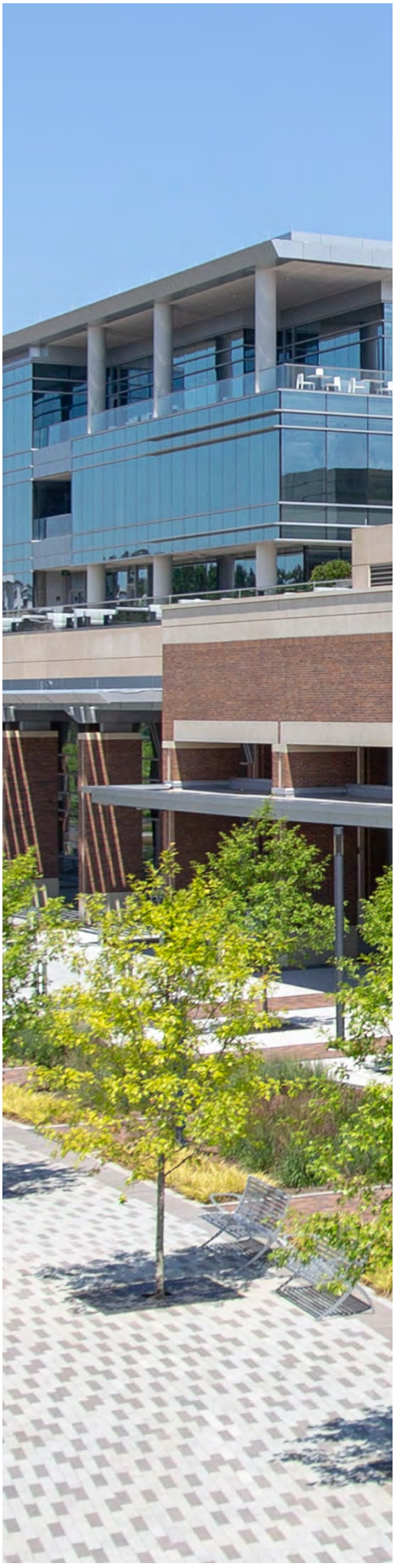
# 2018

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2018

FOUNDED 2005
SANDY SPRINGS
GEORGIA
HONEST EFFICIENT RESPONSIVE



# CITY OF SANDY SPRINGS, GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2018

**PREPARED BY:**
FINANCE DEPARTMENT

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

# CITY OF SANDY SPRINGS, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE YEAR ENDED JUNE 30, 2018

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# CITY OF SANDY SPRINGS, GEORGIA

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# CITY OF SANDY SPRINGS, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
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# INTRODUCTORY SECTION

SANDY SPRINGS
GEORGIA

December 5, 2018

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, 2018 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, 2018 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, 2018 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.



1 Galambos Way, Sandy Springs, Georgia 30328 • 770-730-5600 • SandySpringsGA.gov

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, serving a population of 106,709 (U.S. Census estimate, July 1, 2017). The City's daytime population doubles, swelling to more than 200,000 due to the concentration of major corporations and businesses located within the City, including Mercedes-Benz USA, UPS, WestRock, Veritiv, Intercontinental Exchange, Inspire Brands, Graphic Packaging, BMC Stock Holdings and Beazer Homes. Twenty-two miles of the Chattahoochee River flow through Sandy Springs, creating a unique recreational opportunity within a metropolitan setting.

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

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

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

Deploying a non-traditional approach to government services, the City operates as one of the largest public-private partnerships in the country. The City provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. All services outside of public safety and the City Manager's executive staff are outsourced. Sanitation services are provided through contracts with private carriers. Water and sewer services are delivered to residential and commercial properties by the City of Atlanta and Fulton County. The City created a legally separate entity, the City of Sandy Springs Public Facilities Authority (the "Authority"), to assist with the leasing and multi-year contracting of capital facilities. The Sandy Springs Hospitality

Board is a component unit of the City and functions as the tourism and marketing arm of the government. In addition, the City has a joint venture with the City of Johns Creek for Emergency 911 services through the Chattahoochee River E911 Authority (ChatComm) and with the North 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 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. Among those corporate employers are AirWatch, AT&T Mobility Services, Cisco Systems, Cox Communications, IBM Corporation, Intercontinental Exchange (parent of the New York Stock Exchange), Manheim Auctions, Oracle America and UPS. 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 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 2016 US Census, there were 46,955 housing units within Sandy Springs, with 46.6 percent recorded as home ownership and 53.4 percent recorded as units within multi-unit structures. The median value of owner-occupied housing in 2017 was $421,600. The average household size was 2.30 people, with a median household income of $68,629. WalletHub lists the City as among America's Most Diverse. More than a quarter of Sandy Springs residents now speak a language other than English as their primary language.

Quality of life is an important driver in attracting and keeping residents and businesses to Sandy Springs. The City prides itself on providing *Honest, Efficient and Responsive* services for the people it serves, with the City's innovative Public-Private-Partnership model known around the globe. Held accountable for product and service, this business model fosters a proactive, responsive and efficient approach to providing services. The City received the PEDS (the Atlanta region's pedestrian advocacy organization) Golden Shoe Award for the City's "Walk-friendly Suburban Retrofit." The Marsh Creek Preserve, an environmental park that uses plants to filter pollutants from stormwater along with natural aeration to additionally treat the water before it flows into Marsh Creek, a tributary leading into the Chattahoochee River, was awarded an Engineering Excellence award by the American Council of Engineering Companies of Georgia, and the Innovative Stormwater Project of the Year by the Georgia Association of Water Professionals. The City's "Take It to the River" Lantern Parade was recognized by the International Festivals and Events Association with a Bronze Haas & Wilkerson Pinnacle Award – Best Parade.

**NATIONAL ECONOMY**

With the steadily improving job market, the unemployment rate improved for the state of Georgia in 2018 to 3.8% and citywide it lowered to 3.6%, according to the Bureau of Labor Statistics for September.

According to July 2018 S&P CoreLogic Case-Shiller Home Price Indices, home prices continued their rise across the country over the last 12 months. The national index, which covers all nine U.S. census divisions, was up 6.0% but down from 6.2% the prior month. All 20 cities in the report were up year over year.

**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 City issued $159,475,000 in Revenue Bonds on October 20, 2015 for the City Center Master Plan. A $222,712,000 budget was established to provide for the funding toward the completion of the overall project. In December 2017, City Council approved a $6.5 million budget amendment to allow for additional construction costs in order to complete the project.



SANDY SPRINGS
GEORGIA

City Springs officially opened in 2018. In May, Sandy Springs City Hall opened for business, marking the occasion with a ribbon cutting attended by several hundred from the community as well as members of past city councils. In August, the Performing Arts Center officially opened with a sold out performance in the Byers Theatre. From August through September, more than 67 events took place in the Byers Theatre, Studio Theatre and City Green. Another 60 events were recorded in the City Hall Conference Center. Turn Studio, a fitness facility, and Flower Child restaurant opened for business in early fall, with additional retailers expected to open in winter 2018.






## 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. An Intergovernmental Agreement was signed between 13 Fulton County cities who would be eligible to collect for this purpose: Alpharetta, Chattahoochee Hills, College Park, East Point, Fairburn, Hapeville, Johns Creek, Milton, Mountain Park, Palmetto, Roswell, Sandy Springs and Union City. Approximately $655 million 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, 16 projects are in design and right-of-way acquisition, with one in bid and award. Two projects are set to begin construction in late 2018 and early 2019. TSPLOST Project Mt. Vernon at Long Island Drive was completed in fall 2017.




## INITIATIVES FOR FUTURE YEARS

### City Springs

Retail will continue to expand at City Springs, with openings planned for winter and spring 2019. 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 will also expand into the City Green as the first installment of an annual sculpture competition is set to begin through a partnership program with arts nonprofit, ArtSandySprings. 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
GEORGIA

## Construction on Park Facilities

The City committed $285,325 for park improvements in the 2019 budget. This includes funding to make needed repairs in its major parks, Morgan Fall Overlook Park and Athletic Fields as well as additional improvements for Allen Park.





## Public Works Facilities

$7.66 million was included in the 2019 capital budget for infrastructure improvements to roads, bridges, storm water drainage, sidewalks, intersections and traffic management. A new capital project was formed in response to one of the City's newly adopted priorities, Water Sustainability. The City currently has more than 20 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 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, 2017. This was the twelfth 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.

SANDY SPRINGS
GEORGIA

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

Respectfully submitted,

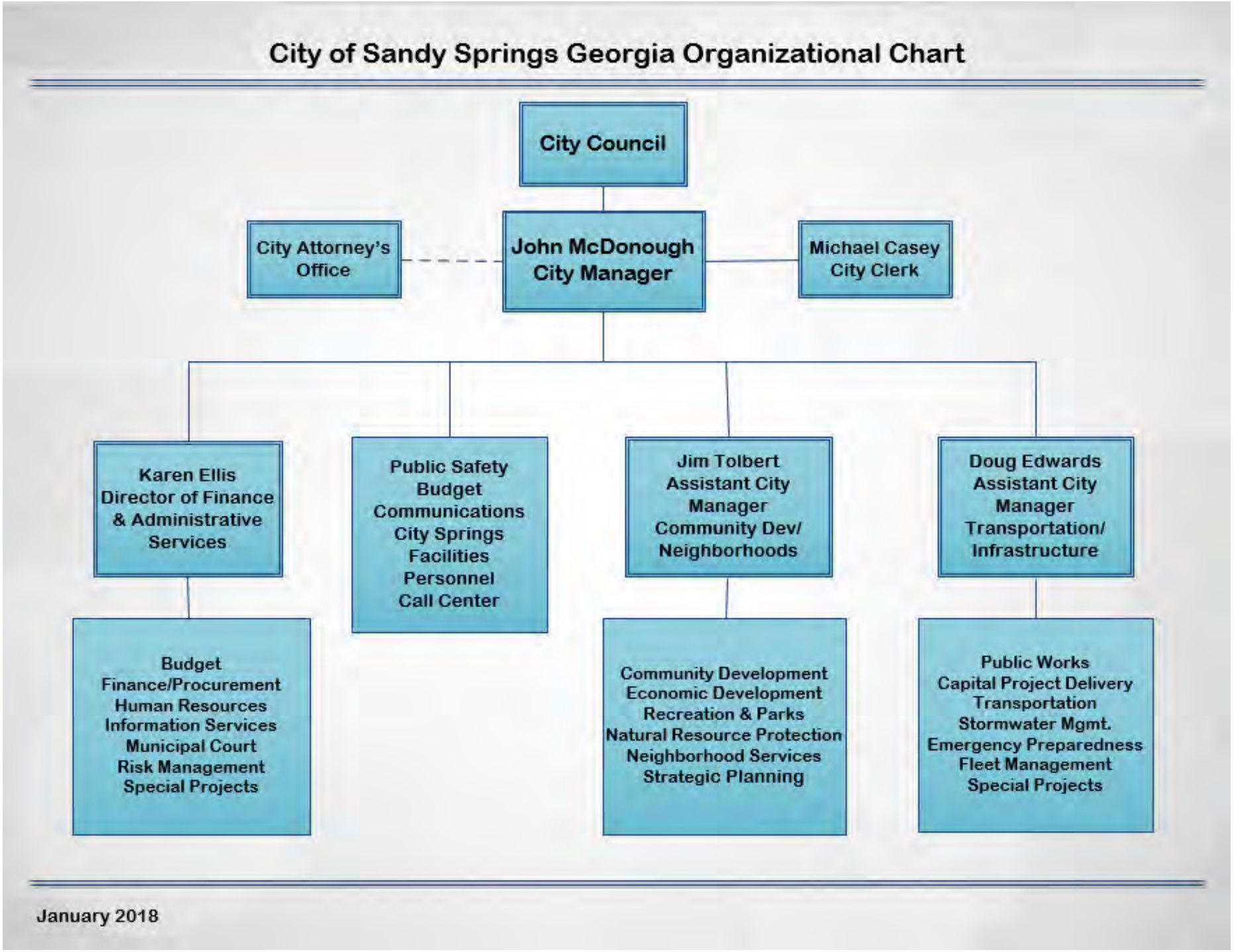


John McDonough
City Manager

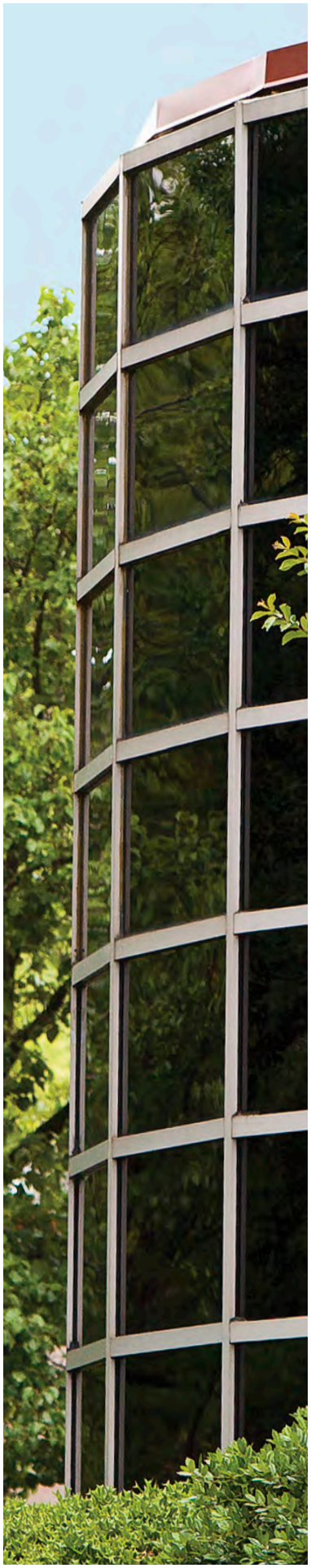


Karen Ellis
Finance Director

# City of Sandy Springs Georgia Organizational Chart




January 2018



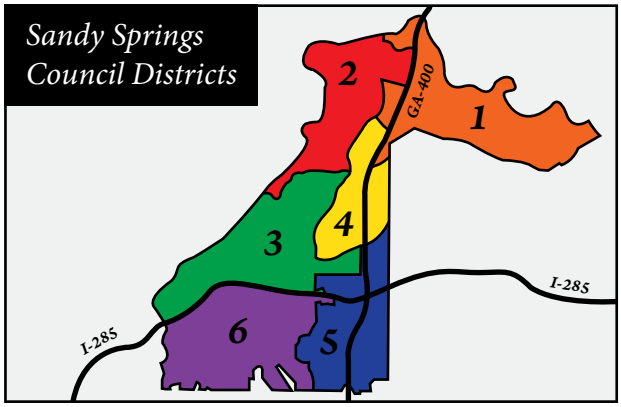
# MAYOR AND CITY COUNCIL

## 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*






**District 1**
John Paulson
*jpaulson@sandyspringsga.gov*



**District 2**
Steve Soteres
*ssoteres@sandyspringsga.gov*



**District 3**
Chris Burnett
*cburnett@sandyspringsga.gov*



**District 4**
Jodi Reichel
*jreichel@sandyspringsga.gov*



**District 5**
Tiberio "Tibby" DeJulio
*tdejulio@sandyspringsga.gov*



**District 6**
Andy Bauman
*abauman@sandyspringsga.gov*

# City of Sandy Springs, Georgia

## Listing of Principal Officials






**City Manager**
*John McDonough*

**Assitant City Managers**
*Jim Tolbert, Doug Edwards*

**Finance Director**
*Karen Ellis*

**City Clerk**
*Michael Casey*

**Court Clerk**
*Cheston Roney*

**Police Chief**
*Ken DeSimone*

**Fire Chief**
*Keith Sanders*

**City Attorney**
*Daniel Lee*

**Communications Director**
*Sharon Kraun*

**Community Development Director**
*Ginger Sottile*

**Human Resources Director**
*Carol Sicard*

**Information Services Director**
*Jonathan Crowe*

**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**

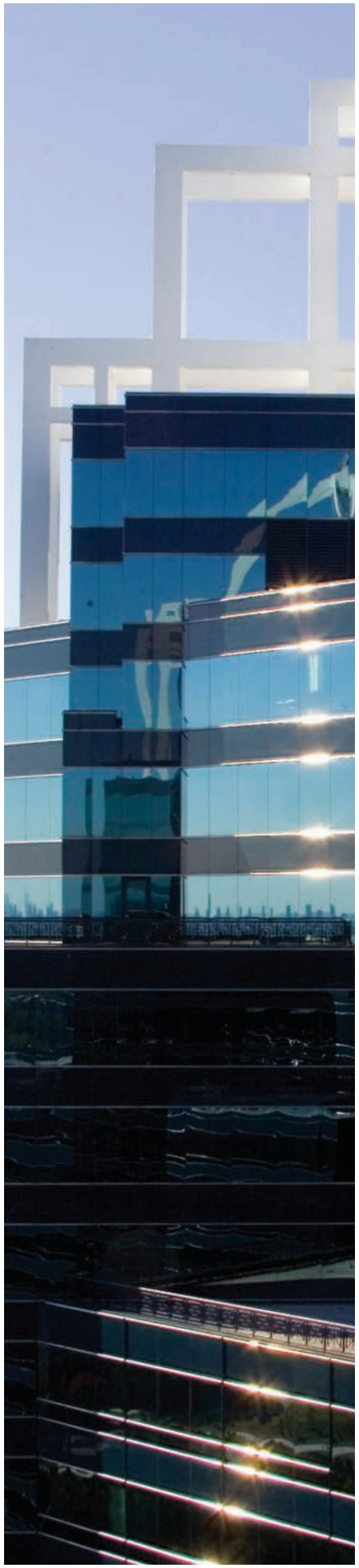
**Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2017**

Christopher P. Morrill

Executive Director/CEO



# FINANCIAL SECTION

MAULDIN & JENKINS

# INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the 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, 2018, 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.

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, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 14) and General Fund's budgetary comparison information (on pages 45 and 46) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

*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, 2018 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, 2018

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, 2018. 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 $390,253,565 (total net position), which represents an increase of $41,252,474 or 11.82% from the prior year. Of the total net position, $52,871,010 (unrestricted net position) is available to meet the ongoing obligations of the government.
- The City issued $159,475,000 of revenue bonds in fiscal 2016 for the purpose of acquiring, constructing and installing certain public buildings in connection with the City Center Project. As of June 30, 2018, all bond proceeds have been spent and the City Center is now in operation.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $108,698,968. This represents a decrease of $29,673,295 from the prior year, primarily from construction costs toward the City Center Project referred to above.
- Total governmental fund revenues were $137,215,447, an increase of $22,958,476 or 20.09% from the prior year primarily related to increases in Transportation Special Purpose Local Option Sales Tax (TSPLOST) revenues.
- Total governmental fund expenditures were $172,747,794 a decrease of $28,888,860 or 14.33% over the prior year, primarily related to reduced expenditures on the City Center Project as the project was completed during fiscal 2018.

## 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 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, TSPLOST, 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 19 of this report.

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

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

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

The combining and individual fund statements and schedules, referred to earlier, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 45 through 48 of this report. Required supplementary information can be found on pages 45 and 46 of this report.

## 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 $390,253,565, representing a $41,252,474 or 11.82% increase over last year.

The largest portion of the City's net position, $276,338,164 reflects its investment in capital assets (e.g., buildings, machinery and equipment roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Other than the amount of net position ($61,044,391) that is restricted as to use by law or agreement, the remaining portion of the City's net position represents unrestricted net position of $52,871,010, which is available to meet the ongoing obligations of the government. This amount represents 52.7% of current governmental expenses.

The City has current and other assets of $135,253,905, a decrease of $44,111,891 or 24.59% over the prior year. The decrease is primarily related to the use of bond proceeds toward the construction of the City Center project in fiscal 2018.

The City's capital assets are $460,638,092, which represents an increase of $64,499,621 or 16.28%. The increase is primarily related to the construction costs for the City Center project.

Long-term liabilities decreased $5,939,395 from the prior year because of annual debt service payments.

The table below summarizes the City's Net Position for 2018 and 2017.

**City of Sandy Springs Net Position**

| | Governmental Activities | | Dollar Increase | |
|---|---|---|---|---|
| | 2018 | 2017 | (Decrease) | Percent |
| Assets | | | | |
| Current assets | $ 135,253,905 | $ 179,365,796 | $ (44,111,891) | (24.59) % |
| Capital assets, net of accumulated depreciation | 460,638,092 | 396,138,471 | 64,499,621 | 16.28 |
| Total assets | 595,891,997 | 575,504,267 | 20,387,730 | 3.54 |
| Liabilities | | | | |
| Current liabilities | 31,753,230 | 47,128,579 | (15,375,349) | (32.62) |
| Long-term liabilities | 173,405,202 | 179,344,597 | (5,939,395) | (3.31) |
| Total liabilities | 205,158,432 | 226,473,176 | (21,314,744) | (9.41) |
| Deferred service concession arrangement receipts | 480,000 | 30,000 | 450,000 | 1,500.00 |
| Net Position | | | | |
| Net investment in capital assets | 276,338,164 | 253,053,379 | 23,284,785 | 9.20 |
| Restricted | 61,044,391 | 8,476,972 | 52,567,419 | 620.12 |
| Unrestricted | 52,871,010 | 87,470,740 | (34,599,730) | (39.56) |
| Total net position | $ 390,253,565 | $ 349,001,091 | $ 41,252,474 | 11.82 % |

**Governmental activities:** Governmental activities are those which 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 2018 and 2017 as a result of providing these activities.

**Revenues:** Charges for services includes fines and forfeitures, E911 telephone service charges, impact fees, and licenses and permits. These revenues increased $3,715,466 or 24.5%, primarily as a result of increased building activity in the city which resulted in increased impact fees of $4,040,047 or 134.6% Capital grants and contributions increased $16,028,426 or 237.56% primarily as a result of a full year collection of TSPLOST revenues which started in April 2017. Property taxes increased $1,247,411 or 3.72% as the tax digest has increased. Franchise Taxes decreased $490,831 or 5.05% primarily related to decreases in taxes allocated by the electric utilities operating in the City. Sales and use taxes and business taxes increased $1,566,630 (6.05%) and increased $756,894 (4.80%), respectively, and were driven by continued fluctuations in the retail economy. Unrestricted investment earnings decreased $178,907 or 16.39%, as a result of lower interest rates. The City realized gains of $1,711,034 on sales of a land parcel adjoining the City Center project. Miscellaneous revenues increased $2,020,665 or 255.59% as a result of a settlement with the Georgia Department of Transportation for $2,096,000.

**Expenses:** General government expenses increased $2,575,690 or 21.11% because of increases in facility costs and depreciation related to the new City Center. Public safety expenses increased $1,956,845 or 5.51% due to general increases in salaries and expenses. Public works expenses increased $3,455,520 or 18.29% because of additional expenses related to TSPLOST projects. Culture and recreation expenses increased $3,579,764 or 41.89% because of increases in facility costs and depreciation related to the new City Center.

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

| | Governmental Activities | | Dollar Increase (Decrease) | Percent |
|---|---|---|---|---|
| | 2018 | 2017 | | |
| Revenues | | | | |
| Program revenues: | | | | |
| Charges for services | $ 18,880,617 | $ 15,165,151 | $ 3,715,466 | 24.50 % |
| Operating grants and contributions | 151,259 | 5,625 | 145,634 | 2,589.05 |
| Capital grants and contributions | 22,775,443 | 6,747,017 | 16,028,426 | 237.56 |
| General revenues: | | | | |
| Property taxes | 34,803,725 | 33,556,314 | 1,247,411 | 3.72 |
| Sales and use taxes | 27,474,424 | 25,907,794 | 1,566,630 | 6.05 |
| Hotel/motel taxes | 5,531,780 | 5,492,264 | 39,516 | 0.72 |
| Franchise taxes | 9,224,562 | 9,715,393 | (490,831) | (5.05) |
| Business taxes | 16,529,631 | 15,772,737 | 756,894 | 4.80 |
| Unrestricted investment earnings | 912,960 | 1,091,867 | (178,907) | (16.39) |
| Gain on sale of capital assets | 2,561,276 | 850,242 | 1,711,034 | 201.24 |
| Miscellaneous revenues | 2,811,263 | 790,598 | 2,020,665 | 255.59 |
| Total revenues | 141,656,940 | 115,095,002 | 26,561,938 | 23.08 |
| Expenses | | | | |
| General government | 14,774,462 | 12,198,772 | 2,575,690 | 21.11 |
| Judicial | 1,621,822 | 1,530,501 | 91,321 | 5.97 |
| Public safety | 37,471,210 | 35,514,365 | 1,956,845 | 5.51 |
| Public works | 22,343,592 | 18,888,072 | 3,455,520 | 18.29 |
| Culture and recreation | 12,125,056 | 8,545,292 | 3,579,764 | 41.89 |
| Housing and development | 5,750,697 | 5,872,460 | (121,763) | (2.07) |
| Interest on long-term debt | 6,317,627 | 6,421,029 | (103,402) | (1.61) |
| Total expenses | 100,404,466 | 88,970,491 | 11,433,975 | 12.85 |
| Change in net position | 41,252,474 | 26,124,511 | 15,127,963 | 57.91 % |
| Net position, beginning of year | 349,001,091 | 322,876,580 | | |
| Net position, end of year | $ 390,253,565 | $ 349,001,091 | | |

## 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 2018 and 2017.

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

| | Governmental Funds | | Dollar Increase (Decrease) | Percent |
|---|---|---|---|---|
| | 2018 | 2017 | | |
| Revenues: | | | | |
| Taxes | $ 93,780,228 | $ 90,417,938 | $ 3,362,290 | 3.72 % |
| Licenses and permits | 4,984,317 | 5,284,871 | (300,554) | (5.69) |
| Intergovernmental revenues | 22,775,443 | 6,462,423 | 16,313,020 | 252.43 |
| Fines and forfeitures | 2,879,306 | 2,966,094 | (86,788) | (2.93) |
| Charges for services | 11,016,993 | 6,914,186 | 4,102,807 | 59.34 |
| Interest income | 912,960 | 1,091,867 | (178,907) | (16.39) |
| Other | 866,200 | 1,119,592 | (253,392) | (22.63) |
| Total revenues | 137,215,447 | 114,256,971 | 22,958,476 | 20.09 |
| Expenditures: | | | | |
| General government | 21,743,685 | 18,482,980 | 3,260,705 | 17.64 |
| Public safety | 36,932,141 | 34,853,005 | 2,079,136 | 5.97 |
| Judicial | 1,619,227 | 1,531,040 | 88,187 | 5.76 |
| Public works | 30,090,874 | 26,117,779 | 3,973,095 | 15.21 |
| Recreation | 65,731,006 | 102,723,830 | (36,992,824) | (36.01) |
| Housing and development | 5,713,276 | 6,441,126 | (727,850) | (11.30) |
| Debt service | 10,917,585 | 11,486,894 | (569,309) | (4.96) |
| Total expenditures | 172,747,794 | 201,636,654 | (28,888,860) | (14.33) |
| Deficiency of revenues over expenditures | (35,532,347) | (87,379,683) | 51,847,336 | (59.34) |
| Proceeds from sale of capital assets | 5,859,052 | 3,546,371 | 2,312,681 | 65.21 |
| Issuance of note payable | - | 252,704 | (252,704) | (100.00) |
| Issuance of capital leases | - | 135,601 | (135,601) | (100.00) |
| Net change in fund balance | (29,673,295) | (83,445,007) | 53,771,712 | (64.44) |
| Fund balance, beginning of year | 138,372,263 | 221,817,270 | (83,445,007) | (37.62) |
| Fund balance, end of year | $ 108,698,968 | $ 138,372,263 | $ (29,673,295) | (21.44) % |

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $108,698,968, a decrease of $29,673,295, primarily related expenditure of bond proceeds related to the City Center project. Of this balance, $53,049,732 is restricted by law or contractual agreement; $14,871,233 has been assigned by management for infrastructure projects; $14,526,344 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2019; and $25,373,013 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 $3,362,290 or 3.72%, and is primarily made up of increases in property taxes and sales taxes. Revenues for licenses and permits have decreased $300,554 or 5.69% as business activity within the city slowed down. Intergovernmental revenues have increased $16,313,020 or 252.43% primarily from a full year collection of TSPLOST revenues. Charges for services increased $4,102,807 or 59.34% and is primarily related to increases in impact fees charged for commercial and residential development.

Total governmental expenditures have decreased $28,888,860 or 14.33%. General government expenditures increased $3,260,705 or 17.64% and the increase is primarily related to capital expenditures related to the City Center project. Public works expenses increased $3,973,095 or 15.21% primarily related to expenditure of TSPLOST fund for various transportation projects. Public safety expenditures increased $2,079,136 or 5.97% because of general increases in salaries, benefits and other expenses. Recreation expenditures decreased $36,992,824 or 36% and as construction for the City Center project came to a close in fiscal 2018.

***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 $43,266,561, a slight increase of $767,904 or 1.81%. 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, 2018 was $25,373,013 and represents 34.69% of total general fund expenditures.

Total General Fund revenues have increased $3,779,250 or 3.98%. Property taxes have increased $1,490,081 or 4.44% as the tax digest has increased. Franchise taxes decreased $490,831 or 5.05% primarily from a decreased allocation of electric franchise taxes. Sales taxes and business taxes have increased $1,566,630 (6.05%) and $380,205 (3.88%), respectively, as the economy continues to improve. Insurance premium taxes have increased $377,810 or 6.45% based on increased allocations from the state. Licenses and permits have decreased $300,554 or 5.69% as building activity levels off in the area. Intergovernmental revenues increased $593,808 as a result of reimbursements from the Federal Emergency Management Agency (FEMA) and transfers from the Sandy Springs Development Authority. Interest revenues have increased $230,166 or 39.47% as interest rates have risen.

Total General Fund expenditures increased $3,879,268 or 5.6%. General government expenses increased $1,627,474 or 13.66% due increases in expenses related to building and facilities as the City Center came online combined with increases in legal services. Public safety expenses increased $2,624,453 or 8.43% because of increases in salaries benefits and other expenses. Public works expenses decreased $750,688 or 5.29% primarily due to decreased stormwater maintenance requirements as compared to the prior year. Recreation expenses increased $1,504,016 or 44.23% due to increases in operating costs related to the new City Center and Performing Arts Center. Principal and interest expenses decreased $505,052 and $61,057, respectively, as certain capital lease arrangements were paid off in the prior year.

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

| | General Fund | | Dollar Increase | | |
|---|---|---|---|---|---|
| | 2018 | 2017 | (Decrease) | Percent | |
| Revenues: | | | | | |
| Property taxes | $ 35,019,831 | $ 33,529,750 | $ 1,490,081 | 4.44 | % |
| Sales taxes | 27,474,424 | 25,907,794 | 1,566,630 | 6.05 | |
| Franchise taxes | 9,224,562 | 9,715,393 | (490,831) | (5.05) | |
| Business taxes | 10,183,349 | 9,803,144 | 380,205 | 3.88 | |
| Insurance premium tax | 6,235,501 | 5,857,691 | 377,810 | 6.45 | |
| Licenses and permits | 4,984,317 | 5,284,871 | (300,554) | (5.69) | |
| Intergovernmental revenues | 593,808 | - | 593,808 | 100.00 | |
| Charges for services | 792,955 | 823,994 | (31,039) | (3.77) | |
| Fines and forfeitures | 2,650,421 | 2,611,790 | 38,631 | 1.48 | |
| Interest earned | 813,316 | 583,150 | 230,166 | 39.47 | |
| Other | 714,941 | 790,598 | (75,657) | (9.57) | |
| Total revenues | 98,687,425 | 94,908,175 | 3,779,250 | 3.98 | |
| Expenditures: | | | | | |
| General government | 13,544,041 | 11,916,567 | 1,627,474 | 13.66 | |
| Judicial | 1,619,227 | 1,531,040 | 88,187 | 5.76 | |
| Public safety | 33,768,358 | 31,143,905 | 2,624,453 | 8.43 | |
| Public works | 13,429,789 | 14,180,477 | (750,688) | (5.29) | |
| Recreation | 4,904,128 | 3,400,112 | 1,504,016 | 44.23 | |
| Housing and development | 4,721,055 | 5,369,120 | (648,065) | (12.07) | |
| Debt service: | | | | | |
| Principal | 1,071,612 | 1,576,664 | (505,052) | (32.03) | |
| Interest | 93,923 | 154,980 | (61,057) | (39.40) | |
| Total expenditures | 73,152,133 | 69,272,865 | 3,879,268 | 5.60 | |
| Excess of revenues over expenditures | 25,535,292 | 25,635,310 | (100,018) | (0.39) | |
| Proceeds from sale of capital assets | 66,316 | 55,857 | 10,459 | 18.72 | |
| Proceeds from issuance of capital lease | - | 135,601 | (135,601) | (100.00) | |
| Transfers in | 4,540,836 | 3,975,956 | 564,880 | 14.21 | |
| Transfers out | (29,374,540) | (25,089,069) | (4,285,471) | 17.08 | |
| Net change in fund balance | 767,904 | 4,713,655 | (3,945,751) | (83.71) | |
| Fund balance, beginning of year | 42,498,657 | 37,785,002 | 4,713,655 | 12.47 | |
| Fund balance, end of year | $ 43,266,561 | $ 42,498,657 | $ 767,904 | 1.81 | % |

**General Fund Budgetary Highlights**

The General Fund budget versus actual comparison can be found on pages 45 and 46. For fiscal year 2018, the City had an overall favorable budget variance of $19,727,538.

Total revenues were $9,824,219 better than budgeted. Property taxes reflect a favorable budget variance of $2,794,831 or 8.67% as budgeted tax revenues are based on prior year collections as the tax digest continues to grow. Sales taxes were $2,124,424 or 8.38% better than budgeted as the local economy improves at a faster rate than projected. Licenses and permits were $2,454,317 or 97% better than budgeted as the City's infrastructure initiatives have brought in increased commercial and residential construction. Interest earned were $463,316 or 132.38% 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 $16,289,079 better than budgeted. General government expenses were $1,872,752 or 12.15% better than budgeted as management used very conservative budgets related to the City Center building operations. Public safety expenditures were $3,637,266 or 9.72% due to very conservative budget estimates. Public works expenditures were 9,049,541 or 40.26% better than budgeted due to significantly less in repairs and maintenance of storm water infrastructure than originally projected. All other expenditure categories reflect favorable budget variances as the City continues to use very conservative budget models.

***Capital Projects Fund***

The capital projects fund accounts for the activities for constructing or obtaining capital assets of the City such as road improvement projects, land acquisitions and improvements, storm-water drainage projects, sidewalk projects and recreation and parks facilities and improvements. At the end of 2018, the fund balance for this fund was $27,938,573, which represents a decrease of $3,867,111 or 12.16% of fund balance. The City operates on the philosophy that all revenues over and above what is required for operations in the general fund should be transferred for specific projects in the capital projects fund. Therefore, fund balance represents amounts that have been allocated toward specific projects but are in various stages of completion.

As stated above, a significant amount of the resources in the capital projects fund are direct transfers from the general fund. In 2018, the general fund contributed $15,747,490 toward capital projects. Revenues from state and federal transportation funds were $3,671,279 in 2018 compared to $1,820,910 in the prior year. Expenditures totaled $22,954,137 for 2018 compared to $19,189,857 in 2017. Below is a table comparing capital project funding for 2018 and 2017.

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

| | 2018 | 2017 | Dollar Increase (Decrease) | Percent | |
|---|---|---|---|---|---|
| General Government | $ 8,199,644 | $ 6,566,413 | $ 1,633,231 | 24.87 | % |
| Public Safety | - | 433,615 | (433,615) | (100.00) | |
| Public Works | 12,905,668 | 11,550,261 | 1,355,407 | 11.73 | |
| Housing and Development | 234,922 | 497,598 | (262,676) | (52.79) | |
| Culture and Recreation | 1,613,903 | 141,970 | 1,471,933 | 1,036.79 | |
| | $ 22,954,137 | $ 19,189,857 | $ 3,764,280 | 19.62 | % |

General government capital expenditures increased $1,633,231 or 24.87% primarily related City Center expenditures. Public works and recreation capital expenditures increased $1,355,407 (11.73%) and $1,471,933 (1036%) as resources become more focused on other projects after the completion of the City Center project.

***Public Facilities Authority***

The public facilities authority accounts for the activities for acquiring, constructing and installing certain public buildings, facilities and equipment necessary and convenient for the efficient operation of the City in connection with the proposed City Center project, including, but not limited to, a new performing arts center, public meeting spaces, a studio theater, city office space, and public parking facilities. The City issued $159,475,000 in Revenue Bonds on October 20, 2015 for the City Center Master Plan. A $222,712,000 budget was established to provide for the funding toward the completion of the overall project. The bond proceeds, debt service payments and capital expenditures for the project will all flow through the public facilities authority. The City has expended all of the bond issue funds as of June 30, 2018.

***TSPLOST Fund***

The TSPLOST fund revenues increased $13,712,079 due to a full year of collections during fiscal year 2018.

**Capital Asset and Debt Administration**

***Capital Assets*** The City's investment in capital assets for its governmental activities as of June 30, 2018, amounts to $460,638,092 (net of accumulated depreciation). This represents an increase of $64,499,621 or 16.28% over the prior year. The increase is primarily driven by the City Center project. Additional information on the City's capital assets can be found in note 6 on page 36 of this report.

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

| | Governmental Activities | | Dollar Increase | |
|---|---|---|---|---|
| | 2018 | 2017 | (Decrease) | Percent |
| Land | $ 64,963,848 | $ 29,565,609 | $ 35,398,239 | 119.73 % |
| Construction in progress | 36,989,537 | 226,427,596 | (189,438,059) | (83.66) |
| Buildings | 139,347,278 | 7,202,018 | 132,145,260 | 1,834.84 |
| Improvements | 83,457,467 | 16,986,294 | 66,471,173 | 391.32 |
| Machinery and equipment | 17,582,054 | 10,686,283 | 6,895,771 | 64.53 |
| Infrastructure | 118,297,908 | 105,270,671 | 13,027,237 | 12.37 |
| | $ 460,638,092 | $ 396,138,471 | $ 64,499,621 | 16.28 % |

***Long-term Debt*** At the end of fiscal year 2018 and 2017, the City had total debt outstanding of $176,305,477 and $180,885,533, respectively. During 2016, the City issued $159,475,000 of Series 2015 Revenue bonds, which included $20,224,542 of premiums, primarily to finance the City Center project. The balance of the series 2015 debt, including premiums is $172,229,890 as of June 30, 2018. The remaining debt is comprised of various capital leases related to equipment purchases 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 37 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 2019 fiscal year.

- Sustainability of Existing Services – the City has deployed a philosophy of budgetary evaluation, which reviews the needs of the City to the standard, which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Cost of Government – The operating millage rate of 4.731 mills is statutorily set and cannot be changed without a referendum. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, to facilitate the provision of city services.
- Infrastructure Improvements – The City provided substantial capital funding to continue the work started in prior years to begin to address a significant backlog of existing infrastructure deficiencies. Funding was allocated for repaving program, intersection improvements, parks, buildings, machinery and equipment, roadways, sidewalks, culverts, equipment and signals.
- Economy Impact – The City's revenues and expenditures were implemented with a conservative approach to reflect the economic conditions that are expected to continue through 2019.
- 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, 2018

| | Primary Government | Component Units | | |
|---|---|---|---|---|
| | Governmental Activities | Sandy Springs Hospitality & Tourism | Sandy Springs Foundation | Development Authority |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 112,338,664 | $ 1,178,888 | $ 93,272 | $ 267,122 |
| Investments | 10,141,057 | - | - | - |
| Taxes receivable, net of allowances | 3,991,984 | - | - | - |
| Accounts receivable | 4,309,046 | - | 2,150,175 | 122 |
| Due from other governments, net of allowances | 4,164,052 | - | - | - |
| Due from primary government | - | 305,601 | - | - |
| Restricted: | | | | |
| Cash and cash equivalents | 208 | - | - | - |
| Prepaid items | 308,894 | 5,227 | - | - |
| Capital assets: | | | | |
| Nondepreciable | 101,953,385 | - | - | - |
| Depreciable, net of accumulated depreciation | 358,684,707 | - | - | - |
| Total assets | 595,891,997 | 1,489,716 | 2,243,447 | 267,244 |
| **LIABILITIES** | | | | |
| Accounts payable | 20,962,776 | 112,223 | 5,935 | - |
| Accrued liabilities | 4,742,055 | - | - | - |
| Intergovernmental payable | 186 | - | - | - |
| Due to component unit | 305,601 | - | - | - |
| Unearned revenue | 1,042,445 | | | |
| Compensated absences due within one year | 997,165 | - | - | - |
| Capital leases, due within one year | 895,971 | - | - | - |
| Bonds payable, due within one year | 2,610,000 | - | - | - |
| Note payable, due within one year | 197,031 | - | - | - |
| Compensated absences due in more than one year | 802,727 | - | - | - |
| Capital leases, due in more than one year | 782,460 | - | - | - |
| Bonds payable, due in more than one year | 169,619,890 | - | - | - |
| Note payable, due in more than one year | 2,200,125 | - | - | - |
| Total liabilities | 205,158,432 | 112,223 | 5,935 | - |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred service concession arrangement receipts | 480,000 | - | - | - |
| Total deferred inflows of resources | 480,000 | - | - | - |
| **NET POSITION** | | | | |
| Net investment in capital assets | 276,338,164 | - | - | - |
| Restricted: | | | | |
| Infrastructure improvements | 27,106,782 | - | - | - |
| Public safety projects | 454,191 | - | - | - |
| Capital projects | 33,382,896 | - | - | - |
| Tourism | - | 1,377,493 | - | - |
| Development | - | - | - | 267,244 |
| Recreation | 100,522 | - | 2,237,512 | - |
| Unrestricted | 52,871,010 | - | - | - |
| Total net position | $ 390,253,565 | $ 1,377,493 | $ 2,237,512 | $ 267,244 |

**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, 2018

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary government:** | | | | |
| Governmental activities: | | | | |
| General government | $ 14,774,462 | $ 871,594 | $ - | $ - |
| Judicial | 1,621,822 | 2,650,421 | - | - |
| Public safety | 37,471,210 | 3,653,718 | - | - |
| Public works | 22,343,592 | 7,040,817 | 142,995 | 22,775,443 |
| Culture and recreation | 12,125,056 | 644,594 | 8,264 | - |
| Housing and development | 5,750,697 | 4,019,473 | - | - |
| Interest on long-term debt | 6,317,627 | - | - | - |
| Total governmental activities | 100,404,466 | 18,880,617 | 151,259 | 22,775,443 |
| Total primary government | $ 100,404,466 | $ 18,880,617 | $ 151,259 | $ 22,775,443 |
| **Component Units** | | | | |
| Sandy Springs Hospitality & Tourism | $ 1,935,160 | $ - | $ 1,778,569 | $ - |
| Sandy Springs Foundation | 764,777 | - | 2,996,719 | - |
| Development Authority | 441,876 | - | 361,587 | - |
| Total component units | $ 1,935,160 | $ - | $ 1,778,569 | $ - |
| General revenues: | | | | |
| Property taxes | | | | |
| Sales taxes | | | | |
| Hotel/Motel taxes | | | | |
| Franchise taxes | | | | |
| Excise taxes | | | | |
| Business taxes | | | | |
| Insurance premium tax | | | | |
| Unrestricted investment earnings | | | | |
| Gain on sale of capital assets | | | | |
| Miscellaneous revenues | | | | |
| Total general revenues | | | | |
| Change in net position | | | | |
| Net position, beginning of year, as restated | | | | |
| Net position, end of year | | | | |

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

| Net (Expenses) Revenues and Changes in Net Position | | | | |
|---|---|---|---|---|
| Primary Government | Component Units | | | |
| Governmental Activities | Sandy Springs Hospitality & Tourism | Sandy Springs Foundation | Sandy Springs Development Authority | |
| $ (13,902,868) | $ - | $ - | $ - | |
| 1,028,599 | - | - | - | |
| (33,817,492) | - | - | - | |
| 7,615,663 | - | - | - | |
| (11,472,198) | - | - | - | |
| (1,731,224) | - | - | - | |
| (6,317,627) | - | - | - | |
| (58,597,147) | - | - | - | |
| (58,597,147) | - | - | - | |
| - | (156,591) | - | - | |
| - | - | 2,231,942 | - | |
| - | - | - | (80,289) | |
| - | (156,591) | 2,231,942 | (80,289) | |
| 34,803,725 | - | - | - | |
| 27,474,424 | - | - | - | |
| 5,531,780 | - | - | - | |
| 9,224,562 | - | - | - | |
| 110,781 | - | - | - | |
| 10,183,349 | - | - | - | |
| 6,235,501 | - | - | - | |
| 912,960 | - | - | - | |
| 2,561,276 | - | - | - | |
| 2,811,263 | - | - | - | |
| 99,849,621 | - | - | - | |
| 41,252,474 | (156,591) | 2,231,942 | (80,289) | |
| 349,001,091 | 1,534,084 | 5,570 | 347,533 | |
| $ 390,253,565 | $ 1,377,493 | $ 2,237,512 | $ 267,244 | |

# CITY OF SANDY SPRINGS, GEORGIA

## BALANCE SHEET
## GOVERNMENTAL FUNDS
## JUNE 30, 2018

| ASSETS | General Fund | Capital Projects Fund | Public Facilities Authority Fund | TSPLOST Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | $ 39,655,835 | $ 30,471,866 | $ 14,314,925 | $ 16,534,525 | $ 11,361,513 | $ 112,338,664 |
| Investments | 10,141,057 | - | - | - | - | 10,141,057 |
| Taxes receivable, net of allowances | 3,505,264 | - | - | - | 486,720 | 3,991,984 |
| Other receivables | 180,461 | - | 3,227,438 | - | 421,147 | 3,829,046 |
| Intergovernmental receivables, net of allowances | 1,394,112 | 1,084,184 | - | 1,566,369 | 119,387 | 4,164,052 |
| Restricted: | | | | | | |
| Cash and cash equivalents | - | - | 208 | - | - | 208 |
| Due from other funds | 653,646 | 13,805 | - | - | - | 667,451 |
| Prepaid items | 308,894 | - | - | - | - | 308,894 |
| Total assets | $ 55,839,269 | $ 31,569,855 | $ 17,542,571 | $ 18,100,894 | $ 12,388,767 | $ 135,441,356 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | |
| **LIABILITIES** | | | | | | |
| Accounts payable | $ 7,948,235 | $ 3,449,195 | $ 7,994,659 | $ 367,711 | $ 1,202,976 | $ 20,962,776 |
| Accrued liabilities | 3,324,606 | 182,087 | - | - | - | 3,506,693 |
| Intergovernmental payable | 186 | - | - | - | - | 186 |
| Due to other funds | - | - | - | - | 667,451 | 667,451 |
| Due to component unit | - | - | - | - | 305,601 | 305,601 |
| Unearned revenue | 1,042,445 | - | - | - | - | 1,042,445 |
| Total liabilities | 12,315,472 | 3,631,282 | 7,994,659 | 367,711 | 2,176,028 | 26,485,152 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable revenue - property taxes | 249,964 | - | - | - | - | 249,964 |
| Unavailable revenue - intergovernmental | 7,272 | - | - | - | - | 7,272 |
| Total deferred inflow of resources | 257,236 | - | - | - | - | 257,236 |
| **FUND BALANCES** | | | | | | |
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | 308,894 | - | - | - | - | 308,894 |
| Restricted: | | | | | | |
| Public safety projects | - | - | - | - | 454,191 | 454,191 |
| Capital projects | - | 15,840,325 | 9,547,912 | - | - | 25,388,237 |
| Recreation | - | - | - | - | 100,522 | 100,522 |
| Infrastructure improvements | - | - | - | 17,733,183 | 9,373,599 | 27,106,782 |
| Committed: | | | | | | |
| Tree replacement | - | - | - | - | 284,427 | 284,427 |
| Recreation | - | 285,325 | - | - | - | 285,325 |
| Assigned: | | | | | | |
| Stormwater projects | 3,058,310 | - | - | - | - | 3,058,310 |
| Capital projects | - | 11,812,923 | - | - | - | 11,812,923 |
| 2019 fiscal year appropriations of fund balance | 14,526,344 | - | - | - | - | 14,526,344 |
| Unassigned | 25,373,013 | - | - | - | - | 25,373,013 |
| Total fund balances | 43,266,561 | 27,938,573 | 9,547,912 | 17,733,183 | 10,212,739 | 108,698,968 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 55,839,269 | $ 31,569,855 | $ 17,542,571 | $ 18,100,894 | $ 12,388,767 | |
| 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. | | | | | | 460,638,092 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | | | | | (179,302,009) |
| Liabilities related to pollution remediation costs are not due and payable in the current period and, therefore, are not reported in the funds. | | | | | | (38,722) |
| Some revenues are not available in the current period and, therefore, are not reported in the funds. | | | | | | 257,236 |
| Net position of governmental activities | | | | | | $ 390,253,565 |

**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, 2018

| | General Fund | Capital Projects Fund | Public Facilities Authority Fund | TSPLOST Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| Property taxes | $ 35,019,831 | $ - | $ - | $ - | $ - | $ 35,019,831 |
| Sales taxes | 27,474,424 | - | - | - | - | 27,474,424 |
| Hotel/Motel taxes | - | - | - | - | 5,531,780 | 5,531,780 |
| Auto excise taxes | - | - | - | - | 110,781 | 110,781 |
| Franchise taxes | 9,224,562 | - | - | - | - | 9,224,562 |
| Business taxes | 10,183,349 | - | - | - | - | 10,183,349 |
| Insurance premium tax | 6,235,501 | - | - | - | - | 6,235,501 |
| Licenses and permits | 4,984,317 | - | - | - | - | 4,984,317 |
| Intergovernmental | 593,808 | 3,671,279 | - | 17,793,860 | 716,496 | 22,775,443 |
| Charges for services | 792,955 | - | - | - | 10,224,038 | 11,016,993 |
| Fines and forfeitures | 2,650,421 | - | - | - | 228,885 | 2,879,306 |
| Interest earned | 813,316 | - | 99,644 | - | - | 912,960 |
| Contributions | - | 142,995 | - | - | 8,264 | 151,259 |
| Miscellaneous | 714,941 | - | - | - | - | 714,941 |
| Total revenues | 98,687,425 | 3,814,274 | 99,644 | 17,793,860 | 16,820,244 | 137,215,447 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| General government | 13,544,041 | 8,199,644 | - | - | - | 21,743,685 |
| Judicial | 1,619,227 | - | - | - | - | 1,619,227 |
| Public safety | 33,768,358 | - | - | - | 3,163,783 | 36,932,141 |
| Public works | 13,429,789 | 12,905,668 | - | 3,755,417 | - | 30,090,874 |
| Culture and recreation | 4,904,128 | 1,613,903 | 57,435,061 | - | 1,777,914 | 65,731,006 |
| Housing and development | 4,721,055 | 234,922 | - | - | 757,299 | 5,713,276 |
| Debt service: | | | | | | |
| Principal | 1,071,612 | - | 2,510,000 | - | - | 3,581,612 |
| Interest | 93,923 | - | 7,242,050 | - | - | 7,335,973 |
| Total expenditures | 73,152,133 | 22,954,137 | 67,187,111 | 3,755,417 | 5,698,996 | 172,747,794 |
| Excess (deficiency) of revenues over expenditures | 25,535,292 | (19,139,863) | (67,087,467) | 14,038,443 | 11,121,248 | (35,532,347) |
| **Other financing sources (uses):** | | | | | | |
| Proceeds from sale of capital assets | 66,316 | - | 5,792,736 | - | - | 5,859,052 |
| Transfers in | 4,540,836 | 17,147,752 | 15,502,050 | - | - | 37,190,638 |
| Transfers out | (29,374,540) | (1,875,000) | - | - | (5,941,098) | (37,190,638) |
| Total other financing sources (uses) | (24,767,388) | 15,272,752 | 21,294,786 | - | (5,941,098) | 5,859,052 |
| Net change in fund balances | 767,904 | (3,867,111) | (45,792,681) | 14,038,443 | 5,180,150 | (29,673,295) |
| **Fund balances, beginning of year** | 42,498,657 | 31,805,684 | 55,340,593 | 3,694,740 | 5,032,589 | 138,372,263 |
| **Fund balances, end of year** | $ 43,266,561 | $ 27,938,573 | $ 9,547,912 | $ 17,733,183 | $ 10,212,739 | $ 108,698,968 |

**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, 2018

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balances - total governmental funds | $ | (29,673,295) |
| 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. | | 67,797,397 |
| 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. | | (3,297,776) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | (216,105) |
| 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. | | 3,581,612 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | 3,060,641 |
| Change in net position - governmental activities | $ | 41,252,474 |

**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, 2018

| | Municipal Court Fund |
|---|---|
| **ASSETS** | |
| Cash | $ 276,284 |
| Total assets | $ 276,284 |
| **LIABILITIES** | |
| Due to others | $ 276,284 |
| Total liabilities | $ 276,284 |

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

## 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, four 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.

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

### A. Reporting Entity (continued)

The Sandy Springs Foundation has been included 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 operates under the direction of a seven member board and meets on an as-needed basis. Members serve one to two year terms. Each member is appointed by the Mayor and confirmed by City Council, and the Foundation's resources are held entirely for the City and its component units. Separate financial statements for the Sandy Springs Foundation are not prepared.

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.

## 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.

## 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 **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.

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

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

Additionally, the City reports the following fund types:

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

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

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

## 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, 2018, 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, 2018, 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.

## 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, 2018, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received.

### J. Capital Assets

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

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

### K. Deferred Outflows/Inflows of Resources

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

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

The government-wide statement of net position reports the *deferred service concession arrangement receipts* as a deferred inflow of resources. This balance includes the effect of deferring the recognition of revenue from the present value of installment payments to be received by the City under the tennis center service concession arrangement. The balance of the deferred inflow of resources as of June 30, 2018 will be recognized as a revenue and increase net position over the remaining life of the contract. As of June 30, 2018 the present value of the service concession arrangement was $480,000 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.

### L. Compensated Absences

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

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

### M. Long-Term Obligations

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

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

### N. Fund Equity

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

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

Fund balances are classified as follows:

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

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

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

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

### N. Fund Equity (Continued)

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

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

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

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

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

### O. Use of Estimates

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

## 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 $179,302,009 difference are as follows:

| | | |
|---|---|---|
| Capital lease payable | $ | (1,678,431) |
| Bonds payable, including premiums | | (172,229,890) |
| Notes payable | | (2,397,156) |
| Compensated absences (i.e., vacation) | | (1,799,892) |
| Accrued interest | | (1,196,640) |
| Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities* | $ | (179,302,009) |

### 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 $67,797,397 difference are as follows:

| | | |
|---|---|---|
| Capital outlay | $ | 76,498,602 |
| Depreciation expense | | (8,701,205) |
| Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities* | $ | 67,797,397 |

## 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 $3,581,612 difference is as follows:

| | | |
|---|---|---|
| Principal retirements | $ | 3,581,612 |

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 $3,060,641 difference are as follows:

| | | |
|---|---|---|
| Compensated absences (i.e., vacation) | $ | (118,651) |
| Claims and judgments payable | | 2,096,322 |
| Accrued interest | | 19,902 |
| Amortization of bond premium | | 998,444 |
| Change in pollution remediation obligation | | 64,624 |
| Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities* | $ | 3,060,641 |

## 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, 2018:

| | | |
|---|---|---|
| E911 Fund | $ | 308,348 |
| Hotel/Motel Fund | | 170,914 |
| General Fund: | | |
| General government: | | |
| Legal services | | 162,627 |
| Housing and Development | | |
| Parking | | 7,320 |

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

## NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2018 are summarized as follows:

| | | |
|---|---|---|
| Statement of Net Position: | | |
| Cash and cash equivalents | $ | 112,338,664 |
| Investments | | 10,141,057 |
| Restricted cash and cash equivalents | | 208 |
| Statement of Fiduciary Assets and Liabilities: | | |
| Cash - Agency Fund | | 276,284 |
| | $ | 122,756,213 |

| | | |
|---|---|---|
| Cash deposited with financial institutions | $ | 45,084,965 |
| Cash deposited with Georgia Fund 1 | | 67,530,191 |
| Investments | | 10,141,057 |
| | $ | 122,756,213 |

## NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

Operating funds of the City are currently invested in the Georgia Fund 1 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.

At June 30, 2018, 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 | 0.03 | AAAf | $ 67,530,191 |
| United States Government Sponsored Enterprise | 2.87 | AAA | 8,891,057 |
| Certificates of Deposit | 4.32 | (a) | 1,250,000 |
| | | | $ 77,671,248 |

(a) These certificates of deposit are not rated.

## NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

**Fair Value Measurements.** The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2018:

| Investment | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| United States Government Sponsored Enterprise | $ 1,000,000 | $ 7,891,057 | $ - | $ 8,891,057 |
| Certificates of Deposit | 1,250,000 | - | - | 1,250,000 |
| Total investments measured at fair value | $ 2,250,000 | $ 7,891,057 | - | $ 10,141,057 |
| Investments not subject to level disclosure: | | | | |
| Georgia Fund 1 | | | | 67,530,191 |
| Total investments | | | | $ 77,671,248 |

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.

## 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, 2018, 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, 2018, 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, 2018, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

| | General | Capital Projects | Public Facilities Authority | TSPLOST | Nonmajor Governmental |
|---|---|---|---|---|---|
| Receivables: | | | | | |
| Intergovernmental | $ 9,645,150 | $ 1,084,184 | $ - | $ 1,566,369 | $ 119,387 |
| Taxes | 3,698,264 | - | - | - | 486,720 |
| Other | 180,461 | - | 3,227,438 | - | 421,147 |
| Total receivables | 13,523,875 | 1,084,184 | 3,227,438 | 1,566,369 | 1,027,254 |
| Less allowance for uncollectible | 8,444,038 | - | - | - | - |
| Net total receivable | $ 5,079,837 | $ 1,084,184 | $ 3,227,438 | $ 1,566,369 | $ 1,027,254 |

## NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2018 is as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Nondepreciable capital assets: | | | | | |
| Land | $ 29,565,609 | $ - | $ - | $ 35,398,239 | $ 64,963,848 |
| Construction in progress | 226,427,596 | 73,628,024 | (3,254,408) | (259,811,675) | 36,989,537 |
| Total | 255,993,205 | 73,628,024 | (3,254,408) | (224,413,436) | 101,953,385 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 9,387,525 | - | (176,660) | 132,841,000 | 142,051,865 |
| Improvements | 20,007,155 | - | - | 67,449,840 | 87,456,995 |
| Machinery and equipment | 27,346,223 | 2,870,578 | (432,607) | 7,159,393 | 36,943,587 |
| Infrastructure | 164,872,935 | - | (76,902) | 16,963,203 | 181,759,236 |
| Total | 221,613,838 | 2,870,578 | (686,169) | 224,413,436 | 448,211,683 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (2,185,507) | (695,741) | 176,660 | - | (2,704,588) |
| Improvements | (3,020,861) | (978,667) | - | - | (3,999,528) |
| Machinery and equipment | (16,659,940) | (3,111,803) | 410,211 | - | (19,361,532) |
| Infrastructure | (59,602,264) | (3,914,994) | 55,930 | - | (63,461,328) |
| Total | (81,468,572) | (8,701,205) | 642,801 | - | (89,526,976) |
| Total capital assets being depreciated, net | 140,145,266 | (5,830,627) | (43,368) | 224,413,436 | 358,684,707 |
| Governmental activities capital assets, net | $ 396,138,471 | $ 67,797,397 | $ (3,297,776) | $ - | $ 460,638,092 |

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 1,072,894 |
| Judicial | 2,286 |
| Public safety | 2,139,579 |
| Public works | 4,484,411 |
| Culture and recreation | 964,614 |
| Housing and development | 37,421 |
| Total depreciation expense - governmental activities | $ 8,701,205 |

## 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, 2018:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Bonds payable | $ 157,035,000 | $ - | $ (2,510,000) | $ 154,525,000 | $ 2,610,000 |
| Plus: Premiums | 18,703,334 | - | (998,444) | 17,704,890 | - |
| Total bonds payable | 175,738,334 | - | (3,508,444) | 172,229,890 | 2,610,000 |
| Capital lease payable | 2,556,253 | - | (877,822) | 1,678,431 | 895,971 |
| Notes payable | 2,590,946 | - | (193,790) | 2,397,156 | 197,031 |
| Claims and judgments | 2,096,322 | - | (2,096,322) | - | - |
| Compensated absences | 1,681,241 | 1,050,082 | (931,431) | 1,799,892 | 997,165 |
| Governmental activity Long-term liabilities | $ 184,663,096 | $ 1,050,082 | $ (7,607,809) | $ 178,105,369 | $ 4,700,167 |

For governmental activities, compensated absences are generally liquidated by the general fund and claims and judgements are liquidated by the capital projects fund.

### Capital Leases

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

| Year Ending June 30, | |
|---|---|
| 2019 | $ 400,815 |
| 2020 | 400,251 |
| Total minimum lease payment | 801,066 |
| Less amounts representing interest | (34,884) |
| Present value of minimum lease payments | $ 766,182 |

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

### Capital Leases (Continued)

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

| Year Ending June 30, | |
|---|---|
| 2019 | $ 528,602 |
| 2020 | 396,452 |
| Total minimum lease payment | 925,054 |
| Less amounts representing interest | (12,805) |
| Present value of minimum lease payments | $ 912,249 |

As of June 30, 2018, the City had $7,840,021 of assets, with associated accumulated depreciation of $3,726,750, financed under the capital leases. 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.

## 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 |
|---|---|---|---|
| 2019 | $ 2,610,000 | $ 7,141,650 | $ 9,751,650 |
| 2020 | 2,750,000 | 7,011,150 | 9,761,150 |
| 2021 | 2,840,000 | 6,918,650 | 9,758,650 |
| 2022 | 2,980,000 | 6,776,650 | 9,756,650 |
| 2023 | 3,130,000 | 6,627,650 | 9,757,650 |
| 2024-2028 | 17,985,000 | 30,806,250 | 48,791,250 |
| 2029-2033 | 22,620,000 | 26,161,250 | 48,781,250 |
| 2034-2038 | 28,490,000 | 20,294,850 | 48,784,850 |
| 2039-2043 | 36,005,000 | 12,772,150 | 48,777,150 |
| 2044-2047 | 35,115,000 | 3,909,300 | 39,024,300 |
| Total | $ 154,525,000 | $ 128,419,550 | $ 282,944,550 |

### Notes Payable

The City has executed a note payable agreement with the State Road and Tollway Authority (SRTA). The note, financed through the Georgia Transportation Infrastructure Bank (GTIB), 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 |
|---|---|---|---|
| 2019 | $ 197,031 | $ 38,299 | $ 235,330 |
| 2020 | 200,327 | 35,003 | 235,330 |
| 2021 | 203,678 | 31,652 | 235,330 |
| 2022 | 207,085 | 28,245 | 235,330 |
| 2023 | 210,549 | 24,781 | 235,330 |
| 2024-2028 | 1,106,763 | 69,884 | 1,176,647 |
| 2029-2030 | 271,723 | 2,826 | 274,549 |
| Total | $ 2,397,156 | $ 230,690 | $ 2,627,846 |

## NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

| Receivable Entity | Payable Entity | Amount |
|---|---|---|
| General Fund | Nonmajor governmental funds | $ 653,646 |
| Capital Projects Fund | Nonmajor governmental funds | 13,805 |
| | | $ 667,451 |

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:

| Receivable Entity | Payable Entity | Amount |
|---|---|---|
| Hospitality & Tourism | Nonmajor governmental funds | $ 305,601 |
| | | $ 305,601 |

Interfund transfers:

| Transfers In | Transfers Out | Amount |
|---|---|---|
| General Fund | Nonmajor governmental funds | $ 4,540,836 |
| Capital Projects Fund | General Fund | 15,747,490 |
| Capital Projects Fund | Nonmajor governmental funds | 1,380,262 |
| Capital Projects Fund | Nonmajor governmental funds | 20,000 |
| Public Facilities Authority | General Fund | 13,627,050 |
| Public Facilities Authority | Capital Projects Fund | 1,875,000 |
| | | $ 37,190,638 |

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.

## NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

The City has entered into several public/private contractual partnerships for outsourced services and operations. Through these contracts with the private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to the cost of providing these services in-house. Currently, the cost of these contracts is approximately $17.5 million annually.

In addition to the liabilities enumerated in the balance sheet, at June 30, 2018, the City has contractual commitments on uncompleted contracts of $14,614,056.

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.

As part of the development of the City's City Center Project, the City has acquired several parcels of property which were noted to contain ground soil contamination as determined by the Environmental Protection Division (EPD). These properties have required the City to perform testing of contamination levels, to perform necessary clean-up and removal of contamination, as well as to perform subsequent testing and monitoring of the properties. The City has estimated the potential liability based on current contracts with third party vendors, as well as projections of monitoring costs based on the testing and evaluation costs. The City estimates the additional pollution remediation costs to be $38,722 as of June 30, 2018. This amount has been included with the overall balance of accrued liabilities on the statement of net position.

## NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The City of Sandy Springs' Profit Sharing Plan is a single employer defined contribution plan established and administered by the City of Sandy Springs for all full time employees. At June 30, 2018, there were 309 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, 2018, the City's contribution to the Plan, which was also the City's pension expense, was $2,814,923 and employees contributed $1,439,692.

## NOTE 11. JOINT VENTURES

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

In October 2008, the cities of Sandy Springs and Johns Creek created the Chattahoochee River 911 Authority (ChatComm.), which was created pursuant to the provisions of the Official Code of Georgia Annotated (OCGA) Section 36-75-1, which provides for the organization of a joint public safety and judicial facility authority. ChatComm Board membership includes the City Manager from each participating city, or their designee. ChatComm was created by the two cities contributing a pre-determined capital amount necessary to equip the facility. In accordance with GASB 14: *The Financial Reporting Entity*, ChatComm was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. The cities have also pledged their future E911 revenues to ChatComm to pay for the operation of the emergency 911 answering facility. Additionally, the two cities will be responsible for funding any operating deficits as well as any future capital purchases of ChatComm. For the year ended June 30, 2018, the City of Sandy Springs has collected and remitted $3,008,348 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, 2018. At June 30, 2018, ChatComm had a negative net position of ($12,357,939). Separate financial statements may be obtained from the City of Johns Creek, who has been contracted by ChatComm to serve as the accountants, at 10700 Abbotts Bridge Road, Suite 190, Johns Creek, Georgia 30097.

## NOTE 11. JOINT VENTURES (CONTINUED)

In July 2013 the cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority will provide an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: *The Financial Reporting Entity*, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. For the fiscal year ended June 30, 2018, the City of Sandy Springs contributed $541,411 to the Authority. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

## NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2018, the City received $5,531,780 in hotel/motel taxes. Of this amount, $3,951,904, 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, 2018, the City received $110,781 in motor vehicle excise taxes. Of this amount, $110,781, 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.

## NOTE 14. RISK MANAGEMENT (CONTINUED)

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

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

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

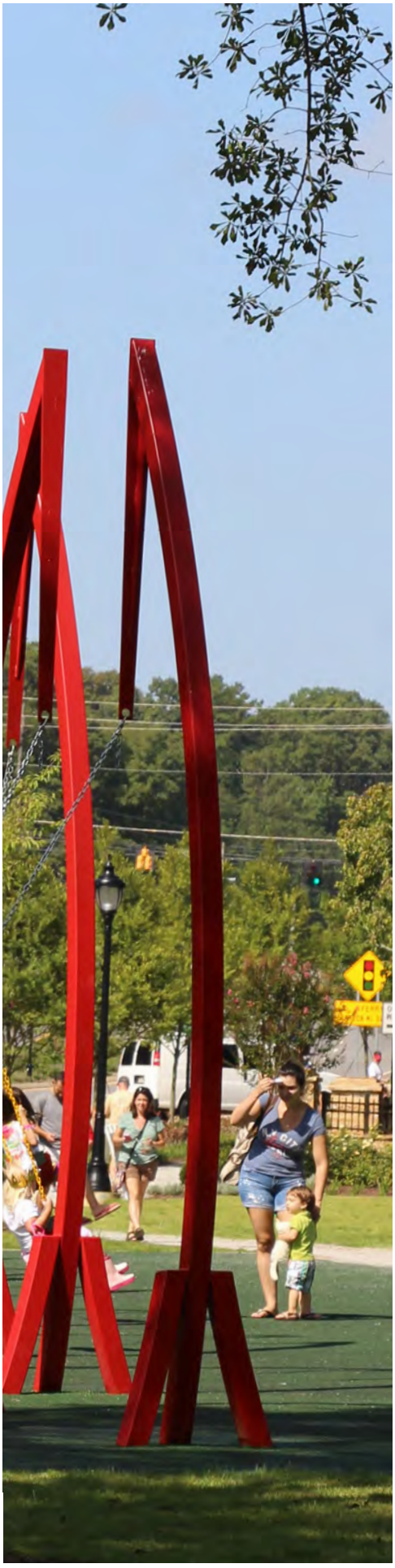
The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three years.

## NOTE 15. CHANGE IN REPORTING ENTITY

Previously, the City did not report the activity of the Sandy Springs Foundation (the "Foundation") due to its immateriality. For the year ended June 30, 2018, management elected to include the activity of the Foundation as a discretely presented component unit. Therefore, a restatement to beginning fund balance and net position of the Foundation was necessary to show the portion of beginning fund balance and net position applicable to the Foundation as follows:

| | |
|---|---|
| Beginning fund balance, Sandy Springs Foundation | $ - |
| Inclusion as discretely presented component unit | 5,570 |
| Beginning fund balance, Sandy Springs Foundation as restated | $ 5,570 |

| | |
|---|---|
| Beginning net position, Sandy Springs Foundation | $ - |
| Inclusion as discretely presented component unit | 5,570 |
| Beginning net position, Sandy Springs Foundation as restated | $ 5,570 |



# 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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Property taxes | $ 32,225,000 | $ 32,225,000 | $ 35,019,831 | $ 2,794,831 |
| Sales taxes | 25,350,000 | 25,350,000 | 27,474,424 | 2,124,424 |
| Franchise taxes | 9,225,000 | 9,225,000 | 9,224,562 | (438) |
| Business taxes | 9,540,000 | 9,540,000 | 10,183,349 | 643,349 |
| Insurance premium tax | 5,500,000 | 5,500,000 | 6,235,501 | 735,501 |
| Licenses and permits | 2,530,000 | 2,530,000 | 4,984,317 | 2,454,317 |
| Intergovernmental | - | 563,586 | 593,808 | 30,222 |
| Charges for services | 861,120 | 861,120 | 792,955 | (68,165) |
| Fines and forfeitures | 2,500,000 | 2,500,000 | 2,650,421 | 150,421 |
| Interest earned | 350,000 | 350,000 | 813,316 | 463,316 |
| Miscellaneous | 218,500 | 218,500 | 714,941 | 496,441 |
| Total revenues | 88,299,620 | 88,863,206 | 98,687,425 | 9,824,219 |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| **General government:** | | | | |
| Mayor and council | 224,822 | 224,822 | 210,431 | 14,391 |
| City manager | 1,073,778 | 1,073,778 | 953,291 | 120,487 |
| General operations | 5,101,177 | 4,926,177 | 3,977,882 | 948,295 |
| Legal services | 835,000 | 835,000 | 997,627 | (162,627) |
| Human Resources | 350,097 | 371,097 | 367,833 | 3,264 |
| Facilities and buildings | 3,035,002 | 3,035,002 | 2,544,769 | 490,233 |
| City clerk | 436,383 | 436,383 | 193,239 | 243,144 |
| Data processing/MIS | 2,785,303 | 2,831,303 | 2,729,418 | 101,885 |
| Public information | 1,683,231 | 1,683,231 | 1,569,551 | 113,680 |
| Total general government | 15,524,793 | 15,416,793 | 13,544,041 | 1,872,752 |
| **Judicial** | 1,852,270 | 1,852,270 | 1,619,227 | 233,043 |
| **Public safety:** | | | | |
| Police department | 22,751,845 | 22,751,845 | 20,218,896 | 2,532,949 |
| Fire department | 12,526,867 | 13,196,779 | 12,322,489 | 874,290 |
| E911 | 1,022,000 | 1,457,000 | 1,226,973 | 230,027 |
| Total public safety | 36,300,712 | 37,405,624 | 33,768,358 | 3,637,266 |
| **Public works:** | | | | |
| Public works | 13,211,951 | 13,211,951 | 11,494,848 | 1,717,103 |
| Sanitation and wastewater | 459,209 | 7,417,379 | 1,301,861 | 6,115,518 |
| Storm drainage | 800,000 | 1,850,000 | 633,080 | 1,216,920 |
| Total public works | 14,471,160 | 22,479,330 | 13,429,789 | 9,049,541 |
| **Culture and recreation** | | | | |
| Recreation | 4,698,615 | 4,698,615 | 3,907,661 | 790,954 |
| Special facilities | 1,208,942 | 1,208,942 | 996,467 | 212,475 |
| Total culture and recreation | 5,907,557 | 5,907,557 | 4,904,128 | 1,003,429 |

**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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Housing and development** | | | | |
| Building/inspection/code enforcement | $ 4,707,805 | $ 4,707,805 | $ 4,265,768 | $ 442,037 |
| Economic development | 387,785 | 387,785 | 329,454 | 58,331 |
| Parking | 118,513 | 118,513 | 125,833 | (7,320) |
| Total housing and development | 5,214,103 | 5,214,103 | 4,721,055 | 493,048 |
| **Debt service** | | | | |
| Principal | 1,071,612 | 1,071,612 | 1,071,612 | - |
| Interest | 93,923 | 93,923 | 93,923 | - |
| Total debt service | 1,165,535 | 1,165,535 | 1,165,535 | - |
| Total expenditures | 80,436,130 | 89,441,212 | 73,152,133 | 16,289,079 |
| Excess (deficiency)of revenues over expenditures | 7,863,490 | (578,006) | 25,535,292 | 26,113,298 |
| **Other financing sources (uses):** | | | | |
| Proceeds from sale of capital assets | 25,000 | 25,000 | 66,316 | 41,316 |
| Transfers in | 1,498,000 | 10,967,912 | 4,540,836 | (6,427,076) |
| Transfers out | (24,906,011) | (29,374,540) | (29,374,540) | - |
| Total other financing sources (uses) | (23,383,011) | (18,381,628) | (24,767,388) | (6,385,760) |
| Net change in fund balances | (15,519,521) | (18,959,634) | 767,904 | 19,727,538 |
| **Fund balance, beginning of year** | 42,498,657 | 42,498,657 | 42,498,657 | - |
| **Fund balance, end of year** | $ 26,979,136 | $ 23,539,023 | $ 43,266,561 | $ 19,727,538 |

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

# NONMAJOR GOVERNMENTAL FUNDS

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

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

**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.

**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, 2018

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| **ASSETS** | **Confiscated Assets Fund** | **E911 Fund** | **Tree Fund** | **Private Contributions Fund** |
| Cash | $ 958,572 | $ 158,061 | $ 384,427 | $ 522 |
| Taxes receivable | - | - | - | - |
| Intergovernmental receivable | - | - | - | - |
| Other receivable | - | 421,147 | - | - |
| Total assets | $ 958,572 | $ 579,208 | $ 384,427 | $ 522 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts payable | $ 504,381 | $ 579,208 | $ - | $ - |
| Due to other funds | - | - | - | - |
| Due to component unit | - | - | - | - |
| Total liabilities | 504,381 | 579,208 | - | - |
| **FUND BALANCES** | | | | |
| Restricted: | | | | |
| Public safety projects | 454,191 | - | - | - |
| Recreation | - | - | 100,000 | 522 |
| Infrastructure improvements | - | - | - | - |
| Committed: | | | | |
| Tree replacement | - | - | 284,427 | - |
| Total fund balances | 454,191 | - | 384,427 | 522 |
| Total liabilities and fund balances | $ 958,572 | $ 579,208 | $ 384,427 | $ 522 |

| Special Revenue Funds | | | Capital Projects Fund | |
|---|---|---|---|---|
| CDBG Fund | Hotel/ Motel Fund | Auto Excise Tax Fund | Impact Fees Fund | Total Nonmajor Governmental Funds |
| $ - | $ 472,527 | $ - | $ 9,387,404 | $ 11,361,513 |
| - | 478,316 | 8,404 | - | 486,720 |
| 119,387 | - | - | - | 119,387 |
| - | - | - | - | 421,147 |
| $ 119,387 | $ 950,843 | $ 8,404 | $ 9,387,404 | $ 12,388,767 |
| | | | | |
| $ 119,387 | $ - | $ - | $ - | $ 1,202,976 |
| - | 645,242 | 8,404 | 13,805 | 667,451 |
| - | 305,601 | - | - | 305,601 |
| 119,387 | 950,843 | 8,404 | 13,805 | 2,176,028 |
| | | | | |
| - | - | - | - | 454,191 |
| - | - | - | - | 100,522 |
| - | - | - | 9,373,599 | 9,373,599 |
| - | - | - | - | 284,427 |
| - | - | - | 9,373,599 | 10,212,739 |
| $ 119,387 | $ 950,843 | $ 8,404 | $ 9,387,404 | $ 12,388,767 |

# CITY OF SANDY SPRINGS, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
## NONMAJOR GOVERNMENTAL FUNDS
## FOR THE YEAR ENDED JUNE 30, 2018

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Confiscated Assets Fund | E911 Fund | Tree Fund | Private Contribtutions Fund |
| **REVENUES** | | | | |
| Taxes | $ - | $ - | $ - | $ - |
| Intergovernmental | - | - | - | - |
| Charges for services | - | 3,008,348 | 174,873 | - |
| Fines and forfeitures | 228,885 | - | - | - |
| Contributions | - | - | - | 8,264 |
| Total revenues | 228,885 | 3,008,348 | 174,873 | 8,264 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public safety | 142,691 | 3,008,348 | - | 12,744 |
| Culture and recreation | - | - | - | - |
| Housing and development | - | - | 40,803 | - |
| Total expenditures | 142,691 | 3,008,348 | 40,803 | 12,744 |
| **Excess (deficiency) of revenues over expenditures** | 86,194 | - | 134,070 | (4,480) |
| **OTHER FINANCING USES** | | | | |
| Transfers out | - | - | - | (26,276) |
| Total other financing uses | - | - | - | (26,276) |
| Net change in fund balances | 86,194 | - | 134,070 | (30,756) |
| **FUND BALANCES, beginning of year** | 367,997 | - | 250,357 | 31,278 |
| **FUND BALANCES, end of year** | $ 454,191 | $ - | $ 384,427 | $ 522 |

| Special Revenue Funds | | | Capital Projects Fund | |
|---|---|---|---|---|
| CDBG Fund | Hotel/ Motel Fund | Auto Excise Tax Fund | Impact Fees Fund | Total Nonmajor Governmental Funds |
| $ - | $ 5,531,780 | $ 110,781 | $ - | $ 5,642,561 |
| 716,496 | - | - | - | 716,496 |
| - | - | - | 7,040,817 | 10,224,038 |
| - | - | - | - | 228,885 |
| - | - | - | - | 8,264 |
| 716,496 | 5,531,780 | 110,781 | 7,040,817 | 16,820,244 |
| - | - | - | - | 3,163,783 |
| - | 1,777,914 | - | - | 1,777,914 |
| 716,496 | - | - | - | 757,299 |
| 716,496 | 1,777,914 | - | - | 5,698,996 |
| - | 3,753,866 | 110,781 | 7,040,817 | 11,121,248 |
| - | (3,753,866) | (110,781) | (2,050,175) | (5,941,098) |
| - | (3,753,866) | (110,781) | (2,050,175) | (5,941,098) |
| - | - | - | 4,990,642 | 5,180,150 |
| - | - | - | 4,382,957 | 5,032,589 |
| $ - | $ - | $ - | $ 9,373,599 | $ 10,212,739 |

# 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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Fines and forfeitures | $ 200,000 | $ 200,000 | $ 228,885 | $ 28,885 |
| Total revenues | 200,000 | 200,000 | 228,885 | 28,885 |
| **Expenditures:** | | | | |
| Public safety | 200,000 | 200,000 | 142,691 | 57,309 |
| Total expenditures | 200,000 | 200,000 | 142,691 | 57,309 |
| Net change in fund balances | - | - | 86,194 | 86,194 |
| **Fund balances, beginning of year** | 367,997 | 367,997 | 367,997 | - |
| **Fund balances, end of year** | $ 367,997 | $ 367,997 | $ 454,191 | $ 86,194 |

# 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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Charges for services | $ 2,700,000 | $ 2,700,000 | $ 3,008,348 | $ 308,348 |
| Total revenues | 2,700,000 | 2,700,000 | 3,008,348 | 308,348 |
| **Expenditures:** | | | | |
| Public safety | 2,700,000 | 2,700,000 | 3,008,348 | (308,348) |
| Total expenditures | 2,700,000 | 2,700,000 | 3,008,348 | (308,348) |
| Net change in fund balances | - | - | - | - |
| **Fund balances, beginning of year** | - | - | - | - |
| **Fund balances, end of year** | $ - | $ - | $ - | $ - |

# 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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Charges for services | $ 80,000 | $ 80,000 | $ 174,873 | $ 94,873 |
| Total revenues | 80,000 | 80,000 | 174,873 | 94,873 |
| **Expenditures:** | | | | |
| Housing and development | 244,084 | 244,084 | 40,803 | 203,281 |
| Total expenditures | 244,084 | 244,084 | 40,803 | 203,281 |
| Net change in fund balances | (164,084) | (164,084) | 134,070 | (298,154) |
| **Fund balances, beginning of year** | 250,357 | 250,357 | 250,357 | - |
| **Fund balances, end of year** | $ 86,273 | $ 86,273 | $ 384,427 | $ (298,154) |

# 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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Contributions | $ 15,000 | $ 17,500 | $ 8,264 | $ (9,236) |
| Total revenues | 15,000 | 17,500 | 8,264 | (9,236) |
| **Expenditures:** | | | | |
| Public safety | 10,000 | 17,500 | 12,744 | 4,756 |
| Culture and recreation | 5,000 | - | - | - |
| Total expenditures | 15,000 | 17,500 | 12,744 | 4,756 |
| Deficiency of revenues over expenditures | - | - | (4,480) | (4,480) |
| **Other financing uses:** | | | | |
| Transfers out | - | (20,000) | (26,276) | (6,276) |
| Total other financing uses | - | (20,000) | (26,276) | (6,276) |
| Net change in fund balances | - | (20,000) | (30,756) | (10,756) |
| **Fund balances, beginning of year** | 31,278 | 31,278 | 31,278 | - |
| **Fund balances, end of year** | $ 31,278 | $ 11,278 | $ 522 | $ (10,756) |

# 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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Intergovernmental | $ - | $ 1,366,590 | $ 716,496 | $ (650,094) |
| Total revenues | - | 1,366,590 | 716,496 | (650,094) |
| **Expenditures:** | | | | |
| Housing and development | - | 1,366,590 | 716,496 | 650,094 |
| Total expenditures | - | 1,366,590 | 716,496 | 650,094 |
| Net change in fund balances | - | - | - | - |
| **Fund balances, beginning of year** | - | - | - | - |
| **Fund balances, end of year** | $ - | $ - | $ - | $ - |

# 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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Taxes | $ 5,000,000 | $ 5,000,000 | $ 5,531,780 | $ 531,780 |
| Total revenues | 5,000,000 | 5,000,000 | 5,531,780 | 531,780 |
| **Expenditures:** | | | | |
| Culture and recreation | 1,607,000 | 1,607,000 | 1,777,914 | (170,914) |
| Total expenditures | 1,607,000 | 1,607,000 | 1,777,914 | (170,914) |
| Excess of revenues over expenditures | 3,393,000 | 3,393,000 | 3,753,866 | 360,866 |
| **Other financing uses:** | | | | |
| Transfers out | (3,393,000) | (3,393,000) | (3,753,866) | (360,866) |
| Total other financing uses | (3,393,000) | (3,393,000) | (3,753,866) | (360,866) |
| Net change in fund balances | - | - | - | - |
| **Fund balances, beginning of year** | - | - | - | - |
| **Fund balances, end of year** | $ - | $ - | $ - | $ - |

# 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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Taxes | $ 105,000 | $ 105,000 | $ 110,781 | $ 5,781 |
| Total revenues | 105,000 | 105,000 | 110,781 | 5,781 |
| Excess of revenues over expenditures | 105,000 | 105,000 | 110,781 | 5,781 |
| **Other financing uses:** | | | | |
| Transfers out | (105,000) | (105,000) | (110,781) | (5,781) |
| Total other financing uses | (105,000) | (105,000) | (110,781) | (5,781) |
| Net change in fund balances | - | - | - | - |
| **Fund balances, beginning of year** | - | - | - | - |
| **Fund balances, end of year** | $ - | $ - | $ - | $ - |

# 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, 2018

| PROJECT | ESTIMATED COST | | EXPENDITURES | | | PROJECT COMPLETION |
|---|---|---|---|---|---|---|
| | ORIGINAL | CURRENT | PRIOR | CURRENT | TOTAL | |
| **TSPLOST TIER 1** | | | | | | |
| Traffic Efficiency Improvements | $ 18,000,000 | $ 18,000,000 | $ 152,915 | $ 1,032,594 | $ 1,185,509 | 6.586 % |
| Perimeter Transit Last Mile Connectivity, Sidewalk Program, Mt. Vernon Highway Multiuse Path | 28,500,000 | 28,500,000 | 233,818 | 977,986 | 1,211,804 | 4.252 % |
| Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements, Hammond Drive, Phase 1 Efficiency Improvements | 41,649,009 | 41,649,009 | 308 | 1,744,837 | 1,745,145 | 4.190 % |
| **TSPLOST TIER 2** | | | | | | |
| 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 % |
| **TSPLOST TIER 3** | | | | | | |
| Roadway Maintenance and Paving | 15,617,086 | 15,617,086 | - | - | - | 0.000 % |
| **TOTAL TSPLOST** | $ 119,321,802 | $ 119,321,802 | $ 387,041 | $ 3,755,417 | $ 4,142,458 | |

# AGENCY FUND

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

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

# CITY OF SANDY SPRINGS, GEORGIA

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
## AGENCY FUND
## FOR THE YEAR ENDED JUNE 30, 2018

| | Balance July 1, 2017 | Additions | Deductions | Balance June 30, 2018 |
|---|---|---|---|---|
| **MUNICIPAL COURT FUND** | | | | |
| **Assets:** | | | | |
| Cash | $ 271,936 | $ 3,302,721 | $ 3,298,373 | $ 276,284 |
| **Liabilities:** | | | | |
| Due to others | $ 271,936 | $ 3,302,721 | $ 3,298,373 | $ 276,284 |

# COMPONENT UNITS

**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 Foundation** – To raise funds for the benefit of recreational, artistic and educational endeavors on any portion of the Performing Arts Center and the City Green.

**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, 2018

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 1,178,888 |
| Due from primary government | 305,601 |
| Prepaid items | 5,227 |
| Total assets | $ 1,489,716 |
| **LIABILITIES AND FUND BALANCE** | |
| **LIABILITIES** | |
| Accounts payable | $ 112,223 |
| Total liabilities | 112,223 |
| **FUND BALANCE** | |
| Restricted for tourism | 1,377,493 |
| Total fund balance | 1,377,493 |
| Total liabilities and fund balance | $ 1,489,716 |

# 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, 2018

| | |
|---|---|
| **REVENUES** | |
| Intergovernmental | $ 1,777,914 |
| Miscellaneous | 655 |
| Total revenues | 1,778,569 |
| **EXPENDITURES** | |
| Current: | |
| Housing and development | 1,935,160 |
| Total expenditures | 1,935,160 |
| Net change in fund balance | (156,591) |
| **FUND BALANCE, beginning of year** | 1,534,084 |
| **FUND BALANCE, end of year** | $ 1,377,493 |

# CITY OF SANDY SPRINGS, GEORGIA

## BALANCE SHEET
## COMPONENT UNIT - SANDY SPRINGS FOUNDATION
## JUNE 30, 2018

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 93,272 |
| Other receivables | 2,150,175 |
| Total assets | $ 2,243,447 |
| **LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE** | |
| **LIABILITIES** | |
| Accounts payable | $ 5,935 |
| Total liabilities | 5,935 |
| **DEFERRED INFLOW OF RESOURCES** | |
| Unavailable revenue | 1,720,000 |
| Total deferred inflow of resources | 1,720,000 |
| **FUND BALANCE** | |
| Restricted for recreation | 517,512 |
| Total fund balance | 517,512 |
| Total liabilities, deferred inflow of resources, and fund balance | $ 2,243,447 |

# CITY OF SANDY SPRINGS, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
## COMPONENT UNIT - SANDY SPRINGS FOUNDATION
## FOR THE YEAR ENDED JUNE 30, 2018

| | |
|---|---|
| **REVENUES** | |
| Contributions | $ 1,276,719 |
| Total revenues | 1,276,719 |
| **EXPENDITURES** | |
| Current: | |
| Culture and recreation | 764,777 |
| Total expenditures | 764,777 |
| Net change in fund balance | 511,942 |
| **FUND BALANCE, beginning of year, as restated** | 5,570 |
| **FUND BALANCE, end of year** | $ 517,512 |

# CITY OF SANDY SPRINGS, GEORGIA

## BALANCE SHEET
## COMPONENT UNIT - DEVELOPMENT AUTHORITY
## JUNE 30, 2018

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash | $ | 267,122 |
| Accounts receivable | | 122 |
| Total assets | $ | 267,244 |
| **FUND BALANCE** | | |
| Restricted for development | $ | 267,244 |
| Total fund balance | $ | 267,244 |

# CITY OF SANDY SPRINGS, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
## COMPONENT UNIT - DEVELOPMENT AUTHORITY
## FOR THE YEAR ENDED JUNE 30, 2018

| | |
|---|---|
| **REVENUES** | |
| Miscellaneous | $ 361,587 |
| Total revenues | 361,587 |
| **EXPENDITURES** | |
| Current: | |
| Community development | 441,876 |
| Total expenditures | 441,876 |
| Net change in fund balance | (80,289) |
| **FUND BALANCE, beginning of year** | 347,533 |
| **FUND BALANCE, end of year** | $ 267,244 |



# STATISTICAL SECTION

# STATISTICAL SECTION

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


**Page**

**Financial Trends** ..... **64**

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** ..... **69**

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

**Debt Capacity** ..... **74**

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** ..... **77**

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** ..... **79**

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)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| Primary government: | | | | | |
| Net investment in capital assets | $ 276,338,164 | $ 253,053,379 | $ 243,216,434 | $ 216,411,054 | $ 189,462,862 |
| Restricted | 61,044,391 | 8,476,972 | 5,755,644 | 3,658,688 | 3,394,508 |
| Unrestricted | 52,871,010 | 87,470,740 | 84,692,787 | 84,692,787 | 87,581,276 |
| Total primary government net position | $ 390,253,565 | $ 349,001,091 | $ 333,664,865 | $ 304,762,529 | $ 280,438,646 |

| 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|
| $ 170,948,189 | $ 161,513,083 | $ 152,866,760 | $ 145,320,434 | $ 134,611,236 |
| 2,706,067 | 2,026,724 | 422,094 | - | - |
| 82,177,486 | 74,749,546 | 55,282,364 | 54,452,631 | 48,473,993 |
| $ 255,831,742 | $ 238,289,353 | $ 208,571,218 | $ 199,773,065 | $ 183,085,229 |

# CITY OF SANDY SPRINGS, GEORGIA

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

| | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **Expenses** | | | | |
| General government | $ 14,774,462 | $ 12,198,772 | $ 11,497,805 | $ 10,882,951 |
| Judicial | 1,621,822 | 1,530,501 | 1,480,915 | 1,580,859 |
| Public safety | 37,471,210 | 35,514,365 | 34,184,497 | 37,612,816 |
| Public works | 22,343,592 | 18,888,072 | 16,052,761 | 18,784,694 |
| Culture and recreation | 12,125,056 | 8,545,292 | 15,500,207 | 6,506,492 |
| Housing and development | 5,750,697 | 5,872,460 | 5,294,454 | 3,953,501 |
| Interest on long-term debt | 6,317,627 | 6,421,029 | 4,541,961 (7) | 105,166 |
| Total expenses | $ 100,404,466 | $ 88,970,491 | $ 88,552,600 | $ 79,426,479 |
| **Program revenues** | | | | |
| Charges for services: | | | | |
| General government | $ 871,594 | $ 839,593 | $ 788,373 | $ 795,720 |
| Judicial | 2,650,421 | 2,611,790 | 2,850,289 | 3,295,524 |
| Public safety | 3,653,718 | 3,585,456 | 3,486,436 | 3,493,548 |
| Public works | 7,040,817 | 3,004,014 | 1,403,124 | 945,755 |
| Culture and recreation | 644,594 | 682,874 | 779,550 | 774,113 |
| Housing and development | 4,019,473 | 4,441,424 | 3,157,280 | 2,847,881 |
| Operating grants and contributions | 151,259 | 5,625 | 3,091 | 33,619 |
| Capital grants and contributions | 22,775,443 | 2,665,236 | 3,292,060 | 3,779,357 |
| Total program revenues | $ 41,807,319 | $ 17,836,012 | $ 15,760,203 | $ 15,965,517 |
| Net (expense)/revenue | $ (58,597,147) | $ (71,134,479) | $ (72,792,397) | $ (63,460,962) |
| **General Revenues and Other Changes in Net Position** | | | | |
| Taxes | | | | |
| Property taxes | $ 34,803,725 | $ 33,556,314 | $ 33,240,654 | $ 32,196,455 |
| Sales taxes | 27,474,424 | 29,989,575 | 25,812,125 | 25,513,897 |
| Other taxes | 31,285,973 | 30,980,394 | 30,749,432 | 28,949,996 |
| Unrestricted investment earnings | 912,960 | 1,091,867 | 489,424 | 200,608 |
| Contributions not restricted to specific programs | - | - | - | - |
| Miscellaneous revenues | 2,811,263 | 790,598 | 614,813 | 923,889 |
| Gain on sale of capital assets | 2,561,276 | 850,242 | - | - |
| Total | $ 99,849,621 | $ 97,258,990 | $ 90,906,448 | $ 87,784,845 |
| **Change in Net Position** | $ 41,252,474 | $ 26,124,511 | $ 18,114,051 | $ 24,323,883 |

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.

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| $ 11,467,033 | $ 10,830,697 | $ 10,887,073 | $ 15,144,396 | $ 15,710,228 | $ 15,111,854 |
| 1,660,176 | 1,691,681 | 1,459,938 (5) | 1,945,524 (4) | 859,627 | 1,149,765 |
| 33,310,061 | 39,889,067 (6) | 30,106,163 | 32,710,740 (2) | 28,804,834 (1) | 25,720,258 |
| 21,225,313 | 19,079,592 | 15,472,596 | 15,837,964 | 17,971,905 | 19,643,196 |
| 6,086,076 | 5,803,498 | 5,593,442 (5) | 7,357,811 | 5,154,082 | 3,827,709 |
| 3,733,446 | 3,238,942 | 2,065,861 (5) | 3,164,420 (3) | 6,469,377 | 6,506,536 |
| 122,202 | 90,881 | 187,350 | 221,804 | 176,855 | 299,772 |
| $ 77,604,307 | $ 80,624,358 | $ 65,772,423 | $ 76,382,659 | $ 75,146,908 | $ 72,259,090 |
| | | | | | |
| $ 746,020 | $ 826,641 | $ 668,931 | $ 750,711 | $ 806,746 | $ 722,753 |
| 3,417,669 | 3,324,956 | 3,271,883 | 3,769,291 | 4,290,960 | 4,657,134 |
| 3,122,072 | 3,554,021 | 2,702,483 | 3,052,392 | 2,707,819 (1) | 362,585 |
| 1,127,751 | 465,425 | 1,223,719 | 601,604 | 786,177 | 529,103 |
| 848,996 | 945,132 | 808,689 | 689,294 | 607,460 | 376,610 |
| 2,061,439 | 1,663,665 | 1,147,143 | 650,203 | 692,252 | 865,063 |
| 34,733 | 25,462 | 137,855 | 251,227 | 151,796 | 17,397 |
| 6,503,664 | 7,024,050 | 5,955,742 | 3,087,167 | 4,012,715 | 3,911,180 |
| $ 17,862,344 | $ 17,829,352 | $ 15,916,445 | $ 12,851,889 | $ 14,055,925 | $ 11,441,825 |
| $ (59,741,963) | $ (62,795,006) | $ (49,855,978) | $ (63,530,770) | $ (61,090,983) | $ (60,817,265) |
| | | | | | |
| $ 30,945,648 | $ 29,173,500 | $ 29,268,099 | $ 30,230,477 | $ 31,639,678 | $ 31,870,456 |
| 24,444,122 | 23,727,126 | 23,717,444 | 21,683,618 | 22,021,114 | 21,652,231 |
| 27,864,930 | 26,793,423 | 26,040,432 | 24,568,708 | 26,358,226 | 26,963,754 |
| 113,666 | 147,672 | 205,572 | 166,946 | 300,151 | 953,901 |
| - | - | - | - | - | - |
| 980,501 | 482,999 | 342,566 | 179,935 | 193,516 | 378,119 |
| - | 12,675 | - | - | - | - |
| $ 84,348,867 | $ 80,337,395 | $ 79,574,113 | $ 76,829,684 | $ 80,512,685 | $ 81,818,461 |
| $ 24,606,904 | $ 17,542,389 | $ 29,718,135 | $ 13,298,914 | $ 19,421,702 | $ 21,001,196 |

# CITY OF SANDY SPRINGS, GEORGIA

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

| Fiscal Year | Property Taxes | Sales Taxes | Hotel/Motel Taxes | Franchise Taxes | Business Taxes | Total |
|---|---|---|---|---|---|---|
| 2009 | $ 31,870,456 | $ 21,652,231 | $ 3,691,845 | $ 8,561,728 | $ 14,710,181 | $ 80,486,441 |
| 2010 | 31,639,678 | 22,021,114 | 3,322,710 | 8,207,816 | 14,827,700 | 80,019,018 |
| 2011 | 30,230,477 | 21,683,618 | 3,536,794 | 8,660,869 | 12,371,045 | 76,482,803 |
| 2012 | 29,268,099 | 23,717,444 | 3,695,536 | 9,593,906 | 12,750,990 | 79,025,975 |
| 2013 | 29,173,500 | 23,727,126 | 3,763,907 | 9,311,894 | 13,717,622 | 79,694,049 |
| 2014 | 30,945,648 | 24,444,122 | 3,866,704 | 9,164,266 | 14,833,960 | 83,254,700 |
| 2015 | 32,196,455 | 25,513,897 | 4,462,241 | 9,671,503 | 14,816,252 | 86,660,348 |
| 2016 | 33,240,654 | 25,812,125 | 5,262,170 | 9,842,953 | 15,644,309 | 89,802,211 |
| 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 |

# CITY OF SANDY SPRINGS, GEORGIA

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| General Fund | | | | | |
| Reserved | $ - | $ - | $ - | $ - | $ - |
| Unreserved | - | - | - | - | - |
| Nonspendable - Prepaids | 308,894 | 835,278 | 133,121 | - | 2,003 |
| Committed - Recreation | - | - | - | - | - |
| Assigned - Stormwater projects | 3,058,310 | 2,993,250 | 2,551,567 | 989,978 | 467,379 |
| Appropriations of fund balance for next fiscal year's budget | 14,526,344 | 16,775,312 | 12,758,427 | 9,532,370 | 7,056,652 |
| Unassigned | 25,373,013 | 21,894,817 | 22,341,887 | 25,341,826 | 26,400,192 |
| Total general fund | $ 43,266,561 | $ 42,498,657 | $ 37,785,002 | $ 35,864,174 | $ 33,926,226 |
| All Other Governmental Funds | | | | | |
| Unreserved, reported in: | | | | | |
| Special revenue funds | $ - | $ - | $ - | $ - | $ - |
| Capital projects funds | - | - | - | - | - |
| Debt service fund | - | - | - | - | - |
| Restricted: | | | | | |
| Public safety | 454,191 | 367,997 | 243,874 | 680,588 | 826,567 |
| Tourism | - | - | - | 1,101 | 1,101 |
| Recreation | 100,522 | 31,278 | 121,603 | 123,385 | 106,448 |
| Infrastructure improvements | 27,106,782 | 8,077,697 | 2,989,421 | 2,853,614 | 2,384,926 |
| Debt service | - | - | 3,657,953 (b) | - | - |
| Capital projects | 25,388,237 | 55,340,593 | 145,089,744 (b) | - | - |
| Restricted: | | | | | |
| Tree replacement | 284,427 | 250,357 | - | - | - |
| Recreation | 285,325 | - | - | - | - |
| Assigned: | | | | | |
| Infrastructure improvements | 11,812,923 | 31,805,684 | 31,887,995 | 49,572,700 | 54,276,325 |
| Community development | - | - | 41,678 | 41,678 | 38,469 |
| Total all other governmental funds | $ 65,432,407 | $ 95,873,606 | $ 184,032,268 | $ 53,273,066 | $ 57,633,836 |

(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.

| 2013 | 2012 | 2011 (a) | 2010 | 2009 |
|---|---|---|---|---|
| $ - | $ - | $ - | $ 1,300,071 | $ 1,462,461 |
| - | - | - | 19,903,286 | 23,483,803 |
| 4,894,352 | 219,553 | 72,022 | - | - |
| - | 12,761 | 12,237 | - | - |
| 906,466 | 1,558,193 | 425,864 | - | - |
| 7,266,222 | 11,168,204 | - | - | - |
| 20,522,843 | 21,766,616 | 20,944,346 | - | - |
| $ 33,589,883 | $ 34,725,327 | $ 21,454,469 | $ 21,203,357 | $ 24,946,264 |
| | | | | |
| $ - | $ - | $ - | $ 367,860 | $ 320,488 |
| - | - | - | 27,885,013 | 20,079,444 |
| - | - | - | - | 50,357 |
| 867,578 | 346,442 | 343,914 | - | - |
| 1,075 | 987 | 923 | - | - |
| 122,086 | 130,621 | 77,257 | - | - |
| 1,715,328 | 1,548,674 | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 52,729,595 | 33,770,010 | 28,129,952 | - | - |
| 41,595 | 41,221 | 41,053 | - | - |
| $ 55,477,257 | $ 35,837,955 | $ 28,593,099 | $ 28,252,873 | $ 20,450,289 |

# CITY OF SANDY SPRINGS, GEORGIA

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

| | 2018 | 2017 | 2016 | 2015 | |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Taxes | $ 93,780,228 | $ 94,499,719 | $ 89,787,515 | $ 86,357,021 | |
| Licenses and permits | 4,984,317 | 5,284,871 | 4,069,503 | 3,817,492 | |
| Intergovernmental | 22,775,443 | 2,380,642 | 3,887,278 | 3,931,859 | |
| Charges for services | 11,016,993 | 6,914,186 | 5,288,144 | 4,596,207 | |
| Fines and forfeitures | 2,879,306 | 2,966,094 | 3,107,404 | 3,738,842 | |
| Contributions | 151,259 | 328,994 | 3,091 | 55,785 | |
| Interest earned | 912,960 | 1,091,867 | 489,424 | 200,608 | |
| Miscellaneous | 714,941 | 790,598 | 614,813 | 971,677 | |
| Total revenues | 137,215,447 | 114,256,971 | 107,247,172 | 103,669,491 | |
| **Expenditures** | | | | | |
| Current: | | | | | |
| General government | 21,743,685 | 18,482,980 | 15,900,684 | 28,833,479 | (11) |
| Judicial | 1,619,227 | 1,531,040 | 1,477,948 | 1,577,453 | |
| Public safety | 36,932,141 | 34,853,005 | 33,733,508 | 36,818,536 | |
| Public works | 30,090,874 | 26,117,779 | 27,296,011 | 26,276,197 | |
| Culture and recreation | 65,731,006 | 102,723,830 | 67,514,805 | (11) 6,815,373 | |
| Housing and development | 5,713,276 | 6,441,126 | 5,357,955 | 4,931,583 | |
| Debt service: | | | | | |
| Principal | 3,581,612 | 4,016,664 | 791,182 | 776,790 | |
| Interest | 7,335,973 | 7,470,230 | 3,810,937 | 107,079 | |
| Costs of issuance | - | - | 914,011 | - | |
| Total expenditures | 172,747,794 | 201,636,654 | 156,797,041 | 106,136,490 | |
| Excess (deficiency) of revenues over (under) expenditures | (35,532,347) | (87,379,683) | (49,549,869) | (2,466,999) | |
| **Other Financing Sources (Uses)** | | | | | |
| Issuance of long term debt | - | 388,305 | 182,196,838 | - | |
| Proceeds from sale of capital assets | 5,859,052 | 3,546,371 | 33,061 | 44,177 | |
| Transfers in | 37,190,638 | 30,672,451 | 52,802,746 | 31,191,169 | |
| Transfers out | (37,190,638) | (30,672,451) | (52,802,746) | (31,191,169) | |
| Total other financing sources (uses) | 5,859,052 | 3,934,676 | 182,229,899 | 44,177 | |
| Net change in fund balances | $ (29,673,295) | $ (83,445,007) | $ 132,680,030 | $ (2,422,822) | |
| Debt service as a percentage of noncapital expenditures | 11.3% | 9.1% | 5.6% | 1.2% | |

(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.

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| $ 83,324,826 | $ 79,868,967 | $ 79,343,825 | $ 76,309,783 (8) | $ 80,898,625 | $ 80,218,315 |
| 2,906,357 | 2,482,713 | 1,851,971 | 1,302,189 | 1,346,983 | 1,965,630 |
| 5,480,553 | 6,528,813 | 5,885,742 | 3,417,008 | 4,155,881 | 3,860,706 |
| 4,767,729 | 4,264,512 | 4,551,376 | 4,275,388 | 3,856,201 (1) | 582,733 |
| 3,649,861 | 4,032,615 | 3,419,501 | 3,935,918 | 4,481,207 | 4,964,885 |
| 34,733 | 25,462 | 137,855 | 68,753 | 147,073 | 167,772 |
| 113,666 | 147,672 | 205,572 | 166,946 | 300,151 | 953,901 |
| 980,501 | 482,999 | 292,566 | 179,021 | 185,604 | 448,121 |
| 101,258,226 | 97,833,753 | 95,688,408 | 89,655,006 | 95,371,725 | 93,162,063 |
| | | | | | |
| 18,791,585 (10) | 12,105,333 | 11,048,889 (9) | 15,463,566 | 15,774,609 | 23,123,876 |
| 1,657,894 | 1,691,077 | 1,459,938 | 1,945,524 (5) | 859,627 | 1,149,765 |
| 36,939,432 (10) | 31,338,228 | 31,003,258 | 33,099,211 (3) | 30,213,605 (1) | 26,677,292 |
| 25,725,759 | 24,765,819 | 21,642,758 (9) | 27,737,474 (6) | 22,256,953 | 23,866,587 |
| 12,018,423 (10) | 6,414,601 | 5,932,476 (9) | 7,219,744 (7) | 13,437,115 (2) | 7,442,979 |
| 4,474,792 | 3,556,669 | 2,753,603 (9) | 3,764,554 (4) | 6,990,292 | 6,506,536 |
| | | | | | |
| 978,094 | 2,928,142 | 1,191,289 | 1,111,221 | 1,740,939 | 3,266,252 |
| 121,562 | 97,087 | 190,483 | 223,288 | 163,435 | 307,919 |
| - | - | - | - | - | - |
| 100,707,541 | 82,896,956 | 75,222,694 | 90,564,582 | 91,436,575 | 92,341,206 |
| | | | | | |
| 550,685 | 14,936,797 | 20,465,714 | (909,576) | 3,935,150 | 820,857 |
| | | | | | |
| 725,000 | 3,507,449 | - | 1,500,000 | 7,912 | - |
| 1,217,237 | 59,612 | 50,000 | 914 | - | - |
| 26,177,079 | 29,057,954 | 13,566,119 | 16,062,062 | 26,375,804 | 34,746,391 |
| (26,177,079) | (29,057,954) | (13,566,119) | (16,062,062) | (26,375,804) | (34,746,391) |
| 1,942,237 | 3,567,061 | 50,000 | 1,500,914 | 7,912 | - |
| | | | | | |
| $ 2,492,922 | $ 18,503,858 | $ 20,515,714 | $ 591,338 | $ 3,943,062 | $ 820,857 |
| | | | | | |
| 1.5% | 4.3% | 2.2% | 1.8% | 2.7% | 4.9% |

# CITY OF SANDY SPRINGS, GEORGIA

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

| Fiscal Year | Property Taxes | Sales Taxes | Hotel/Motel Taxes | Franchise Taxes | Business Taxes | Total |
|---|---|---|---|---|---|---|
| 2009 | $ 32,061,197 | $ 21,193,266 | $ 3,691,845 | $ 8,561,826 | $ 14,710,181 | $ 80,218,315 |
| 2010 | 32,100,781 | 22,439,282 | 3,322,710 | 8,208,152 | 14,827,700 | 80,898,625 |
| 2011 | 30,018,679 | 21,724,415 | 3,536,794 | 8,658,850 | 12,371,045 | 76,309,783 |
| 2012 | 29,525,159 | 23,717,444 | 3,695,536 | 9,654,696 | 12,750,990 | 79,343,825 |
| 2013 | 29,348,418 | 23,727,126 | 3,763,907 | 9,311,894 | 13,717,622 | 79,868,967 |
| 2014 | 31,015,774 | 24,444,122 | 3,866,704 | 9,164,266 | 14,833,960 | 83,324,826 |
| 2015 | 31,893,128 | 25,513,897 | 4,462,241 | 9,671,503 | 14,816,252 | 86,357,021 |
| 2016 | 33,225,958 | 25,812,125 | 5,262,170 | 9,842,953 | 15,644,309 | 89,787,515 |
| 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 |

# 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) |
| 2009 | $ 4,096,518,200 | $ 3,072,660,470 | $ 14,882,750 | $ 308,440 | $ 310,256,370 | $ 36,383,866 |
| 2010 | 3,966,218,590 | 3,001,056,530 | 13,647,940 | 290,480 | 274,825,840 | 45,563,644 |
| 2011 | 3,844,147,560 | 2,844,527,480 | 12,356,130 | 342,320 | 267,556,810 | 47,759,277 |
| 2012 | 3,756,986,980 | 2,681,350,440 | 9,188,790 | 411,200 | 286,683,680 | 50,794,652 |
| 2013 | 3,833,666,050 | 2,796,044,990 | 9,452,520 | 417,120 | 311,678,440 | 51,788,000 |
| 2014 | 3,890,836,390 | 2,692,498,250 | 8,588,690 | 312,520 | 267,150,490 | 68,968,965 |
| 2015 | 4,143,679,220 | 3,004,411,100 | 7,995,190 | 113,480 | 187,532,150 | 79,418,444 |
| 2016 | 4,274,611,200 | 3,178,568,040 | 9,964,420 | 113,480 | 128,485,280 | 58,405,806 |
| 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 |

Source: Fulton County Tax Commissioner

(1) Reflects conservation use.

| Less: Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---|---|---|---|---|
| $ 610,103,942 | $ 6,920,906,154 | 4.731 | $ 17,302,265,385 | 40% |
| 598,120,585 | 6,703,482,439 | 4.731 | 16,758,706,098 | 40% |
| 554,479,555 | 6,462,210,022 | 4.731 | 16,155,525,055 | 40% |
| 550,368,934 | 6,235,046,808 | 4.731 | 15,587,617,020 | 40% |
| 537,793,108 | 6,235,046,808 | 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% |

# 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 |
|---|---|---|---|---|---|---|---|
| | | | School District | | | | |
| | Sandy Springs (1) | Fulton County | Operating Millage | Debt Service Millage | Total School District Millage | State | |
| 2009 | 4.731 | 10.281 | 17.502 | - | 17.502 | 0.250 | 32.764 |
| 2010 | 4.731 | 10.281 | 18.502 | - | 18.502 | 0.250 | 33.764 |
| 2011 | 4.731 | 10.551 | 18.502 | - | 18.502 | 0.250 | 34.034 |
| 2012 | 4.731 | 10.551 | 18.502 | - | 18.502 | 0.250 | 34.034 |
| 2013 | 4.731 | 10.551 | 18.502 | - | 18.502 | 0.200 | 33.984 |
| 2014 | 4.731 | 10.551 | 18.502 | - | 18.502 | 0.200 | 33.984 |
| 2015 | 4.731 | 10.500 | 18.502 | - | 18.502 | 0.050 | 33.783 |
| 2016 | 4.731 | 10.700 | 18.483 | - | 18.483 | 0.000 | 33.914 |
| 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 |

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, 2018

| Taxpayer | 2018 Taxable Assessed Value | 2018 Rank | 2018 Percentage of Total Taxable Assessed Value | 2009 Taxable Assessed Value | 2009 Rank | 2009 Percentage of Total Taxable Assessed Value |
|---|---|---|---|---|---|---|
| Development Authority of Fulton County | $ 144,475,352 | 1 | 1.81 % | $ 82,966,331 | 1 | 1.20 % |
| REJV Concourse Atlanta LLC | 88,342,042 | 2 | 1.11 | | | |
| Cousins Northpark 500/600 LLC | 72,890,271 | 3 | 0.91 | | | |
| Georgia Power Company | 41,259,127 | 4 | 0.52 | | | |
| Concourse Owner V/VI LLC | 40,384,401 | 5 | 0.51 | | | |
| JMC E1 LLC | 35,309,360 | 6 | 0.44 | | | |
| AG APG Palisades Property Owner LLC | 35,200,000 | 7 | 0.44 | | | |
| Cousins Northpark 500/600 LLC | 35,175,360 | 8 | 0.44 | | | |
| BT Property LLC | 32,503,631 | 9 | 0.41 | 33,790,839 | 9 | 0.49 |
| Piedmonth 1155 PCW LLC | 30,996,320 | 10 | 0.39 | | | |
| Four Eight Prop LLC | | | | 80,199,121 | 2 | 1.17 |
| FULCOPROP Fifty Six, LLC | | | | 73,365,320 | 3 | 1.06 |
| AT&T Mobility LLC | | | | 71,570,670 | 4 | 1.03 |
| FULCOPROP 400, LLC | | | | 41,760,000 | 5 | 0.60 |
| Teachers Concourse LLC | | | | 36,742,801 | 6 | 0.53 |
| Vef V Atlanta Office One, LLC | | | | 34,561,640 | 7 | 0.50 |
| Highwoods DLF 97 26 DFL 99 32 | | | | 34,000,000 | 8 | 0.49 |
| SRI Seven Palisades, LLC | | | | 32,713,718 | 10 | 0.47 |
| Totals | $ 556,535,864 | | 6.97 % | $ 521,670,440 | | 7.54 % |

Source: Fulton County Tax Commissioner

# CITY OF SANDY SPRINGS, GEORGIA

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

| Fiscal Period Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2009 | $ 29,635,929 | $ 28,869,540 | 97.4 | $ 727,020 | $ 29,596,560 | 99.87 % |
| 2010 | 30,023,553 | 29,768,046 | 99.1 | 222,503 | 29,990,549 | 99.89 |
| 2011 | 28,645,938 | 28,201,259 | 98.4 | 418,566 | 28,619,825 | 99.91 |
| 2012 | 27,482,337 | 27,341,375 | 99.5 | 115,913 | 27,457,288 | 99.91 |
| 2013 | 27,145,118 | 26,489,079 | 97.6 | 634,873 | 27,123,952 | 99.92 |
| 2014 | 27,612,718 | 27,453,075 | 99.4 | 131,384 | 27,584,459 | 99.90 |
| 2015 | 28,502,532 | 28,290,291 | 99.3 | 180,041 | 28,470,332 | 99.89 |
| 2016 | 30,754,398 | 30,678,557 | 99.8 | 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 | - | 32,533,102 | 98.81 |

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

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, 2018

| Fiscal Year | Bonds Payable | Less: Amounts Restricted to Repaying Principal | Total | Percentage of Estimated Actual Taxable Value of Property (1) | Per Capita (2) |
|---|---|---|---|---|---|
| 2016 | $ 159,475,000 | $ 3,657,953 | $ 155,817,047 | 0.89% | $ 1,474 |
| 2017 | 157,035,000 | - | 157,035,000 | 0.87% | 1,486 |
| 2018 | 154,525,000 | - | 154,525,000 | 0.77% | 1,448 |

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, 2018

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|---|---|---|---|
| Overlapping general obligation debt: | | | |
| Fulton County | $ 201,939,000 | 11.864 % | $ 23,958,043 |
| Fulton County school district | 55,870,000 | 11.864 | 6,628,417 |
| Total overlapping debt | 257,809,000 | | 30,586,460 |
| City direct debt: | | | |
| Bonds payable | 172,229,890 | 100 | 172,229,890 |
| Notes payable | 2,397,156 | 100 | 2,397,156 |
| Capital leases | 1,678,431 | 100 | 1,678,431 |
| Total direct debt | 176,305,477 | | 176,305,477 |
| Total direct and overlapping debt | $ 434,114,477 | | $ 206,891,937 |

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

| Fiscal Period | Population (1) | Personal Income (amounts expressed in thousands) (1) | Per Capita Personal Income (1) | Median Age (1) | Unemployment Rate (2) |
|---|---|---|---|---|---|
| 2009 | 99,808 | $ 5,231,035 | $ 52,411 | 35.2 | 10.4 % |
| 2010 | 101,390 | 5,208,607 | 51,372 | 34.8 | 10.2 |
| 2011 | 93,853 | 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 |

(1) Source: U. S. Census Bureau

(2) Georgia Department of Labor

# CITY OF SANDY SPRINGS, GEORGIA

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

| | 2018 | | | 2009 | | |
|---|---|---|---|---|---|---|
| Employer | Employees (1) | Rank | Percentage of Total City Employment (2) | Employees (1) | Rank | Percentage of Total City Employment (2) |
| IBM Corp | 3,152 | 1 | 5.5% | 1,592 | 2 | 2.10% |
| Cox Communications | 2,563 | 2 | 4.4% | | | |
| United Parcel Services General | 2,072 | 3 | 3.6% | 1,678 | 1 | 2.20% |
| Cisco Systems, Inc | 1,148 | 4 | 2.0% | 492 | 10 | 0.60% |
| Manheim Auctions, Inc. | 1,136 | 5 | 2.0% | | | |
| VMWare Inc. | 1,100 | 6 | 1.9% | | | |
| Cox Enterprises | 992 | 7 | 1.7% | | | |
| Intercontinental Exchange, Inc. | 928 | 8 | 1.6% | | | |
| Oracle USA Inc | 912 | 9 | 1.6% | | | |
| Global Payments, Inc. | 763 | 10 | 1.3% | 496 | 9 | 0.60% |
| AT&T Mobility | | | | 938 | 3 | 1.20% |
| RBS Lynk Inc | | | | 641 | 4 | 0.80% |
| Ceridian Corp | | | | 603 | 5 | 0.80% |
| Autotrader.com | | | | 572 | 6 | 0.70% |
| Dunn Southwest | | | | 550 | 8 | 0.70% |
| Totals | 14,766 | | 25.6% | 7,562 | | 9.7% |

(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 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| General government | 53 | 50 | 50 | 49 | 46 | 46 | 46 | 46 | 63 | 63 |
| Judicial | 12 | 12 | 12 | 12 | 13 | 13 | 15 | 15 | 11 | 11 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 142 | 137 | 133 | 129 | 124 | 129 | 129 | 129 | 132 | 132 |
| Civilians | 37 | 22 | 22 | 22 | 14 | 17 | 17 | 17 | 7 | 7 |
| Fire | | | | | | | | | | |
| Firefighters (1) | 113 | 109 | 115 | 96 | 138 | 133 | 135 | 128 | 122 | 123 |
| Civilians | 7 | 4 | 1 | 1 | 1 | 2 | 2 | 2 | 17 | 16 |
| Public works | | | | | | | | | | |
| Highways and streets | 34 | 32 | 32 | 31 | 30 | 30 | 25 | 25 | 25 | 25 |
| Culture and recreation | 12 | 11 | 11 | 10 | 7 | 7 | 12 | 12 | 9 | 9 |
| Housing and development | 40 | 39 | 39 | 34 | 30 | 30 | 27 | 27 | 37 | 37 |
| Total | 450 | 416 | 415 | 384 | 403 | 407 | 408 | 401 | 423 | 423 |

Source: City of Sandy Springs Human Resources Department

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

# CITY OF SANDY SPRINGS, GEORGIA

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

| Function | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| General government | | | | | | | | | | |
| Ordinances approved | 30 | 35 | 38 | 48 | 32 | 26 | 36 | 38 | 82 | 70 |
| Court cases | 18,529 | 19,550 | 18,323 | 18,323 | 22,313 | 22,943 | 23,344 | 22,083 | 24,781 | 28,631 |
| Grants managed | 9 | 12 | 13 | 17 | 26 | 16 | 26 | 28 | 21 | 21 |
| Police | | | | | | | | | | |
| Calls for service | 111,374 | 121,704 | 93,201 | 95,138 | 99,525 | 102,319 | 85,480 | 61,727 | 91,494 | 84,393 |
| Part 1 crimes reported | 2,312 | 2,744 | 2,727 | 2,766 | 3,012 | 2,924 | 2,817 | 2,639 | 2,984 | 3,104 |
| Traffic citations issued | 35,979 | 23,936 | 24,125 | 21,274 | 22,877 | 21,519 | 21,266 | 22,976 | 20,467 | 20,933 |
| Fire | | | | | | | | | | |
| Incident responses | 12,049 | 13,251 | 10,853 | 11,347 | 12,177 | 12,069 | 10,567 | 10,769 | 12,668 | 15,885 |
| Average response time | 7.01 min | 7 | 7 | 7 | 7.5 minutes | 7 minutes | 6 minutes | 6.45 minutes | 6 minutes | 6 minutes |
| Fire safety programs conducted | 285 | 622 | 369 | 463 | 378 | 403 | 383 | 308 | 220 | 575 |
| Inspections conducted | 6,981 | 5,617 | 4,448 | 5,729 | 4,160 | 3,449 | 3,834 | 3,810 | 3,139 | 3,341 |
| Highways and streets | | | | | | | | | | |
| Traffic signals timed | 136 | 132 | 130 | 126 | 124 | 123 | 123 | 114 | 60 | 60 |
| Average days to repair pothole | 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 | 24 hr- emg/ 3 days |
| Community development | | | | | | | | | | |
| Stormwater plans reviewed | 85 | 87 | 68 | 57 | 42 | 55 | 29 | 21 | 64 | 65 |
| New building permits issued | 2,418 | 2,197 | 2,127 | 2,749 | 1,442 | 1,458 | 1,382 | 1,545 | 1,368 | 1,188 |
| Parcels annexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Culture and recreation | | | | | | | | | | |
| Park acres maintained | 272 | 272 | 220 | 220 | 220 | 227 | 220 | 220 | 225 | 225 |
| Park & facilities | 26 | 17 | 17 | 17 | 17 | 16 | 16 | 16 | 15 | 14 |
| Annual program registrants | 94,996 | 50,206 | 52,268 | 45,110 | 45,110 | 83,857 | 36,500 | 36,500 | (1) 9,050 | 9,010 |

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 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | |
| Stations (1) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Units | 205 | 191 | 191 | 176 | 156 | 137 | 165 | 156 | 131 | 100 |
| Patrol Zones | 9 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Fire stations | | | | | | | | | | |
| Leased (1) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Owned | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |
| Public Works | | | | | | | | | | |
| Streets (miles) | 302 | 302 | 360 | 360 | 360 | 360 | 360 | 360 | 360 | 360 |
| Traffic Signals | 136 | 132 | 126 | 126 | 123 | 123 | 123 | 114 | 122 | 119 |
| Culture and recreation | | | | | | | | | | |
| Park acreage | 272 | 272 | 220 | 220 | 220 | 227 | 220 | 220 | 219 | 219 |
| Recreational facilities | 26 | 17 | 17 | 17 | 17 | 16 | 16 | 16 | 15 | 14 |

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.