223,411</u>
Deficiency of revenues over expenditures	-	-	(67,822)	(67,822)
<b>Other financing sources:</b>				
Issuance of notes payable	-	-	2,872,000	2,872,000
Total other financing sources:	<u>-</u>	<u>-</u>	<u>2,872,000</u>	<u>2,872,000</u>
Net change in fund balance	-	-	2,804,178	2,804,178
<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>\$ 2,804,178</u>	<u>\$ 2,804,178</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 5,000,000	\$ 5,000,000	\$ 5,681,086	\$ 681,086
Total revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,681,086</u>	<u>681,086</u>
<b>Expenditures:</b>				
Culture and recreation	<u>1,607,000</u>	<u>1,607,000</u>	<u>1,825,901</u>	<u>(218,901)</u>
Total expenditures	<u>1,607,000</u>	<u>1,607,000</u>	<u>1,825,901</u>	<u>(218,901)</u>
Excess of revenues over expenditures	3,393,000	3,393,000	3,855,185	462,185
<b>Other financing uses:</b>				
Transfers out	<u>(3,393,000)</u>	<u>(3,393,000)</u>	<u>(3,855,185)</u>	<u>(462,185)</u>
Total other financing uses	<u>(3,393,000)</u>	<u>(3,393,000)</u>	<u>(3,855,185)</u>	<u>(462,185)</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 26,796	\$ 26,796	\$ 12,314	\$ (14,482)
Total revenues	26,796	26,796	12,314	(14,482)
<b>Expenditures:</b>				
Public safety	26,796	26,796	12,314	14,482
Total expenditures	26,796	26,796	12,314	14,482
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -	\$ -

**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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 110,000	\$ 110,000	\$ 101,595	\$ (8,405)
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>101,595</u>	<u>(8,405)</u>
Excess of revenues over expenditures	110,000	110,000	101,595	(8,405)
<b>Other financing uses:</b>				
Transfers out	<u>(110,000)</u>	<u>(110,000)</u>	<u>(101,595)</u>	<u>8,405</u>
Total other financing uses	<u>(110,000)</u>	<u>(110,000)</u>	<u>(101,595)</u>	<u>8,405</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**

**SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM  
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST)  
FOR THE YEAR ENDED JUNE 30, 2019**

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		TOTAL	PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL		
<b>TSPLOST TIER 1</b>							
Traffic Efficiency Improvements	\$ 18,000,000	\$ 18,000,000	\$ 1,185,509	\$ 1,323,713	\$ 2,509,222	7.350 %	
Perimeter Transit Last Mile Connectivity, Sidewalk Program, Mt. Vernon Highway Multiuse Path	28,500,000	28,500,000	1,211,804	1,209,289	2,421,093	3.660 %	
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements, Hammond Drive, Phase 1 Efficiency Improvements	41,649,009	41,649,009	1,745,145	5,239,566	6,984,711	12.580 %	
<b>TSPLOST TIER 2</b>							
Perimeter Transit Last Mile Connectivity, Sidewalk Program, Mt. Vernon Highway Multiuse Path, SR 400 Trail System, Roberts Drive Multiuse Path	12,500,000	12,500,000	-	-	-	0.000 %	
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements	350,991	350,991	-	-	-	0.000 %	
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements	2,704,716	2,704,716	-	-	-	0.000 %	
<b>TSPLOST TIER 3</b>							
Roadway Maintenance and Paving	15,617,086	15,617,086	-	-	-	0.000 %	
<b>TOTAL TSPLOST</b>	<b>\$ 119,321,802</b>	<b>\$ 119,321,802</b>	<b>\$ 4,142,458</b>	<b>\$ 7,772,568</b>	<b>\$ 11,915,026</b>		

## 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, 2019**

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	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<b>MUNICIPAL COURT FUND</b>				
<b>Assets:</b>				
Cash	<u>\$ 276,284</u>	<u>\$ 3,044,429</u>	<u>\$ 3,105,270</u>	<u>\$ 215,443</u>
<b>Liabilities:</b>				
Due to others	<u>\$ 276,284</u>	<u>\$ 3,044,429</u>	<u>\$ 3,105,270</u>	<u>\$ 215,443</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, 2019**

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<b>ASSETS</b>	
Cash	\$ 1,247,768
Due from primary government	302,360
Prepaid items	<u>4,273</u>
Total assets	<u><u>\$ 1,554,401</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 127,305</u>
Total liabilities	<u>127,305</u>
<b>FUND BALANCE</b>	
Restricted for tourism	<u>1,427,096</u>
Total fund balance	<u>1,427,096</u>
Total liabilities and fund balance	<u><u>\$ 1,554,401</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, 2019**

---

**REVENUES**

Intergovernmental	\$ 1,825,901
Interest income	706
Miscellaneous	<u>2,879</u>
Total revenues	<u>1,829,486</u>

**EXPENDITURES**

Current:	
Housing and development	<u>1,779,883</u>
Total expenditures	<u>1,779,883</u>
Net change in fund balance	49,603

<b>FUND BALANCE, beginning of year</b>	<u>1,377,493</u>
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<b>FUND BALANCE, end of year</b>	<u><u>\$ 1,427,096</u></u>
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**CITY OF SANDY SPRINGS, GEORGIA**

**BALANCE SHEET  
COMPONENT UNIT - DEVELOPMENT AUTHORITY  
JUNE 30, 2019**

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<b>ASSETS</b>	
Cash	\$ 264,571
Accounts receivable	<u>7,676</u>
Total assets	<u>\$ 272,247</u>
<b>LIABILITIES</b>	
Due to primary government	<u>24,465</u>
<b>FUND BALANCE</b>	
Restricted for development	<u>\$ 247,782</u>
Total liabilities and fund balance	<u>\$ 272,247</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, 2019**

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**REVENUES**

Miscellaneous	\$ 657,217
	<u>657,217</u>
Total revenues	<u>657,217</u>

**EXPENDITURES**

Current:	
Community development	<u>676,679</u>
	<u>676,679</u>
Total expenditures	<u>676,679</u>
Net change in fund balance	<u>(19,462)</u>

<b>FUND BALANCE, beginning of year</b>	<u>267,244</u>
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<b>FUND BALANCE, end of year</b>	<u><u>\$ 247,782</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..... 65**

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 ..... 70**

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

**Debt Capacity ..... 75**

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..... 78**

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 ..... 80**

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Primary government:					
Net investment in capital assets	\$ 297,446,240	\$ 276,338,164	\$ 253,053,379	\$ 243,216,434	\$ 216,411,054
Restricted	44,985,095	61,044,391	8,476,972	5,755,644	3,658,688
Unrestricted	81,376,670	52,871,010	87,470,740	84,692,787	84,692,787
Total primary government net position	<u>\$ 423,808,005</u>	<u>\$ 390,253,565</u>	<u>\$ 349,001,091</u>	<u>\$ 333,664,865</u>	<u>\$ 304,762,529</u>

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 189,462,862	\$ 170,948,189	\$ 161,513,083	\$ 152,866,760	\$ 145,320,434
3,394,508	2,706,067	2,026,724	422,094	-
87,581,276	82,177,486	74,749,546	55,282,364	54,452,631
<u>\$ 280,438,646</u>	<u>\$ 255,831,742</u>	<u>\$ 238,289,353</u>	<u>\$ 208,571,218</u>	<u>\$ 199,773,065</u>

# CITY OF SANDY SPRINGS, GEORGIA

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

	2019	2018	2017	2016
<b>Expenses</b>				
General government	\$ 20,570,073	\$ 14,774,462	\$ 12,198,772	\$ 11,497,805
Judicial	1,500,223	1,621,822	1,530,501	1,480,915
Public safety	40,621,132	37,471,210	35,514,365	34,184,497
Public works	17,614,378	22,343,592	18,888,072	16,052,761
Culture and recreation	11,784,629	12,125,056	8,545,292	15,500,207
Housing and development	6,249,077	5,750,697	5,872,460	5,294,454
Interest on long-term debt	6,489,771	6,317,627	6,421,029	4,541,961 (7)
<b>Total expenses</b>	<b>\$ 104,829,283</b>	<b>\$ 100,404,466</b>	<b>\$ 88,970,491</b>	<b>\$ 88,552,600</b>
<b>Program revenues</b>				
Charges for services:				
General government	\$ 1,721,471	\$ 871,594	\$ 839,593	\$ 788,373
Judicial	2,543,046	2,650,421	2,611,790	2,850,289
Public safety	4,127,827	3,653,718	3,585,456	3,486,436
Public works	1,598,758	7,040,817 (8)	3,004,014	1,403,124
Culture and recreation	1,480,729	644,594	682,874	779,550
Housing and development	2,130,066	4,019,473	4,441,424	3,157,280
Operating grants and contributions	1,933	151,259	5,625	3,091
Capital grants and contributions	22,994,063	22,775,443	2,665,236	3,292,060
<b>Total program revenues</b>	<b>\$ 36,597,893</b>	<b>\$ 41,807,319</b>	<b>\$ 17,836,012</b>	<b>\$ 15,760,203</b>
<b>Net (expense)/revenue</b>	<b>\$ (68,231,390)</b>	<b>\$ (58,597,147)</b>	<b>\$ (71,134,479)</b>	<b>\$ (72,792,397)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Taxes				
Property taxes	\$ 38,192,028	34,803,725	\$ 33,556,314	\$ 33,240,654
Sales taxes	28,981,123	27,474,424	29,989,575	25,812,125
Other taxes	32,009,808	31,285,973	30,980,394	30,749,432
Unrestricted investment earnings	1,852,629	912,960	1,091,867	489,424
Miscellaneous revenues	750,242	2,811,263	790,598	614,813
Gain on sale of capital assets	-	2,561,276	850,242	-
<b>Total</b>	<b>\$ 101,785,830</b>	<b>\$ 99,849,621</b>	<b>\$ 97,258,990</b>	<b>\$ 90,906,448</b>
<b>Change in Net Position</b>	<b>\$ 33,554,440</b>	<b>\$ 41,252,474</b>	<b>\$ 26,124,511</b>	<b>\$ 18,114,051</b>

**Notes:**

- (1) - In 2010 the City began collecting and expensing E911 charges in the public safety function.
- (2) - In 2011 the City saw increases in personnel costs and activities in both the police and fire departments.
- (3) - In 2011 the City restructured their staffing levels in the housing and development function due to a slow down in community and development projects.
- (4) - In 2011 with the restructuring of some of the departments, the City moved several employees to the municipal court.
- (5) - In 2012 the City rebid operating contracts resulting in a decrease in expenses.
- (6) - 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.
- (7) - In 2016 the City (through its Public Facilities Authority) issued \$159,475,000 Series 2015 Revenue Bonds.
- (8) - In 2018 the City increased impact fees and there were several new projects and developments.

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$	10,882,951	\$ 11,467,033	\$ 10,830,697	\$ 10,887,073	\$ 15,144,396	\$ 15,710,228
	1,580,859	1,660,176	1,691,681	1,459,938 (5)	1,945,524 (4)	859,627
	37,612,816	33,310,061	39,889,067 (6)	30,106,163	32,710,740 (2)	28,804,834 (1)
	18,784,694	21,225,313	19,079,592	15,472,596	15,837,964	17,971,905
	6,506,492	6,086,076	5,803,498	5,593,442 (5)	7,357,811	5,154,082
	3,953,501	3,733,446	3,238,942	2,065,861 (5)	3,164,420 (3)	6,469,377
	105,166	122,202	90,881	187,350	221,804	176,855
\$	<u>79,426,479</u>	<u>77,604,307</u>	<u>80,624,358</u>	<u>65,772,423</u>	<u>76,382,659</u>	<u>75,146,908</u>
\$	795,720	\$ 746,020	\$ 826,641	\$ 668,931	\$ 750,711	\$ 806,746
	3,295,524	3,417,669	3,324,956	3,271,883	3,769,291	4,290,960
	3,493,548	3,122,072	3,554,021	2,702,483	3,052,392	2,707,819 (1)
	945,755	1,127,751	465,425	1,223,719	601,604	786,177
	774,113	848,996	945,132	808,689	689,294	607,460
	2,847,881	2,061,439	1,663,665	1,147,143	650,203	692,252
	33,619	34,733	25,462	137,855	251,227	151,796
	3,779,357	6,503,664	7,024,050	5,955,742	3,087,167	4,012,715
\$	<u>15,965,517</u>	<u>17,862,344</u>	<u>17,829,352</u>	<u>15,916,445</u>	<u>12,851,889</u>	<u>14,055,925</u>
\$	<u>(63,460,962)</u>	<u>(59,741,963)</u>	<u>(62,795,006)</u>	<u>(49,855,978)</u>	<u>(63,530,770)</u>	<u>(61,090,983)</u>
\$	32,196,455	\$ 30,945,648	\$ 29,173,500	\$ 29,268,099	\$ 30,230,477	\$ 31,639,678
	25,513,897	24,444,122	23,727,126	23,717,444	21,683,618	22,021,114
	28,949,996	27,864,930	26,793,423	26,040,432	24,568,708	26,358,226
	200,608	113,666	147,672	205,572	166,946	300,151
	923,889	980,501	482,999	342,566	179,935	193,516
	-	-	12,675	-	-	-
\$	<u>87,784,845</u>	<u>84,348,867</u>	<u>80,337,395</u>	<u>79,574,113</u>	<u>76,829,684</u>	<u>80,512,685</u>
\$	<u>24,323,883</u>	<u>24,606,904</u>	<u>17,542,389</u>	<u>29,718,135</u>	<u>13,298,914</u>	<u>19,421,702</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>
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
2017	33,556,314	29,989,575	5,492,264	9,715,393	15,772,737	94,526,283
2018	34,803,725	27,474,424	5,531,780	9,224,562	16,529,631	93,564,122
2019	38,192,028	28,981,123	5,681,086	9,626,740	16,701,982	99,182,959

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable - Prepays	111,045	308,894	835,278	133,121	-
Nonspendable - Inventory	32,944	-	-	-	-
Committed - Recreation	-	-	-	-	-
Assigned - Stormwater projects	1,750,000	3,058,310	2,993,250	2,551,567	989,978
Appropriations of fund balance for next fiscal year's budget	17,866,830	14,526,344	16,775,312	12,758,427	9,532,370
Unassigned	26,616,192	25,373,013	21,894,817	22,341,887	25,341,826
Total general fund	<u>\$ 46,377,011</u>	<u>\$ 43,266,561</u>	<u>\$ 42,498,657</u>	<u>\$ 37,785,002</u>	<u>\$ 35,864,174</u>
All Other Governmental Funds					
Unreserved, reported in:					
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects funds	-	-	-	-	-
Restricted:					
Public safety	274,645	454,191	367,997	243,874	680,588
Tourism	-	-	-	-	1,101
Recreation	-	100,522	31,278	121,603	123,385
Infrastructure improvements	36,126,144	27,106,782 (c)	8,077,697	2,989,421	2,853,614
Housing and development	2,804,178	-	-	-	-
Debt service	-	-	-	3,657,953 (b)	-
Capital projects	4,179,490	25,388,237	55,340,593	145,089,744 (b)	-
Committed:					
Tree replacement	480,219	284,427	250,357	-	-
Recreation	-	285,325	-	-	-
Assigned:					
Capital projects	35,111,789	11,812,923	31,805,684	31,887,995	49,572,700
Recreation	2,225,000	-	-	-	-
Community development	-	-	-	41,678	41,678
Total all other governmental funds	<u>\$ 81,201,465</u>	<u>\$ 65,432,407</u>	<u>\$ 95,873,606</u>	<u>\$ 184,032,268</u>	<u>\$ 53,273,066</u>

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

(b) In 2016 the City (through its Public Facilities Authority) issued \$159,475,000 Series 2015 Revenue Bonds.

(c) In 2018 the City TSPLOST program began.

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011 (a)</b>	<b>2010</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,300,071
-	-	-	-	19,903,286
2,003	4,894,352	219,553	72,022	-
-	-	-	-	-
-	-	12,761	12,237	-
467,379	906,466	1,558,193	425,864	-
7,056,652	7,266,222	11,168,204	-	-
26,400,192	20,522,843	21,766,616	20,944,346	-
<u>\$ 33,926,226</u>	<u>\$ 33,589,883</u>	<u>\$ 34,725,327</u>	<u>\$ 21,454,469</u>	<u>\$ 21,203,357</u>
\$ -	\$ -	\$ -	\$ -	\$ 367,860
-	-	-	-	27,885,013
826,567	867,578	346,442	343,914	-
1,101	1,075	987	923	-
106,448	122,086	130,621	77,257	-
2,384,926	1,715,328	1,548,674	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
54,276,325	52,729,595	33,770,010	28,129,952	-
-	-	-	-	-
38,469	41,595	41,221	41,053	-
<u>\$ 57,633,836</u>	<u>\$ 55,477,257</u>	<u>\$ 35,837,955</u>	<u>\$ 28,593,099</u>	<u>\$ 28,252,873</u>

# CITY OF SANDY SPRINGS, GEORGIA

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

	2019	2018	2017	2016
<b>Revenues</b>				
Taxes	\$ 99,174,113	93,780,228	\$ 94,499,719	\$ 89,787,515
Licenses and permits	2,977,714	4,984,317	5,284,871	4,069,503
Intergovernmental	22,830,155	22,775,443	2,380,642	3,887,278
Charges for services	7,532,520	11,016,993	6,914,186	5,288,144
Fines and forfeitures	2,919,796	2,879,306	2,966,094	3,107,404
Contributions	1,933	151,259	328,994	3,091
Interest earned	1,936,622	912,960	1,091,867	489,424
Miscellaneous	922,109	714,941	790,598	614,813
Total revenues	138,294,962	137,215,447	114,256,971	107,247,172
<b>Expenditures</b>				
Current:				
General government	18,336,795	21,743,685	18,482,980	15,900,684
Judicial	1,492,453	1,619,227	1,531,040	1,477,948
Public safety	42,329,360	36,932,141	34,853,005	33,733,508
Public works	31,428,914	30,090,874	26,117,779	27,296,011
Culture and recreation	16,105,238 (12)	65,731,006	102,723,830	67,514,805 (11)
Housing and development	6,206,702	5,713,276	6,441,126	5,357,955
Debt service:				
Principal	4,632,679	3,581,612	4,016,664	791,182
Interest	7,379,407	7,335,973	7,470,230	3,810,937
Costs of issuance	81,915	-	-	914,011
Total expenditures	127,993,463	172,747,794	201,636,654	156,797,041
Excess (deficiency) of revenues over (under) expenditures	10,301,499	(35,532,347)	(87,379,683)	(49,549,869)
<b>Other Financing Sources (Uses)</b>				
Issuance of long term debt	2,872,000	-	388,305	182,196,838
Proceeds from sale of capital assets	1,418,406	5,859,052	3,546,371	33,061
Proceeds from financed purchases	4,287,603	-	-	-
Transfers in	32,954,060	37,190,638	30,672,451	52,802,746
Transfers out	(32,954,060)	(37,190,638)	(30,672,451)	(52,802,746)
Total other financing sources (uses)	8,578,009	5,859,052	3,934,676	182,229,899
<b>Net change in fund balances</b>	\$ 18,879,508	(29,673,295)	\$ (83,445,007)	\$ 132,680,030
Debt service as a percentage of noncapital expenditures	13.0%	11.8%	9.1%	5.6%

(1) In 2010 the City began collecting E911 charges.

(2) In 2010 the City has several large park improvement projects that were undertaken.

(3) 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.

(4) In 2011 the City restructured their staffing levels in the housing and development function due to a slow down in community and development projects.

(5) In 2011 with the restructuring of some of the departments, the City moved several employees to the municipal court.

(6) The City completed their stormwater inventory in 2011 which was used to identify the infrastructure needs and began major improvement projects throughout the City.

(7) 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.

(8) 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.

(9) In 2012 the City rebid operating contracts resulting in a decrease in expenditures.

(10) 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.

(11) In 2015 the City began construction on the new city center development project, then moved the activity to Culture and Recreation in 2016.

(12) In 2018 the City made several large capital outlays and expenditures for the City Center Project and the building opened in May 2018.

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$	86,357,021	\$ 83,324,826	\$ 79,868,967	\$ 79,343,825	\$ 76,309,783 (8)	\$ 80,898,625
	3,817,492	2,906,357	2,482,713	1,851,971	1,302,189	1,346,983
	3,931,859	5,480,553	6,528,813	5,885,742	3,417,008	4,155,881
	4,596,207	4,767,729	4,264,512	4,551,376	4,275,388	3,856,201 (1)
	3,738,842	3,649,861	4,032,615	3,419,501	3,935,918	4,481,207
	55,785	34,733	25,462	137,855	68,753	147,073
	200,608	113,666	147,672	205,572	166,946	300,151
	971,677	980,501	482,999	292,566	179,021	185,604
	<u>103,669,491</u>	<u>101,258,226</u>	<u>97,833,753</u>	<u>95,688,408</u>	<u>89,655,006</u>	<u>95,371,725</u>
	28,833,479 (11)	18,791,585 (10)	12,105,333	11,048,889 (9)	15,463,566	15,774,609
	1,577,453	1,657,894	1,691,077	1,459,938	1,945,524 (5)	859,627
	36,818,536	36,939,432 (10)	31,338,228	31,003,258	33,099,211 (3)	30,213,605 (1)
	26,276,197	25,725,759	24,765,819	21,642,758 (9)	27,737,474 (6)	22,256,953
	6,815,373	12,018,423 (10)	6,414,601	5,932,476 (9)	7,219,744 (7)	13,437,115 (2)
	4,931,583	4,474,792	3,556,669	2,753,603 (9)	3,764,554 (4)	6,990,292
	776,790	978,094	2,928,142	1,191,289	1,111,221	1,740,939
	107,079	121,562	97,087	190,483	223,288	163,435
	-	-	-	-	-	-
	<u>106,136,490</u>	<u>100,707,541</u>	<u>82,896,956</u>	<u>75,222,694</u>	<u>90,564,582</u>	<u>91,436,575</u>
	(2,466,999)	550,685	14,936,797	20,465,714	(909,576)	3,935,150
	-	725,000	3,507,449	-	1,500,000	7,912
	44,177	1,217,237	59,612	50,000	914	-
	-	-	-	-	-	-
	31,191,169	26,177,079	29,057,954	13,566,119	16,062,062	26,375,804
	<u>(31,191,169)</u>	<u>(26,177,079)</u>	<u>(29,057,954)</u>	<u>(13,566,119)</u>	<u>(16,062,062)</u>	<u>(26,375,804)</u>
	<u>44,177</u>	<u>1,942,237</u>	<u>3,567,061</u>	<u>50,000</u>	<u>1,500,914</u>	<u>7,912</u>
\$	<u>(2,422,822)</u>	<u>2,492,922</u>	<u>18,503,858</u>	<u>20,515,714</u>	<u>591,338</u>	<u>3,943,062</u>
	1.2%	1.5%	4.3%	2.2%	1.8%	2.7%

**CITY OF SANDY SPRINGS, GEORGIA**

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

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<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Hotel/Motel Taxes</b>	<b>Franchise Taxes</b>	<b>Business Taxes</b>	<b>Total</b>
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
2017	33,529,750	29,989,575	5,492,264	9,715,393	15,772,737	94,499,719
2018	35,019,831	27,474,424	5,531,780	9,224,562	16,529,631	93,780,228
2019	38,183,182	28,981,123	5,681,086	9,626,740	16,701,982	99,174,113

**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)
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
2017	4,287,740,310	3,346,676,380	9,233,920	113,480	84,974,890	55,208,940
2018	5,209,552,730	3,542,347,870	8,934,839	232,280	57,197,080	53,479,113
2019	5,569,524,370	4,062,572,960	10,010,190	87,520	40,913,220	90,693,443

Source: Fulton County Tax Commissioner

(1) Reflects conservation use.

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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>
\$	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	6,235,046,808	4.731	15,587,617,020	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%
	565,443,801	7,218,504,119	4.731	18,046,260,298	40%
	889,548,811	7,982,195,101	4.731	19,955,487,753	40%
	974,401,936	8,799,399,767	4.731	21,998,499,418	40%

**CITY OF SANDY SPRINGS, GEORGIA**

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

Calendar Year	Direct		Overlapping				Total Direct & Overlapping Rates
	Sandy Springs (1)	Fulton County	School District			State	
			Operating Millage	Debt Service Millage	Total School District Millage		
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
2017	4.731	10.630	18.483	-	18.483	0.000	33.844
2018	4.731	10.430	17.796	-	17.796	0.000	32.957
2019	4.731	10.119	17.796	-	17.796	0.000	32.646

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, 2019**

Taxpayer	2019			2010		
	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	\$ 117,236,899	1	1.33 %	\$ 82,966,331	1	1.24 %
Cousins Northpark 500/600 LLC	83,176,481	2	0.95			
SPUS8 CCC LP	57,588,751	3	0.65			
Cousins Northpark 400 LLC	52,823,200	4	0.60			
REJV Concourse Atlanta LLC	52,563,800	5	0.60			
Concourse Owner V/VI LLC	40,384,401	6	0.46			
JMC E1 LLC	35,309,360	7	0.40			
AG APG Palisades Property Owner LLC	35,200,000	8	0.40			
Wells REIT II One Glenlake LLC	33,990,000	9	0.39			
Dunwood Gardens LLC et al	33,934,001	10	0.39			
Four Eight Five Prop LLC				80,199,121	2	1.20
FULCOPROP Fifty Six LLC				73,365,320	3	1.09
AT&T Mobility LLC				71,570,670	4	1.07
FULCOPROP400 LLC				41,760,000	5	0.62
Teachers Concourse LLC				36,742,801	6	0.55
VEF V Atlanta Office One LLC				34,561,640	7	0.52
Highwoods DLF 97 26 DFL 99 32				34,000,000	8	0.51
BT Property LLC				33,790,839	9	0.50
SRI Seven Palisades LLC				32,713,718	10	0.49
Totals	<u>\$ 542,206,893</u>		<u>6.16 %</u>	<u>\$ 521,670,440</u>		<u>7.78 %</u>

Source: Fulton County Tax Commissioner

**CITY OF SANDY SPRINGS, GEORGIA**

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

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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
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	52,852	30,731,409	99.93
2017	31,940,164	31,638,544	99.1	277,924	31,916,468	99.93
2018	32,925,336	32,533,102	98.8	377,854	32,910,956	99.96
2019	36,117,676	35,807,887	99.1	-	35,807,887	99.14

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	Financed Purchases Payable			
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
2017	175,738,334	2,590,946	2,556,253	180,885,533	3.30	1,711.26
2018	172,229,890	2,397,156	1,678,431	176,305,477	3.19	1,651.74
2019	168,635,288	5,072,124	4,140,387	177,847,799	3.21	1,634.68

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, 2019

Fiscal Year	Bonds Payable	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2016	\$ 179,186,870	\$ 3,657,953	\$ 175,528,917	1.00%	\$ 1,661
2017	175,738,334	-	175,738,334	0.97%	1,663
2018	172,229,890	-	172,229,890	0.86%	1,614
2019	168,635,288	-	168,635,288	0.77%	1,580

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, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping general obligation debt:			
Fulton County	\$ 245,227,000	10.223 %	\$ 25,069,182
Fulton County school district	<u>32,715,000</u>	10.223	<u>3,344,405</u>
Total overlapping debt	277,942,000		28,413,586
City direct debt:			
Bonds payable	168,635,288	100	168,635,288
Notes payable	5,072,124	100	5,072,124
Financed purchases	<u>4,140,387</u>	100	<u>4,140,387</u>
Total direct debt	177,847,799		177,847,799
Total direct and overlapping debt	<u>\$ 455,789,799</u>		<u>\$ 206,261,385</u>

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

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

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

**CITY OF SANDY SPRINGS, GEORGIA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

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<b>Fiscal Period</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>Unemployment Rate (2)</b>
2010	101,390	\$ 5,208,607	\$ 51,372	34.8	10.2 %
2011	93,853	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
2017	105,703	5,478,269	51,827	35.6	3.7
2018	106,739	5,531,962	51,827	35.7	2.8
2019	108,797	5,966,101	54,837	36.4	3.7

(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	2019			2010		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
IBM Corporation	3,542	1	5.1%	1,536	2	2.85%
United Parcel Service General	2,685	2	3.9%	1,534	3	2.85%
Sertec Corporation	1,981	3	2.9%			
Cox Communications Inc.	1,429	4	2.1%			
Manheim Auctions, Inc.	1,328	5	1.9%			
Cisco Systems, Inc	992	6	1.4%	1,922	1	3.57%
VMWare Inc.	955	7	1.4%			
Oracle USA Inc	920	8	1.3%			
Westrock Shared Services LLC	790	9	1.1%			
Intercontinental Exchange, Inc.	750	10	1.1%			
AT&T Mobility				766	4	1.42%
RBS Lynk Inc				576	5	1.07%
Cox Enterprises Inc				544	6	1.01%
Arby's Restaurant Group				517	7	0.96%
Ceridian Corporation				497	8	0.92%
Global Payments Inc.				496	9	0.92%
ACS State Healthcare LLC				467	10	0.87%
Totals	<u>15,372</u>		<u>22.3%</u>	<u>8,855</u>		<u>16.4%</u>

(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**

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	73	53	50	50	49	46	46	46	46	63
Judicial	11	12	12	12	12	13	13	15	15	11
Public safety										
Police										
Officers	149	142	137	133	129	124	129	129	129	132
Civilians	25	37	22	22	22	14	17	17	17	7
Fire										
Firefighters (1)	113	113	109	115	96	138	133	135	128	122
Civilians	5	7	4	1	1	1	2	2	2	17
Public works										
Highways and streets	37	34	32	32	31	30	30	25	25	25
Culture and recreation	78	(2)	12	11	10	7	7	12	12	9
Housing and development	36	40	39	39	34	30	30	27	27	37
<b>Total</b>	<b>527</b>	<b>450</b>	<b>416</b>	<b>415</b>	<b>384</b>	<b>403</b>	<b>407</b>	<b>408</b>	<b>401</b>	<b>423</b>

Source: City of Sandy Springs Human Resources Department

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

(2) Increase due to the Performing Arts Center at the new City Springs facility opening at the end of fiscal year 2018.

**CITY OF SANDY SPRINGS, GEORGIA**

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

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Ordinances approved	31	30	35	38	48	32	26	36	38	82
Court cases	18,024	18,529	19,550	18,323	18,323	22,313	22,943	23,344	22,083	24,781
Grants managed	14	9	12	13	17	26	16	26	28	21
Police										
Calls for service	129,057	111,374	121,704	93,201	95,138	99,525	102,319	85,480	61,727	91,494
Part 1 crimes reported	2,205	2,312	2,744	2,727	2,766	3,012	2,924	2,817	2,639	2,984
Traffic citations issued	13,059	35,979	23,936	24,125	21,274	22,877	21,519	21,266	22,976	20,467
Fire										
Incident responses	11,812	12,049	13,251	10,853	11,347	12,177	12,069	10,567	10,769	12,668
Average response time	7.02 min	7.01 min	7	7	7	7.5 minutes	7 minutes	6 minutes	6.45 minutes	6 minutes
Fire safety programs conducted	633	285	622	369	463	378	403	383	308	220
Inspections conducted	5,336	6,981	5,617	4,448	5,729	4,160	3,449	3,834	3,810	3,139
Highways and streets										
Traffic signals timed	136	136	132	130	126	124	123	123	114	60
Average days to repair pothole	1-2 days	1-3 days	1-3 days	1-3 days	1-5 days	1-5 days	1-5 days	1-5 days	1-5 days	24 hr- emg/ 3 days
Community development										
Stormwater plans reviewed	91	85	87	68	57	42	55	29	21	64
New building permits issued	2,025	2,418	2,197	2,127	2,749	1,442	1,458	1,382	1,545	1,368
Parcels annexed	0	0	0	0	0	0	0	0	0	0
Culture and recreation										
Park acres maintained	272	272	272	220	220	220	227	220	220	225
Park & facilities	26	26	17	17	17	17	16	16	16	15
Annual program registrants	115,071	94,996	50,206	52,268	45,110	45,110	83,857	36,500	36,500 (1)	9,050

Sources: Various City departments.

(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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Stations (1)	1	1	1	1	1	1	1	1	1	1
Patrol Units	210	205	191	191	176	156	137	165	156	131
Patrol Zones	9	9	8	8	8	8	8	8	8	8
Fire stations										
Leased (1)	1	1	1	1	1	1	1	1	2	2
Owned	3	3	3	3	3	3	3	3	2	2
Public Works										
Streets (miles)	302	302	302	360	360	360	360	360	360	360
Traffic Signals	136	136	132	126	126	123	123	123	114	122
Culture and recreation										
Park acreage	272	272	272	220	220	220	227	220	220	219
Recreational facilities	26	26	17	17	17	17	16	16	16	15

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.