

City of Sandy Springs, Georgia

Comprehensive Annual Financial Report

For Fiscal Year Ending June 30, 2010



*Hammond Drive
Half Diamond Construction Project*



Career Day at High Point Elementary



Code Enforcement on a Case



Firefighters to the Rescue



Overlook Park at Morgan Falls



Peachtree Dunwoody Road Bridge

City of Sandy Springs, Georgia

Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2010

Prepared by:

Finance Department



Submitted by:

City Manager
John McDonough

CITY OF SANDY SPRINGS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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I n t r o d u c t o r y





December 20, 2010

Honorable Eva Galambos, Mayor,
Members of the City Council,
and Citizens of Sandy Springs, Georgia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Sandy Springs, Georgia, for the fiscal year ended June 30, 2010 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, CPA, 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, 2010 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 unqualified opinion that the City of Sandy Springs' financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors 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.

Finance



PROFILE OF THE GOVERNMENT

Sandy Springs was incorporated in December of 2005 after overcoming a 30 year struggle for independence. Located just north of the City of Atlanta, Sandy Springs occupies a land area of 37.7 square miles and serves a population of 101,390. Sandy Springs is home to one of the largest business districts in the state and is proud to host the largest suburban building in the United States, the 570-foot Concourse Towers. Twenty-two miles of shoreline from the Chattahoochee River are located within the jurisdiction, creating a unique recreational opportunity in a metropolitan setting.

Policy making and legislative authority of the government is vested in the mayor and six council members, who are elected for four-year terms. Each of the council members is 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 at the certification of the election and swearing into office. Elections are held every four years. The Mayor appoints, subject to confirmation by the council, a City Manager to carry out the administrative operations of the government. The City is empowered to levy a property tax on both real and personal property located within its boundaries and is qualified to levy all other taxes granted to municipalities within the State of Georgia.

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

Deploying a non-traditional approach to government services, the City holds one of the largest single contracts held by a municipal government for outsourced services and operations. The City provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. All services outside of public safety and top City staff are outsourced. Sanitation services are provided through relationships with private carriers. Water and sewer services are delivered to residential and commercial properties by the City of Atlanta and Fulton County. The City created a legally separate entity, the City of Sandy Springs Public Facilities Authority (the "Authority"), to assist with the leasing and multi-year contracting of capital facilities. Financial information for the Authority has not been included within this document since the Authority has been inactive to date. The Sandy Springs Hospitality Board is a component unit of the City and functions as the tourism and marketing arm of the government. In addition, the City has a joint venture with the City of Johns Creek for Emergency 911 services through the Chattahoochee River E911 Authority.

Finance



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. The City Manager may transfer resources within a department (within a fund) as deemed necessary. Transfers between departments or funds, however, need special approval from the City Council.

LOCAL ECONOMY

Sandy Springs is home to several Fortune 500 companies, including United Parcel Service (UPS), Cox Interprises, Newell Rubbermaid, Spectrum Brands, Mirant, and Mueller Water Products. The City's commercial properties comprise over 45% of the total tax digest by property value, ensuring a strong economic environment for the government. Sandy Springs also hosts three of the region's major hospitals; Northside Hospital, Saint Joseph's, and Children's Healthcare at Scottish Rite Hospital. This concentration of health care facilities is one of the largest in the Southeast.

This past year, there were 45,309 households in the City. The average household size was 2.23 people. Median household income was \$76,378 and per capita income was \$51,372. Median home value was \$328,624 and median age was 34.8 years. 80.6% of the Sandy Springs residents are white collar workers, 12.6% are in service careers and 6.8% are blue collar workers.

Sandy Springs has been named by Forbes.com as one of America's top 25 towns to live well in 2010. The study considered factors including employment rates, quality of life, weather, natural beauty, concentration of businesses and the school systems. It was also rated 9th most affluent city by Portfolio.com in 2010.

NATIONAL ECONOMY

Despite unprecedented government spending to encourage state and local governments to create more jobs, the unemployment rate continues to be in the double digits and consumer confidence has dropped sharply. The monetary crisis around the globe is having a trickle-down effect on all economies, including the United States. Due to the tremendous debt the country is holding recovery from this recession will take several years.

Single-family home prices unexpectedly climbed in April from March, driven by a final sales push before tax credits expired, but signs of a sustained recovery have yet to emerge, Standard & Poor's/Case Shiller home price indexes have shown. Home sales have fallen precipitously in the weeks since the April 30 end of tax credits of up to \$8,000, which pushed sales forward as buyers raced to lock in the incentive. Other reports have shown sales of new homes sank by a record 32.7 percent in May to the lowest level since record keeping began in the early 1960s, and existing home sales unexpectedly fell 2.2 percent in May. Applications to buy homes hover at 13-year lows.

LONG TERM FINANCIAL PLANNING

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

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. 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, or where a large proportion of their increased assessments falls on the back of homeowners, will roll back their millage rates. Thus, with the homestead exemptions, the Sandy Springs property tax can only rise 3% for homeowners.

Despite the negative impacts to the U.S. economy, Sandy Springs continues to enjoy a strong financial outlook. The City is expected to continue developing as an economic hub and preferred location for business and residential investment. Through planned growth and suitable expansion consistent with existing zoning, the governing body approved several distinctive commercial developments during Fiscal Year 2010. Additionally, the commercial community continues to experience significant re-development through builders and investors developing mixed use areas.

MAJOR INITIATIVES FOR THIS YEAR

Heritage Bluestone Building

The City Committed \$1,825,000 for the design and construction to renovate the basement level of the Heritage Bluestone facility.



Morgan Falls Athletic Fields

Four pavilions, retaining walls, streetscapes, infrastructure and field lighting were constructed during the year in the renovation of this ball park.



Morgan Falls Overlook Park

Design and construction on the Morgan Falls Overlook Park began on the parking lot, playground, pavilion, swings, restrooms, fire pit, historic chimney and a kayak storage building.



Big Trees

Restrooms and sewer connections have been planned at an estimated cost to the City of \$250,000.

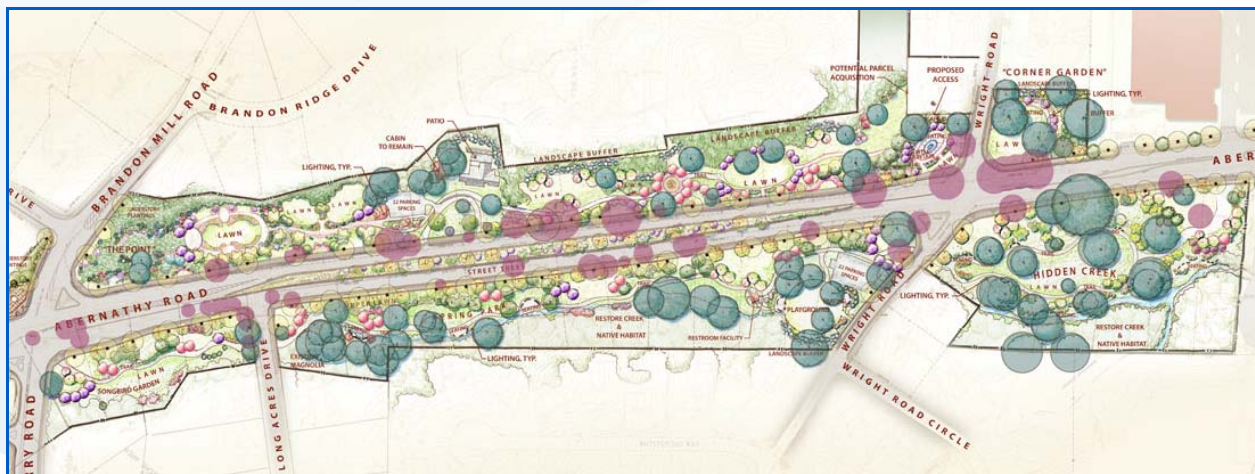
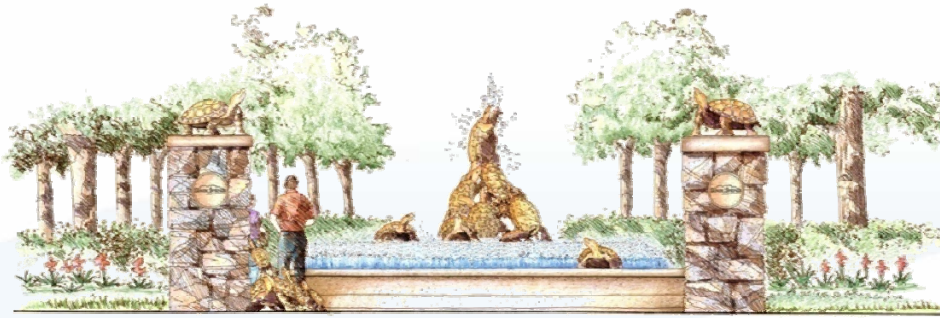
Lost Corners Preserve

The master plan for this green space park was started by hiring consultants and architects and getting feedback through community meetings.

Finance

Abernathy Greenway Park Phase I

Construction continued on this linear park in central Sandy Springs includes grading, drainage, landscaping, relocation of utilities, construction of multiuse paths, lighting, and perimeter fencing as well as hardscapes at the west and east entrances are under construction.



Abernathy Linear Park

INITIATIVES FOR FUTURE YEARS

Continued Construction on Park Facilities

Construction on some of the parks mentioned above continues. The City has committed an additional \$4.2 million for park improvements in the 2011 budget, including \$500,000 for the renovation of a new building and equipment for a gymnastics facility.

Acquisitions of Property

The City currently leases office space for general operations and public safety. In 2009 the City purchased a building and land in central Sandy Springs for the future city center. \$3.5 million has been committed in the 2011 budget to acquire additional property for future construction of a city hall and public safety facilities.

Finance



Public Works Facilities

\$7.7 million is included in the 2011 capital budget for infrastructure improvements to roads, bridges, storm water drainage, sidewalks, intersections and traffic management. Specifically, the City has begun work on the widening of the I-285 bridge on Roswell Road, widening of Johnson Ferry Road and Abernathy Road, streetscape projects on Dunwoody Place and many more. The City currently has over 30 capital projects in various stages of construction and planning.

FINANCIAL POLICIES

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

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

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

Budgetary Controls. The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds and the debt service fund are included in the annual appropriated budget. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level within each fund. Administrative transfers of appropriations within a department may be authorized by the City Manager to meet unforeseen needs. Transfers of appropriations between departments or functions within a fund are reviewed with the City Council prior to approval. 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.

Finance



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, 2009. This was the fourth 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 of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

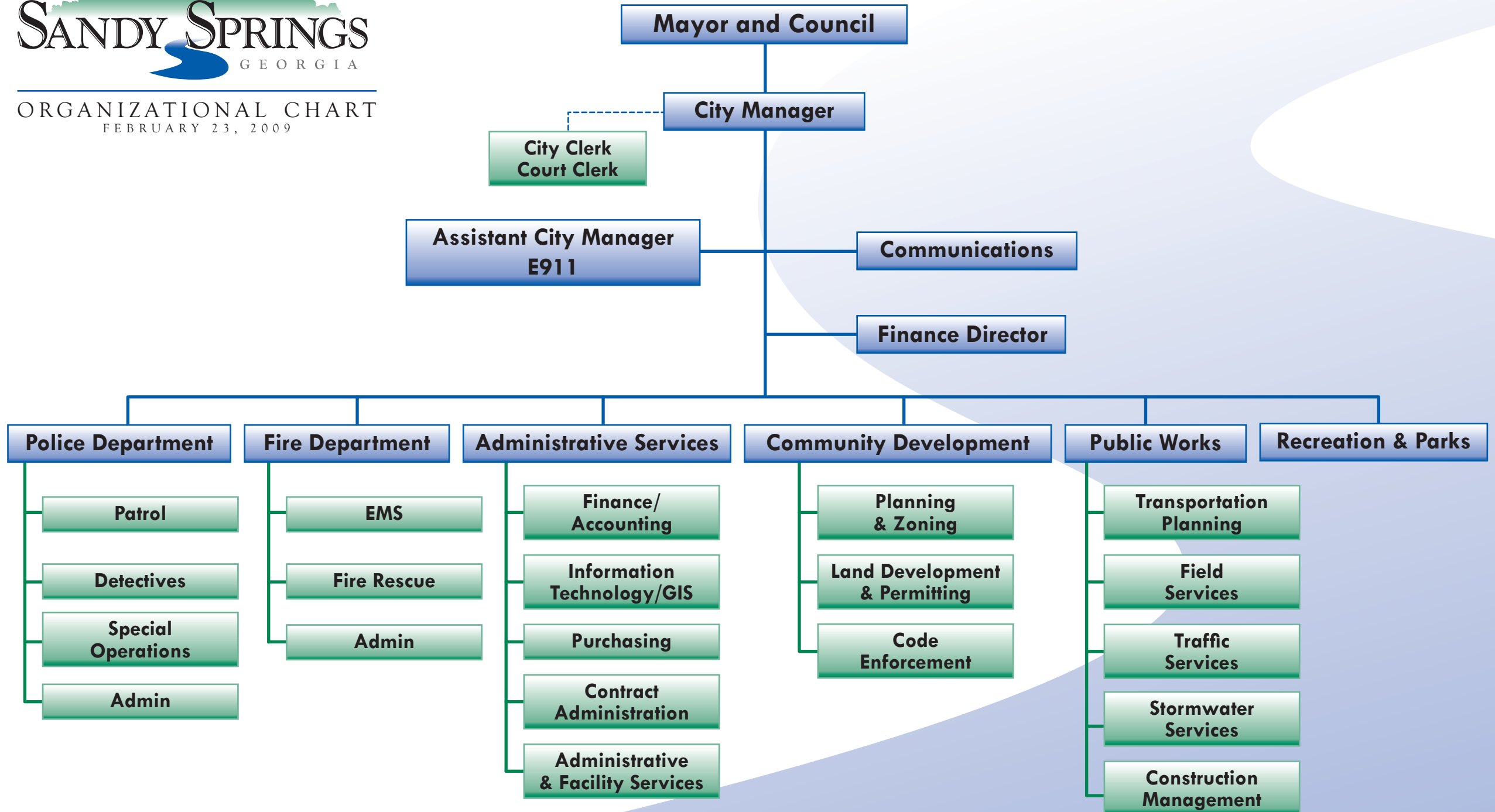
Acknowledgments. The preparation of the report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance Department, the auditors for the City and its component unit, and the cooperation of the City staff. My sincere appreciation is extended to each individual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

Respectfully submitted,

John McDonough
City Manager

Amy J. Davis, CPA
Finance Director

Finance



Mayor and City Council

Elected officials and manager as of June 30, 2010



**Mayor
Eva Galambos**



**Councilmember
Tibby DeJulio**



**Councilmember
Dianne Fries**



**Councilmember
John Paulson**



**Councilmember
Ashley Jenkins**



**Councilmember
Karen McEnerney**



**Councilmember
Chip Collins**

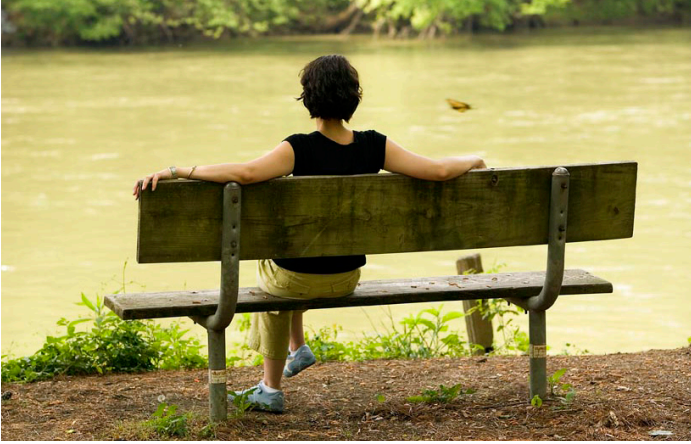


**City Manager
John McDonough**



City of Sandy Springs, Georgia

Listing of principal officials



Finance Director

Amy Davis, CPA

City Clerk

Michael Casey

Court Clerk

Vacant

Police Chief

Terry Sult

Fire Chief

Jack McElfish

City Attorney

Wendell Willard

City Auditors

Mauldin & Jenkins, LLC



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, 2009

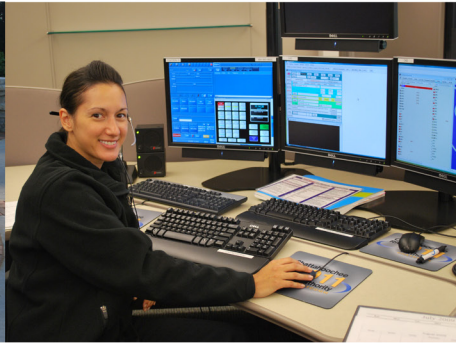
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

F i n a n c i a l



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Sandy Springs, Georgia**, as of and for the year ended June 30, 2010, which collectively comprise the City of Sandy Springs, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Sandy Springs, Georgia's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sandy Springs, Georgia as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010, on our consideration of the City of Sandy Springs, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 11 and 36 through 38 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, combining and individual fund statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 17, 2010

CITY OF SANDY SPRINGS, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Sandy Springs (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$199,773,065 (total net assets), which represents an increase of \$19,421,702 from the prior year. Of the total net assets, \$54,452,631, (unrestricted net assets) is available to meet the ongoing obligations of the government.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$49,456,230. This represents an increase of \$3,964,062 over the prior year in spite of a severe recession.
- Total governmental revenues were \$95,371,725.
- Total governmental expenditures were \$91,415,575.

Overview of the Financial Statements

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

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

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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 12 and 13 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, capital projects and federal grant funds, which are considered to be major funds.

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

The basic governmental fund financial statements can be found on pages 14 through 17 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 18 through 35 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedules as presented on a generally accepted accounting principal basis in this section. These schedules are intended to demonstrate the City's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 36 through 38 of this report.

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 33 through 35 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$199,773,065. This represents a \$19,421,702, or 10.77% increase over last year.

The largest portion of the City's net assets, \$145,320,434, reflects its investment in capital assets (e.g., buildings, machinery and equipment roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining portion of the City's net assets represents unrestricted net assets \$54,452,631 that is available to meet the ongoing obligations of the government. This amount is 72.46% of current governmental activities expenses. It also represents an increase of \$5,978,638 or 12.33%.

The City has current and other assets of \$62,424,127. These assets include \$50,785,817 of cash and cash equivalents. This is an increase of \$4,243,181, or 7.29% over the prior year.

The City's capital assets are \$151,202,965 which represents an increase of \$11,806,276, or 8.47% over the prior year.

Long term liabilities decreased by \$942,088 or 11.07% as the City continues to payoff capital leases related to the initial acquisitions of automobiles and other public safety equipment for fire and police operations.

At the end of the current fiscal year, the City reported positive balances in both net assets categories.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Sandy Springs' Net Assets

| | Governmental Activities | | Dollar Increase (Decrease) | Percent |
|--|-------------------------|-----------------------|-------------------------------|----------------|
| | 2010 | 2009 | | |
| Assets | | | | |
| Current and other assets | \$ 62,424,127 | \$ 58,180,946 | \$ 4,243,181 | 7.29 % |
| Capital assets, net of accumulated depreciation | 151,202,965 | 139,396,689 | 11,806,276 | 8.47 |
| Total assets | <u>213,627,092</u> | <u>197,577,635</u> | <u>16,049,457</u> | <u>8.12</u> |
| Liabilities | | | | |
| Current liabilities | 6,282,470 | 8,712,627 | (2,430,157) | (27.89) |
| Long-term liabilities | 7,571,557 | 8,513,645 | (942,088) | (11.07) |
| Total liabilities | <u>13,854,027</u> | <u>17,226,272</u> | <u>(3,372,245)</u> | <u>(19.58)</u> |
| Net assets | | | | |
| Invested in capital assets, net of related debt | 145,320,434 | 131,877,370 | 13,443,064 | 10.19 |
| Unrestricted | 54,452,631 | 48,473,993 | 5,978,638 | 12.33 |
| Total net assets | <u>\$ 199,773,065</u> | <u>\$ 180,351,363</u> | <u>\$ 19,421,702</u> | <u>10.77 %</u> |

Governmental activities. From inception and continuing through 2009, management has focused on acquiring human as well as physical infrastructure for ongoing City activities. Fiscal 2009 reflects normal operating activities as management has focused more on activities which have a direct impact on its citizens such as parks and road improvements.

Revenues: Charges for services, which includes fines and forfeitures, E911 telephone service charges and licenses and permits, increased \$2,378,166, or 31.65% primarily due to E911 revenue that had previously been recognized by Fulton County. Operating grants and contributions increased \$134,399 or 772.54% due to additional public safety grants for operations. Capital grants and contributions increased \$101,535 or 2.60% because of the recovery grants issued by the federal government to stimulate the economy. Property taxes have decreased slightly \$230,778 or .72% as a result of decreased commercial and residential property assessments by Fulton County. Sales and use taxes increased \$368,883 or 1.70%; Hotel /motel taxes decreased \$369,135 or 10.00%, franchise taxes decreased \$353,912 or 4.13% and business taxes increased \$117,519 or .80%, respectively, which is indicative of the volatility in the current economy. Investment earnings have decreased \$653,750 or 68.53% due to the lowering of interest rates by the federal reserve.

Expenses: General government expenses have increased \$598,374 or 3.96% as a result of increased services by the City's private contractor. Judicial expenses decreased \$290,138 or 25.23% due to key positions left vacant for a large portion of the year. Public safety expenses increased \$3,084,576 or 11.99% due to transfers to our newly created joint venture for emergency telephone dispatch services (Chattahoochee River 911 Authority). Public works expenses have decreased \$1,671,291, or 8.51% due to unusually high expenses in the prior year for capital projects such as road improvements, transportation planning, and stormwater maintenance projects. Culture and recreation expenses have increased \$1,326,373 or 34.65% which are tied to the opening of new facilities and parks and the creation and expansion of programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Sandy Springs' Changes in Net Assets

| | Governmental Activities | | Dollar Increase (Decrease) | Percent |
|---|-------------------------|-----------------------|-------------------------------|-------------|
| | 2010 | 2009 | | |
| Revenues | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 9,891,414 | \$ 7,513,248 | \$ 2,378,166 | 31.65 % |
| Operating grants and contributions | 151,796 | 17,397 | 134,399 | 772.54 |
| Capital grants and contributions | 4,012,715 | 3,911,180 | 101,535 | 2.60 |
| General revenues: | | | | |
| Property taxes | 31,639,678 | 31,870,456 | (230,778) | (0.72) |
| Sales taxes | 22,021,114 | 21,652,231 | 368,883 | 1.70 |
| Hotel/motel taxes | 3,322,710 | 3,691,845 | (369,135) | (10.00) |
| Franchise taxes | 8,207,816 | 8,561,728 | (353,912) | (4.13) |
| Business taxes | 14,827,700 | 14,710,181 | 117,519 | 0.80 |
| Unrestricted investment earnings | 300,151 | 953,901 | (653,750) | (68.53) |
| Miscellaneous revenues | 193,516 | 378,119 | (184,603) | (48.82) |
| Total revenues | <u>94,568,610</u> | <u>93,260,286</u> | <u>1,308,324</u> | <u>1.40</u> |
| Expenses | | | | |
| General government | 15,710,228 | 15,111,854 | 598,374 | 3.96 |
| Judicial | 859,627 | 1,149,765 | (290,138) | (25.23) |
| Public safety | 28,804,834 | 25,720,258 | 3,084,576 | 11.99 |
| Public works | 17,971,905 | 19,643,196 | (1,671,291) | (8.51) |
| Culture and recreation | 5,154,082 | 3,827,709 | 1,326,373 | 34.65 |
| Housing and development | 6,469,377 | 6,506,536 | (37,159) | (0.57) |
| Interest on long-term debt | 176,855 | 299,772 | (122,917) | (41.00) |
| Total expenses | <u>75,146,908</u> | <u>72,259,090</u> | <u>2,887,818</u> | <u>4.00</u> |
| Change in net assets | 19,421,702 | 21,001,196 | (1,579,494) | (7.52) |
| Net assets, beginning of year, restated | 180,351,363 | 159,350,167 | | |
| Net assets, end of year | <u>\$ 199,773,065</u> | <u>\$ 180,351,363</u> | | |

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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 2010 and 2009.

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

| | Governmental Funds | | Dollar Increase (Decrease) | Percent |
|---|----------------------|----------------------|-------------------------------|---------------|
| | 2010 | 2009 | | |
| Revenues | | | | |
| Taxes | \$ 80,898,625 | \$ 80,218,315 | \$ 680,310 | 0.85 % |
| Licenses and permits | 1,346,983 | 1,965,630 | (618,647) | (31.47) |
| Intergovernmental revenues | 4,155,881 | 3,860,706 | 295,175 | 7.65 |
| Fines and forfeitures | 4,481,207 | 4,964,885 | (483,678) | (9.74) |
| Charges for services | 3,856,201 | 582,733 | 3,273,468 | 561.74 |
| Interest income | 300,151 | 953,901 | (653,750) | (68.53) |
| Other | 332,677 | 615,893 | (283,216) | (45.98) |
| Total revenues | <u>95,371,725</u> | <u>93,162,063</u> | <u>2,209,662</u> | <u>2.37</u> |
| Expenditures | | | | |
| General government | 15,774,609 | 23,123,876 | (7,349,267) | (31.78) |
| Judicial | 859,627 | 1,149,765 | (290,138) | (25.23) |
| Public safety | 30,213,605 | 26,677,292 | 3,536,313 | 13.26 |
| Public works | 22,235,953 | 23,866,587 | (1,630,634) | (6.83) |
| Culture and recreation | 13,437,115 | 7,442,979 | 5,994,136 | 80.53 |
| Housing and development | 6,990,292 | 6,506,536 | 483,756 | 7.43 |
| Debt service | 1,904,374 | 3,574,171 | (1,669,797) | (46.72) |
| Total expenditures | <u>91,415,575</u> | <u>92,341,206</u> | <u>(925,631)</u> | <u>(1.00)</u> |
| Excess of revenues over expenditures | <u>3,956,150</u> | <u>820,857</u> | <u>3,135,293</u> | |
| Sale of capital assets | 7,912 | - | 7,912 | |
| Net change in fund balances | 3,964,062 | 820,857 | 3,143,205 | |
| Fund balances, beginning of year | 45,492,168 | 44,671,311 | 820,857 | |
| Fund balances, end of year | <u>\$ 49,456,230</u> | <u>\$ 45,492,168</u> | <u>\$ 3,964,062</u> | |

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$49,456,230. Of this balance, \$13,639,649 is designated for general fund operations and \$34,516,510 is considered unreserved and can be used to meet the near term operating needs of the City. Unreserved fund balance has remained virtually unchanged despite a difficult economy and maintains the City's adopted 25% designated fund balance reserve.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds continued

Tax revenues have increased \$680,310 or .85% primarily due to increases in sales tax revenues related to a rebounding economy. Licenses and permits revenue has decreased (\$618,647) or (31.47%) due to a 50% reduction in the fees charged to encourage growth. Intergovernmental revenues increased \$295,175 or 7.65% as we received more federal grant funds primarily related to transportation and infrastructure projects. Charges for services increased 3,273,468 or 561.74% primarily due to E911 revenue that was previously recognized by Fulton County, but is now charged by the City.

General government expenditures decreased \$7,349,267 or 31.78% as a result of expenditures in the amount of \$7.8 million in the prior year for the purchase of property designated for the future city hall. Public safety expenditures increased \$3,536,313 or 13.26% as a result of transfers to the newly created 911 center, a joint venture with the City of Johns Creek (Chattahoochee River 911 Authority). Public works expenditures decreased \$1,630,634 or 6.83% due to unusually high expenditure in the previous year for capital projects and infrastructure. Recreation expenditures have increased \$5,994,136 or 80.53% and include significant park additions and upgrades.

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 \$21,203,357, a decrease of (\$3,741,712) as fund balance reserves were used to fund equipment purchases for the new joint venture. As a measure of the liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 30.85% percent of total general fund expenditures and total fund balance represents 32.86%. Total revenues for the year are up slightly from last year, while total expenditures are up approximately \$3.8 million. The increase in expenditures is due to the additional public safety costs for E911 operations, and culture and recreation expenditures for park additions and upgrades.

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on pages 36 and 37. For fiscal 2010, the City had a favorable budget variance of \$11,945,288. There was a favorable revenue budget variance of \$2,742,428. In light of the current economic conditions, the original revenue budget reflected a very conservative amount for property tax revenue, however, as collections proved to be strong, the budget was amended upward by nearly \$3.3 million. Sales tax collections, however, did not materialize as expected and required a budget reduction of roughly \$1.4 million. The favorable budget variance for all expenditure categories was \$12,035,395 as management reduced expenditures to prepare for unknown future economic conditions. Included in the original budget for the general fund was \$8,185,000 for contingencies. Approximately \$2 million of this contingency was transferred to departments to cover additional programs, salary increases and equipment. In addition to those budget changes the City amended the budget for support of the E911 center (ChatComm) for operations in the amount of \$900,000 and \$2,057,000 for equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2010 the fund balance of this fund was \$27,751,414, which represents an increase over the prior year of \$7,669,647. The City operates on the philosophy that all revenues over and above what is required for operations in the general fund should be transferred for specific projects in the capital projects fund. Therefore, this increase represents amounts that have been allocated toward specific projects but are in various stages of completion. Specifically, the City has allocated money toward property acquisitions that have not yet been completed as of the date of this report.

As stated above, a significant amount of the resources in the capital projects fund are direct transfers from the general fund. In 2010, the general fund contributed \$23,647,716 toward capital projects. Revenues from state and federal transportation funds were \$2,925,505 and charges for services were \$49,934. Expenditures totaled \$18,953,508: \$151,567 for general government projects; \$352,620 for public safety projects; \$10,110,267 for public works projects; \$8,334,224 for culture and recreational projects and \$4,800 for housing and development projects.

Federal Grants Fund

All grants from federal agencies are accounted for in the Federal Grants Fund. At the end of 2010, the federal grants fund had a fund deficit of \$88,492, which is decrease over the prior year of \$51,265. Grant revenues for 2010 were \$588,743, which is a decrease from 2009 revenues of \$2,151,040 due to large transportation projects that were funded in that year. Expenditures were \$621,527: \$179,529 for public safety grants; \$324,251 for public works grants and \$117,747 for culture and recreation grants.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$151,202,965 (net of accumulated depreciation). These assets primarily reflect the donation of infrastructure assets at incorporation for roadways, sidewalks, culverts and signals; and the capital investment for police vehicles and other capital related equipment. This brings the City's financial statements fully into compliance with GASB 34 pronouncements.

Additional information on the City's capital assets can be found in note 6 on page 28 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

| | Governmental Activities | |
|--------------------------|-------------------------|-----------------------|
| | 2010 | 2009 |
| Land | \$ 20,461,121 | \$ 20,461,121 |
| Construction in progress | 35,620,990 | 19,807,364 |
| Buildings | 3,910,726 | 4,063,735 |
| Improvements | 2,935,493 | 2,802,814 |
| Machinery and equipment | 4,481,511 | 5,962,459 |
| Infrastructure | 83,793,124 | 86,299,196 |
| Total | <u>\$ 151,202,965</u> | <u>\$ 139,396,689</u> |

Long-term debt. At the end of fiscal year 2010, the City had total debt outstanding of \$5,882,531 primarily for police and fire start-up equipment. All debt is backed by the full faith and credit of the City.

Additional information on the City's long-term debt can be found in note 7 on pages 29 and 30 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 2011 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 2011 and 2012.
- 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 Spring's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, City of Sandy Springs, 7840 Roswell Road, City of Sandy Springs, Georgia, 30350, or by calling 770-730-5600.

CITY OF SANDY SPRINGS, GEORGIA

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

| | Primary Government | Component Unit |
|---|------------------------------------|--|
| | Governmental Activities | Sandy Springs Hospitality Board |
| ASSETS | | |
| Cash and cash equivalents | \$ 35,104,391 | \$ 980,482 |
| Investments | 15,681,426 | - |
| Taxes receivable | 1,432,058 | - |
| Accounts receivable | 627,296 | - |
| Due from other governments | 3,609,565 | - |
| Due from primary government | - | 174,237 |
| Due from component unit | 111,341 | - |
| Prepays | 378,850 | - |
| Investment in joint venture | 5,479,200 | - |
| Capital assets: | | |
| Nondepreciable | 56,082,111 | - |
| Depreciable, net of accumulated depreciation | 95,120,854 | - |
| Total assets | 213,627,092 | 1,154,719 |
| LIABILITIES | | |
| Accounts payable | 5,114,879 | 65,989 |
| Accrued liabilities | 993,354 | - |
| Due to component unit | 174,237 | - |
| Due to primary government | - | 111,341 |
| Compensated absences due within one year | 600,429 | - |
| Compensated absences due in more than one year | 522,758 | - |
| Claims and judgements, due within one year | 565,839 | - |
| Capital leases, due within one year | 33,257 | - |
| Capital leases, due in more than one year | 2,420,534 | - |
| Notes payable due within one year | 782,298 | - |
| Notes payable due in more than one year | 2,646,442 | - |
| Total liabilities | 13,854,027 | 177,330 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 145,320,434 | - |
| Unrestricted | 54,452,631 | 977,389 |
| Total net assets | \$ 199,773,065 | \$ 977,389 |

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, 2010**

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------|----------------------|-----------------------------|---|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 15,710,228 | \$ 806,746 | \$ 151,796 | \$ - |
| Judicial | 859,627 | 4,290,960 | - | - |
| Public safety | 28,804,834 | 2,707,819 | - | - |
| Public works | 17,971,905 | 786,177 | - | 2,676,129 |
| Culture and recreation | 5,154,082 | 607,460 | - | - |
| Housing and development | 6,469,377 | 692,252 | - | 1,336,586 |
| Interest on long-term debt | 176,855 | - | - | - |
| Total governmental activities | <u>75,146,908</u> | <u>9,891,414</u> | <u>151,796</u> | <u>4,012,715</u> |
| Total primary government | <u>\$ 75,146,908</u> | <u>\$ 9,891,414</u> | <u>\$ 151,796</u> | <u>\$ 4,012,715</u> |
| Component Unit | | | | |
| Sandy Springs Hospitality Board | \$ 966,454 | \$ - | \$ 966,467 | \$ - |
| | <u>\$ 966,454</u> | <u>\$ -</u> | <u>\$ 966,467</u> | <u>\$ -</u> |

General revenues:
 Property taxes
 Sales taxes
 Hotel/Motel taxes
 Franchise taxes
 Business taxes
 Insurance premium tax
 Unrestricted investment earnings
 Miscellaneous revenues
 Total general revenues
 Change in net assets
 Net assets, beginning of year, restated
 Net assets, end of year

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

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

| Primary Government | Component Unit |
|------------------------------------|--|
| Governmental Activities | Sandy Springs Hospitality Board |
| \$ (14,751,686) | \$ - |
| 3,431,333 | - |
| (26,097,015) | - |
| (14,509,599) | - |
| (4,546,622) | - |
| (4,440,539) | - |
| (176,855) | - |
| <u>(61,090,983)</u> | <u>-</u> |
| \$ (61,090,983) | \$ - |
| <u>\$ -</u> | <u>\$ 13</u> |
| <u>\$ -</u> | <u>\$ 13</u> |
| | |
| \$ 31,639,678 | \$ - |
| 22,021,114 | - |
| 3,322,710 | - |
| 8,207,816 | - |
| 10,071,235 | - |
| 4,756,465 | |
| 300,151 | 4,334 |
| 193,516 | 4,984 |
| <u>80,512,685</u> | <u>9,318</u> |
| 19,421,702 | 9,331 |
| <u>180,351,363</u> | <u>968,058</u> |
| \$ 199,773,065 | \$ 977,389 |

CITY OF SANDY SPRINGS, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

| ASSETS | General Fund | Capital Projects Fund | Federal Grant Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------------|----------------------------------|-------------------------------|--|---|
| Cash and cash equivalents | \$ 4,072,957 | \$ 29,442,401 | \$ - | \$ 1,589,033 | \$ 35,104,391 |
| Investments | 15,681,426 | - | - | - | 15,681,426 |
| Taxes receivable | 1,140,947 | - | - | 291,111 | 1,432,058 |
| Other receivables | 251,362 | - | - | 375,934 | 627,296 |
| Intergovernmental receivables | 2,749,339 | 669,277 | 190,949 | - | 3,609,565 |
| Due from other funds | 933,744 | - | - | - | 933,744 |
| Due from component unit | 111,341 | - | - | - | 111,341 |
| Prepays | 378,850 | - | - | - | 378,850 |
| Total assets | \$ 25,319,966 | \$ 30,111,678 | \$ 190,949 | \$ 2,256,078 | \$ 57,878,671 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 3,022,107 | \$ 1,598,878 | \$ 58,214 | \$ 435,680 | \$ 5,114,879 |
| Accrued liabilities | 10,035 | 614,019 | - | 343,693 | 967,747 |
| Deferred revenue | 1,084,467 | 147,367 | - | - | 1,231,834 |
| Due to other funds | - | - | 221,227 | 712,517 | 933,744 |
| Due to component unit | - | - | - | 174,237 | 174,237 |
| Total liabilities | 4,116,609 | 2,360,264 | 279,441 | 1,666,127 | 8,422,441 |
| FUND BALANCES | | | | | |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Stormwater projects | 921,221 | - | - | - | 921,221 |
| Prepays | 378,850 | - | - | - | 378,850 |
| Unreserved: | | | | | |
| Designated for operations | 13,639,649 | - | - | - | 13,639,649 |
| Undesignated, reported in: | | | | | |
| General Fund | 6,263,637 | - | - | - | 6,263,637 |
| Special revenue funds | - | - | (88,492) | 456,352 | 367,860 |
| Capital projects funds | - | 27,751,414 | - | 133,599 | 27,885,013 |
| Total fund balances (deficit) | 21,203,357 | 27,751,414 | (88,492) | 589,951 | 49,456,230 |
| Total liabilities and fund balances | \$ 25,319,966 | \$ 30,111,678 | \$ 190,949 | \$ 2,256,078 | |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | | 151,202,965 |
| Other assets which do not provide current financial resources and, therefore, are not reported in the funds. | | | | | 5,479,200 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | | | | (7,597,164) |
| Some revenues are not available in the current period and, therefore, are not reported in the funds. | | | | | 1,231,834 |
| Net assets of governmental activities | | | | | \$ 199,773,065 |

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, 2010**

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Federal Grant Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|----------------------------------|-------------------------------|--|---|
| Revenues: | | | | | |
| Property taxes | \$ 32,100,781 | \$ - | \$ - | \$ - | \$ 32,100,781 |
| Sales taxes | 22,439,282 | - | - | - | 22,439,282 |
| Hotel/Motel taxes | - | - | - | 3,322,710 | 3,322,710 |
| Franchise taxes | 8,208,152 | - | - | - | 8,208,152 |
| Business taxes | 10,071,235 | - | - | - | 10,071,235 |
| Insurance premium tax | 4,756,465 | - | - | - | 4,756,465 |
| Licenses and permits | 1,346,983 | - | - | - | 1,346,983 |
| Intergovernmental | 120,796 | 2,925,505 | 588,743 | 520,837 | 4,155,881 |
| Charges for services | 1,304,531 | 49,934 | - | 2,501,736 | 3,856,201 |
| Fines and forfeitures | 4,290,960 | - | - | 190,247 | 4,481,207 |
| Interest earned | 297,918 | - | - | 2,233 | 300,151 |
| Contributions | 125,100 | - | - | 21,973 | 147,073 |
| Miscellaneous | 185,604 | - | - | - | 185,604 |
| Total revenues | <u>85,247,807</u> | <u>2,975,439</u> | <u>588,743</u> | <u>6,559,736</u> | <u>95,371,725</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 15,623,042 | 151,567 | - | - | 15,774,609 |
| Judicial | 859,627 | - | - | - | 859,627 |
| Public safety | 27,054,970 | 352,620 | 179,529 | 2,626,486 | 30,213,605 |
| Public works | 11,285,291 | 10,110,297 | 324,251 | 516,114 | 22,235,953 |
| Culture and recreation | 2,579,889 | 8,334,224 | 117,747 | 2,405,255 | 13,437,115 |
| Housing and development | 6,985,097 | 4,800 | - | 395 | 6,990,292 |
| Debt service: | | | | | |
| Principal | 109,891 | - | - | 1,631,048 | 1,740,939 |
| Interest | 21,830 | - | - | 141,605 | 163,435 |
| Total expenditures | <u>64,519,637</u> | <u>18,953,508</u> | <u>621,527</u> | <u>7,320,903</u> | <u>91,415,575</u> |
| Excess (deficiency) of revenues over expenditures | <u>20,728,170</u> | <u>(15,978,069)</u> | <u>(32,784)</u> | <u>(761,167)</u> | <u>3,956,150</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | 7,912 | - | - | - | 7,912 |
| Transfers in | 928,595 | 23,647,716 | 36,377 | 1,763,116 | 26,375,804 |
| Transfers out | <u>(25,406,389)</u> | <u>-</u> | <u>(40,820)</u> | <u>(928,595)</u> | <u>(26,375,804)</u> |
| Total other financing sources (uses) | <u>(24,469,882)</u> | <u>23,647,716</u> | <u>(4,443)</u> | <u>834,521</u> | <u>7,912</u> |
| Net change in fund balances | <u>(3,741,712)</u> | <u>7,669,647</u> | <u>(37,227)</u> | <u>73,354</u> | <u>3,964,062</u> |
| Fund balances (deficit), beginning of year, restated | <u>24,945,069</u> | <u>20,081,767</u> | <u>(51,265)</u> | <u>516,597</u> | <u>45,492,168</u> |
| Fund balances (deficit), end of year | <u>\$ 21,203,357</u> | <u>\$ 27,751,414</u> | <u>\$ (88,492)</u> | <u>\$ 589,951</u> | <u>\$ 49,456,230</u> |

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

CITY OF SANDY SPRINGS, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

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

| | |
|---|----------------------|
| Net change in fund balances - total governmental funds | \$ 3,964,062 |
| 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. | 11,806,276 |
| Some long term assets, such as investment in joint ventures, are reported as expenditures in governmental funds and recognized as a long term asset on the statement of net assets. | 2,967,884 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (245,188) |
| The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net assets. | 1,740,939 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | <u>(812,271)</u> |
| Change in net assets - governmental activities | <u>\$ 19,421,702</u> |

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

CITY OF SANDY SPRINGS, GEORGIA

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2010**

| | ASSETS | Municipal Court Fund |
|-------------------|--------------------|---------------------------------|
| Cash | | <u>\$ 515,084</u> |
| Total assets | | <u><u>\$ 515,084</u></u> |
| | LIABILITIES | |
| Due to others | | <u>\$ 515,084</u> |
| Total liabilities | | <u><u>\$ 515,084</u></u> |

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

CITY OF SANDY SPRINGS, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. The primary government is reported separately from its discretely presented component unit. The statement of net assets 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 interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The City reports the following major governmental funds:

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

The **capital projects fund** is used to account for the capital expenditures made by the City.

The **federal grant fund** is used to account for the expenditures of federally funded grants made by the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the City reports the following fund type:

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

D. Encumbrances

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances would then be a reservation 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, 2010, 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, special revenue funds, and debt service fund. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended June 30, 2010, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

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

F. Cash and Investments

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

NOTES TO FINANCIAL STATEMENTS

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, 2010, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received.

J. Capital Assets

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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.

L. 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 assets.

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

M. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

N. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$7,597,164 difference are as follows:

| | |
|--|------------------------------|
| Notes payable | \$ (3,428,740) |
| Capital lease payable | (2,453,791) |
| Compensated absences (i.e., vacation) | (1,123,187) |
| Claims and judgements payable | (565,839) |
| Accrued interest | <u>(25,607)</u> |
| Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | <u><u>\$ (7,597,164)</u></u> |

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net assets 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 \$11,806,276 difference are as follows:

| | |
|---|-----------------------------|
| Capital outlay | \$ 19,628,248 |
| Depreciation expense | <u>(7,821,972)</u> |
| Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets - governmental activities</i> | <u><u>\$ 11,806,276</u></u> |

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of 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 \$812,271 difference are as follows:

| | |
|---|-------------------------|
| Compensated absences (i.e., vacation) | \$ (233,012) |
| Claims and judgements | (565,839) |
| Accrued interest | <u>(13,420)</u> |
| Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets - governmental activities</i> | <u>\$ (812,271)</u> |

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

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

The following fund had an excess of actual expenditures over appropriations for the fiscal period ended June 30, 2010:

| | |
|---------------------------------------|------------|
| General Fund - General administration | \$ 373,914 |
| Hotel/Motel Fund | 83,891 |

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2010 are summarized as follows:

| | | |
|--|----|-------------------|
| Statement of Net Assets: | | |
| Cash and cash equivalents | \$ | 35,104,391 |
| Statement of Fiduciary Net Assets: | | |
| Cash - Agency fund | | 515,084 |
| | \$ | <u>35,619,475</u> |
| Cash deposited with financial institutions | \$ | 12,843,160 |
| Cash deposited with Georgia fund 1 | | 22,776,315 |
| | \$ | <u>35,619,475</u> |

Credit risk. State statutes and the City's policies authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2010, the City's investment in Georgia Fund 1 received a rating of AAAM by Standard & Poor's. As of June 30, 2010, the City's investment in Federal Home Loan security received a rating of AAA by Moody's.

As of June 30, 2010, the City had the following investments:

| Investment | Maturity | Fair Value |
|-------------------------|-------------------------|----------------------|
| Georgia Fund 1 | 46 day weighted average | \$ 22,776,315 |
| FHLMC | June 2013 | 6,250,000 |
| Certificates of deposit | November 2010 | 9,431,426 |
| | | <u>\$ 38,457,741</u> |

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1 per share. As of June 30, 2010, the City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Custodial credit risk – deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, all of the City's and Hospitality Board's bank balances were insured and/or collateralized as defined by GASB.

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 revenues when assessed. Revenues are recognized when available.

Receivables at June 30, 2010, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

| | <u>General</u> | <u>Capital Projects</u> | <u>Federal Grant</u> | <u>Nonmajor Governmental</u> |
|----------------------------------|---------------------|-------------------------|----------------------|----------------------------------|
| Receivables: | | | | |
| Intergovernmental | \$ 2,749,339 | \$ 669,277 | \$ 190,949 | \$ - |
| Taxes | 1,140,947 | - | - | 291,111 |
| Other | 251,362 | - | - | 375,934 |
| Total receivables | <u>4,141,648</u> | <u>669,277</u> | <u>190,949</u> | <u>667,045</u> |
| Less allowance for uncollectible | - | - | - | - |
| Net total receivable | <u>\$ 4,141,648</u> | <u>\$ 669,277</u> | <u>\$ 190,949</u> | <u>\$ 667,045</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2010 is as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|---|------------------------------|----------------------|------------------|--------------------|---------------------------|
| Governmental activities: | | | | | |
| Nondepreciable capital assets | | | | | |
| Land | \$ 20,461,121 | \$ - | \$ - | \$ - | \$ 20,461,121 |
| Construction in progress | 19,807,364 | 19,199,883 | - | (3,386,257) | 35,620,990 |
| Total | <u>40,268,485</u> | <u>19,199,883</u> | <u>-</u> | <u>(3,386,257)</u> | <u>56,082,111</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 4,405,885 | - | - | - | 4,405,885 |
| Improvements | 3,096,008 | 38,726 | - | 205,621 | 3,340,355 |
| Machinery and equipment | 10,377,500 | 234,789 | - | 172,440 | 10,784,729 |
| Infrastructure | 117,086,113 | 154,850 | - | 3,008,196 | 120,249,159 |
| Total | <u>134,965,506</u> | <u>428,365</u> | <u>-</u> | <u>3,386,257</u> | <u>138,780,128</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (342,150) | (153,009) | - | - | (495,159) |
| Improvements | (293,194) | (111,668) | - | - | (404,862) |
| Machinery and equipment | (4,415,041) | (1,888,177) | - | - | (6,303,218) |
| Infrastructure | (30,786,917) | (5,669,118) | - | - | (36,456,035) |
| Total | <u>(35,837,302)</u> | <u>(7,821,972)</u> | <u>-</u> | <u>-</u> | <u>(43,659,274)</u> |
| Total capital assets being depreciated, net | <u>99,128,204</u> | <u>(7,393,607)</u> | <u>-</u> | <u>3,386,257</u> | <u>95,120,854</u> |
| Governmental activities capital assets, net | <u>\$ 139,396,689</u> | <u>\$ 11,806,276</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 151,202,965</u> |

During the year, the City determined that a restatement of the opening balances for buildings was required. The cost was decreased by \$184,366 and accumulated depreciation was decreased by \$14,182, resulting in a net decrease of \$170,184 to buildings for the City.

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

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 40,899 |
| Public safety | 1,952,002 |
| Public works | 5,676,680 |
| Culture and recreation | 152,391 |
| Total depreciation expense - governmental activities | <u>\$ 7,821,972</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Notes Payable

During September 2006, the City entered into an agreement through a financial institution to borrow \$7,500,000 for the purchase of vehicles and equipment for the police and fire departments. The total borrowing was broken into four separate notes. Only one of the notes remains outstanding at June 30, 2010 as follows:

| <u>Original Amount</u> | <u>Interest Rate</u> | <u>Maturity</u> | <u>Monthly Payment</u> |
|------------------------|----------------------|-----------------|------------------------|
| \$ 4,094,644 | 4.3216 % | December 2016 | \$ 42,538 |

| <u>Fiscal year ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|---------------------|-------------------|---------------------|
| 2011 | \$ 393,372 | \$ 117,085 | \$ 510,457 |
| 2012 | 410,712 | 99,744 | 510,456 |
| 2013 | 428,818 | 81,639 | 510,457 |
| 2014 | 447,721 | 62,736 | 510,457 |
| 2015 | 467,458 | 42,999 | 510,457 |
| 2016-2017 | 740,106 | 53,091 | 793,197 |
| | <u>\$ 2,888,187</u> | <u>\$ 457,294</u> | <u>\$ 3,345,481</u> |

During November 2007, the City entered into an agreement through a financial institution to borrow \$500,000 for the purchase of vehicles and equipment for the police and fire departments. Monthly payments of \$9,181, including interest at a rate of 4.06% began in December 2007 and will continue through November 2012. The debt service requirements to maturity are as follows:

| <u>Fiscal year ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|-------------------|------------------|-------------------|
| 2011 | \$ 102,132 | \$ 8,040 | \$ 110,172 |
| 2012 | 106,164 | 4,007 | 110,171 |
| 2013 | 45,463 | 442 | 45,905 |
| | <u>\$ 253,759</u> | <u>\$ 12,489</u> | <u>\$ 266,248</u> |

During April 2008, the City entered into an agreement through a financial institution to borrow \$1,000,000 for the purchase of vehicles and equipment for the police and fire departments. Monthly payments of \$29,073, including interest at a rate of 2.98% began in May 2008 and will continue through April 2011. The debt service requirements to maturity are as follows:

| <u>Fiscal year ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|------------------|-----------------|--------------|
| 2011 | \$ 286,794 | \$ 4,066 | \$ 290,860 |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Lease

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, | |
|---|--------------|
| 2011 | \$ 107,387 |
| 2012 | 255,743 |
| 2013 | 247,058 |
| 2014 | 246,562 |
| 2015 | 245,713 |
| 2016-2020 | 1,850,058 |
| Total minimum lease payments | 2,952,521 |
| Less amounts representing interest | (498,730) |
| Present value of minimum lease payments | \$ 2,453,791 |

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2010:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---------------------------------|----------------------|--------------|----------------|-------------------|------------------------|
| Governmental activities: | | | | | |
| Notes payable | \$ 5,059,788 | \$ - | \$ (1,631,048) | \$ 3,428,740 | \$ 782,298 |
| Capital lease payable | 2,563,682 | - | (109,891) | 2,453,791 | 33,257 |
| Claims and judgements payable | - | 565,839 | - | 565,839 | 565,839 |
| Compensated absences | 890,175 | 708,878 | (475,866) | 1,123,187 | 600,429 |
| Governmental activity | | | | | |
| Long-term liabilities | \$ 8,513,645 | \$ 1,274,717 | \$ (2,216,805) | \$ 7,571,557 | \$ 1,981,823 |

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2010 is as follows:

| <u>Receivable Entity</u> | <u>Payable Entity</u> | <u>Amount</u> |
|--------------------------|-----------------------------|-------------------|
| General Fund | Non-major Governmental Fund | \$ 712,517 |
| General Fund | Federal Grant Fund | 221,227 |
| Total | | <u>\$ 933,744</u> |

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

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

| <u>Receivable Entity</u> | <u>Payable Entity</u> | <u>Amount</u> |
|--------------------------|------------------------------|-------------------|
| General Fund | Hospitality Board | \$ 111,341 |
| Hospitality Board | Non-major Governmental Funds | 174,237 |
| | | <u>\$ 285,578</u> |

Interfund transfers:

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Amount</u> |
|----------------------------|----------------------------|----------------------|
| General Fund | Nonmajor governmental fund | \$ 928,595 |
| Federal Grant Fund | General Fund | 36,377 |
| Nonmajor governmental fund | General Fund | 1,722,296 |
| Nonmajor governmental fund | Federal Grants Fund | 40,820 |
| Capital Projects Fund | General Fund | 23,647,716 |
| | | <u>\$ 26,375,804</u> |

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OPERATING LEASES

During fiscal year 2008, the lease for the City's central office at Morgan Falls was transferred to the City. The lease is for the City Hall building and office facilities under a non-cancelable operating lease. Total costs for this lease was \$1,000,310 for the fiscal year ended June 30, 2010. The future minimum lease payments for this lease are as follows:

| | |
|--|------------|
| Year Ending June 30, <u>2011</u> | \$ 598,572 |
|--|------------|

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

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

The City has entered a public/private contractual partnership for outsourced services and operations. Through this contract with a private company, an array of operational services are provided via outsourcing. This contract is an operating contract for which the City is continually monitoring its outsourcing needs as compared to providing services in-house. Currently, this contract is approximately \$26 million annually.

In addition to the liabilities enumerated in the balance sheet, at June 30, 2010, the City has contractual commitments on uncompleted contracts of approximately \$7,022,000.

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

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

The City of Sandy Springs' Profit Sharing Plan is a single employer defined contribution plan established and administered by the City of Sandy Springs for all full time employees. At June 30, 2010, there were 247 plan members. The City matches 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, 2010, the City's contributions to the Plan were \$1,331,647 and employees contributed \$495,797.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. JOINT VENTURE

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

In October 2008, the cities of Sandy Springs and Johns Creek created the Chattahoochee River E911 Authority (Chatt Comm.), which was created pursuant to the provisions of the Official Code of Georgia Annotated (OCGA) Section 36-75-1, which provides for the organization of a joint public safety and judicial facility authority. Chatt Comm Board membership includes the City Manager from each participating city, or their designee. Chatt Comm was created by the two cities contributing a pre-determined capital amount necessary to equip the facility. This has been reported as investment in joint venture and is \$5,479,200 as of June 30, 2010. The cities have also pledged their future E911 revenues to Chatt Comm to pay for the operation of the emergency 911 answering facility. Future net operating revenues from Chatt Comm will be used to repay the cities capital investments. Additionally, the two cities will be responsible for funding any operating deficits as well as any future capital purchases of the Authority. For the year ended June 30, 2010, the City of Sandy Springs has collected and remitted \$2,463,088 of E911 revenues. As of June 30, 2010, Chatt Comm had net assets of \$2,895,857. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by Chatt Comm to serve as the accountants, at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2010, the City received \$3,322,710 in hotel/motel taxes. Of this amount, \$2,394,116, or 72.1%, was used for the promotion of tourism, conventions, or trade shows.

NOTES TO FINANCIAL STATEMENTS

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 Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, 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 investigation, 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 funds.

The funds are to defend and protect the members of the funds 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. PRIOR PERIOD RESTATEMENTS

The City has made a change in accounting policy to eliminate the Solid Waste Hauling Fund and report this activity within the General Fund. The change results in adjustments to the beginning fund balance of the General fund as follows:

| | |
|---------------------------------------|----------------------|
| Fund balance, as previously reported | \$ 24,946,264 |
| Effect of change in accounting policy | <u>(1,195)</u> |
| Fund balance, as restated | <u>\$ 24,945,069</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 15. PRIOR PERIOD RESTATEMENTS (CONTINUED)

The City has determined that a restatement of beginning net assets of the Governmental Activities is necessary to properly reflect a capital lease which was omitted in prior years and to adjust the carrying value of the related capital asset. This adjustment results in a change to the beginning net assets of the Governmental Activities as follows:

| | |
|--|-----------------------|
| Net assets, as previously reported | \$ 183,085,229 |
| Effect of proper recording of capital lease payable | (2,563,682) |
| Effect of proper reporting of associated capital asset | (170,184) |
| Net assets, as restated | <u>\$ 180,351,363</u> |

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SANDY SPRINGS, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes | \$ 28,852,000 | \$ 32,126,249 | \$ 32,100,781 | \$ (25,468) |
| Sales taxes | 22,031,000 | 20,651,000 | 22,439,282 | 1,788,282 |
| Franchise taxes | 8,756,000 | 8,756,000 | 8,208,152 | (547,848) |
| Business taxes | 9,468,000 | 9,470,000 | 10,071,235 | 601,235 |
| Insurance premium tax | 4,946,000 | 4,500,000 | 4,756,465 | 256,465 |
| Licenses and permits | 1,462,000 | 1,312,000 | 1,346,983 | 34,983 |
| Intergovernmental | 219,000 | 219,000 | 120,796 | (98,204) |
| Charges for services | 796,000 | 802,000 | 1,304,531 | 502,531 |
| Fines and forfeitures | 3,819,000 | 3,819,000 | 4,290,960 | 471,960 |
| Interest earned | 1,022,000 | 300,000 | 297,918 | (2,082) |
| Contributions | - | 160,000 | 125,100 | (34,900) |
| Miscellaneous | 345,000 | 390,129 | 185,604 | (204,525) |
| Total revenues | <u>81,716,000</u> | <u>82,505,378</u> | <u>85,247,807</u> | <u>2,742,429</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Mayor and council | 153,970 | 152,794 | 152,794 | - |
| City manager | 858,759 | 899,432 | 749,283 | 150,149 |
| General administration | 10,901,340 | 10,535,373 | 10,909,287 | (373,914) |
| Finance department | 1,165,950 | 1,225,374 | 1,225,373 | 1 |
| Legal services | 808,000 | 808,000 | 726,335 | 81,665 |
| Facilities and buildings | 1,520,400 | 1,520,400 | 1,294,045 | 226,355 |
| City clerk | 626,660 | 628,727 | 565,925 | 62,802 |
| Contingencies | 8,185,000 | 6,117,911 | - | 6,117,911 |
| Total general government | <u>24,220,079</u> | <u>21,888,011</u> | <u>15,623,042</u> | <u>6,264,969</u> |
| Judicial | <u>1,057,453</u> | <u>929,731</u> | <u>859,627</u> | <u>70,104</u> |
| Public safety: | | | | |
| Police department | 15,919,548 | 15,919,548 | 14,566,937 | 1,352,611 |
| Fire department | 8,743,241 | 9,256,485 | 8,958,771 | 297,714 |
| E911 | 591,000 | 3,548,849 | 3,529,262 | 19,587 |
| Total public safety | <u>25,253,789</u> | <u>28,724,882</u> | <u>27,054,970</u> | <u>1,669,912</u> |
| Public works: | | | | |
| Public works | 10,809,557 | 10,706,503 | 10,569,875 | 136,628 |
| Sanitation and wastewater | 1,787,000 | 1,787,000 | 715,416 | 1,071,584 |
| Total public works | <u>12,596,557</u> | <u>12,493,503</u> | <u>11,285,291</u> | <u>1,208,212</u> |
| Culture and recreation | | | | |
| Recreator | 2,475,021 | 2,475,021 | 2,462,009 | 13,012 |
| Anne Frank | - | 160,000 | 117,880 | 42,120 |
| Total culture and recreation | <u>2,475,021</u> | <u>2,635,021</u> | <u>2,579,889</u> | <u>55,132</u> |
| Housing and development | <u>7,009,455</u> | <u>7,009,455</u> | <u>6,985,097</u> | <u>24,358</u> |
| Debt service | | | | |
| Principa | 287,000 | 110,000 | 109,891 | 109 |
| Interest | 22,000 | 22,000 | 21,830 | 170 |
| Total debt service | <u>309,000</u> | <u>132,000</u> | <u>131,721</u> | <u>279</u> |
| Total expenditures | <u>72,921,354</u> | <u>73,812,603</u> | <u>64,519,637</u> | <u>9,292,966</u> |
| Excess of revenues over expenditures | <u>8,794,646</u> | <u>8,692,775</u> | <u>20,728,170</u> | <u>12,035,395</u> |

Continued

CITY OF SANDY SPRINGS, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|--|---------------------|---------------------|----------------------|---------------------------------------|
| | Original | Final | | |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | \$ - | \$ - | \$ 7,912 | \$ 7,912 |
| Transfers in | 1,177,000 | 1,028,871 | 928,595 | (100,276) |
| Transfers out | (25,658,646) | (25,408,646) | (25,406,389) | 2,257 |
| Total other financing sources (uses) | <u>(24,481,646)</u> | <u>(24,379,775)</u> | <u>(24,469,882)</u> | <u>(90,107)</u> |
| Net change in fund balances | (15,687,000) | (15,687,000) | (3,741,712) | 11,945,288 |
| Fund balance, beginning of year, restated | <u>24,945,069</u> | <u>24,945,069</u> | <u>24,945,069</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 9,258,069</u> | <u>\$ 9,258,069</u> | <u>\$ 21,203,357</u> | <u>\$ 11,945,288</u> |

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

CITY OF SANDY SPRINGS, GEORGIA

**FEDERAL GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|--|---------------------------|---------------------------|---------------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 7,390,082 | \$ 3,622,541 | \$ 588,743 | \$ (3,033,798) |
| Total revenues | <u>7,390,082</u> | <u>3,622,541</u> | <u>588,743</u> | <u>(3,033,798)</u> |
| Expenditures: | | | | |
| Public safety | 1,100,553 | 1,100,783 | 179,529 | 921,254 |
| Public works | 2,587,676 | 2,587,676 | 324,251 | 2,263,425 |
| Culture and recreation | 104,553 | 117,747 | 117,747 | - |
| Housing and development | 3,780,965 | - | - | - |
| Total expenditures | <u>7,573,747</u> | <u>3,806,206</u> | <u>621,527</u> | <u>3,184,679</u> |
| Excess (deficiency) of revenues over (under) expenditures | (183,665) | (183,665) | (32,784) | 150,881 |
| Other financing sources (uses): | | | | |
| Transfers in | 332,477 | 332,477 | 36,377 | (296,100) |
| Transfers out | (148,812) | (148,812) | (40,820) | 107,992 |
| Total other financing sources (uses) | <u>183,665</u> | <u>183,665</u> | <u>(4,443)</u> | <u>(188,108)</u> |
| Net change in fund balances | - | - | (37,227) | (37,227) |
| Fund balances (deficit), beginning of year | <u>(51,265)</u> | <u>(51,265)</u> | <u>(51,265)</u> | <u>-</u> |
| Fund balances (deficit), end of year | <u><u>\$ (51,265)</u></u> | <u><u>\$ (51,265)</u></u> | <u><u>\$ (88,492)</u></u> | <u><u>\$ (37,227)</u></u> |

NONMAJOR GOVERNMENTAL FUNDS

Confiscated Assets Fund – To account for the use of confiscated drug money by the City’s Police Department.

E911 Fund – To account for the collection and expenditures of E911 fees.

State Grant Fund – To account for the expenditures and revenues of state grants.

Operating Grant Fund – To account for the expenditures and revenues of local grants and contributions.

CDBG Fund – To account for the expenditures and revenues of the Community Development Block Grant.

Hotel/Motel Fund – To account for the 7% lodging tax levied in the City.

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.

Debt Service Fund – To account for the accumulation of resources and payment, from governmental resources, of debt service principal and interest on long-term debt.

CITY OF SANDY SPRINGS, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010**

| ASSETS | Special Revenue Funds | | | | |
|--|-------------------------|-------------------|------------------|----------------------|-------------------|
| | Confiscated Assets Fund | E911 Fund | State Grant Fund | Operating Grant Fund | CDBG Fund |
| Cash | \$ 515,022 | \$ 180,833 | \$ - | \$ 68,808 | \$ 486,660 |
| Taxes receivable | - | - | - | - | - |
| Other receivable | 2,647 | 343,693 | - | - | 29,594 |
| Total assets | \$ 517,669 | \$ 524,526 | \$ - | \$ 68,808 | \$ 516,254 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 109,612 | \$ 180,833 | \$ - | \$ 1,234 | \$ 29,594 |
| Accrued expenditures | - | 343,693 | - | - | - |
| Due to other funds | 61,003 | - | - | - | 445,711 |
| Due to component unit | - | - | - | - | - |
| Total liabilities | 170,615 | 524,526 | - | 1,234 | 475,305 |
| FUND BALANCES | | | | | |
| Unreserved | 347,054 | - | - | 67,574 | 40,949 |
| Total liabilities and fund balances | \$ 517,669 | \$ 524,526 | \$ - | \$ 68,808 | \$ 516,254 |

| Capital Project Fund | | | |
|----------------------------------|---------------------------------|----------------------------------|--|
| Hotel/ Motel Fund | Impact Fees Fund | Debt Service Fund | Total Nonmajor Governmental Funds |
| \$ 191,648 | \$ 146,062 | \$ - | \$ 1,589,033 |
| 291,111 | - | - | 291,111 |
| - | - | - | 375,934 |
| <u>\$ 482,759</u> | <u>\$ 146,062</u> | <u>\$ -</u> | <u>\$ 2,256,078</u> |
| | | | |
| \$ 114,407 | \$ - | \$ - | \$ 435,680 |
| - | - | - | 343,693 |
| 193,340 | 12,463 | - | 712,517 |
| 174,237 | - | - | 174,237 |
| <u>481,984</u> | <u>12,463</u> | <u>-</u> | <u>1,666,127</u> |
| | | | |
| <u>775</u> | <u>133,599</u> | <u>-</u> | <u>589,951</u> |
| | | | |
| <u>\$ 482,759</u> | <u>\$ 146,062</u> | <u>\$ -</u> | <u>\$ 2,256,078</u> |

CITY OF SANDY SPRINGS, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

| | Special Revenue Funds | | | | |
|--|--|----------------------|---------------------------------|-------------------------------------|----------------------|
| | Confiscated Assets Fund | E911 Fund | State Grant Fund | Operating Grant Fund | CDBG Fund |
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 173 | 4,550 | 516,114 |
| Charges for services | - | 2,463,088 | - | - | - |
| Fines and forfeitures | 190,247 | - | - | - | - |
| Interest income | 1,627 | - | - | - | 129 |
| Contributions | - | - | - | 21,973 | - |
| Total revenues | 191,874 | 2,463,088 | 173 | 26,523 | 516,243 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Public safety | 161,629 | 2,463,088 | 173 | 1,596 | - |
| Public works | - | - | - | - | 516,114 |
| Culture and recreation | - | - | - | 11,139 | - |
| Housing and development | - | - | - | 395 | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total expenditures | 161,629 | 2,463,088 | 173 | 13,130 | 516,114 |
| Excess (deficiency) of revenues over (under) expenditures | 30,245 | - | - | 13,393 | 129 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | 40,820 |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | 40,820 |
| Net change in fund balances | 30,245 | - | - | 13,393 | 40,949 |
| FUND BALANCES, beginning of year | 316,809 | - | - | 54,181 | - |
| FUND BALANCES, end of year | \$ 347,054 | \$ - | \$ - | \$ 67,574 | \$ 40,949 |

| | Capital Project Fund | | | Total Nonmajor Governmental Funds |
|-------------------------|-------------------------|-------------------------|-----------|--|
| Hotel/ Motel Fund | Impact Fees Fund | Debt Service Fund | | |
| \$ 3,322,710 | \$ - | \$ - | \$ | 3,322,710 |
| - | - | - | | 520,837 |
| - | 38,648 | - | | 2,501,736 |
| - | - | - | | 190,247 |
| 13 | 464 | - | | 2,233 |
| - | - | - | | 21,973 |
| <u>3,322,723</u> | <u>39,112</u> | <u>-</u> | | <u>6,559,736</u> |
| - | - | - | | 2,626,486 |
| - | - | - | | 516,114 |
| 2,394,116 | - | - | | 2,405,255 |
| - | - | - | | 395 |
| - | - | 1,631,048 | | 1,631,048 |
| - | - | 141,605 | | 141,605 |
| <u>2,394,116</u> | <u>-</u> | <u>1,772,653</u> | | <u>7,320,903</u> |
| <u>928,607</u> | <u>39,112</u> | <u>(1,772,653)</u> | | <u>(761,167)</u> |
| - | - | 1,722,296 | | 1,763,116 |
| (928,595) | - | - | | (928,595) |
| <u>(928,595)</u> | <u>-</u> | <u>1,722,296</u> | | <u>834,521</u> |
| <u>12</u> | <u>39,112</u> | <u>(50,357)</u> | | <u>73,354</u> |
| <u>763</u> | <u>94,487</u> | <u>50,357</u> | | <u>516,597</u> |
| <u>\$ 775</u> | <u>\$ 133,599</u> | <u>\$ -</u> | <u>\$</u> | <u>589,951</u> |

CITY OF SANDY SPRINGS, GEORGIA

**CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 450,000 | \$ 213,500 | \$ 190,247 | \$ (23,253) |
| Interest | - | 1,500 | 1,627 | 127 |
| Total revenues | <u>450,000</u> | <u>215,000</u> | <u>191,874</u> | <u>(23,126)</u> |
| Expenditures: | | | | |
| Public safety | <u>450,000</u> | <u>215,000</u> | <u>161,629</u> | <u>53,371</u> |
| Total expenditures | <u>450,000</u> | <u>215,000</u> | <u>161,629</u> | <u>53,371</u> |
| Net change in fund balances | - | - | 30,245 | 30,245 |
| Fund balances, beginning of year | <u>316,809</u> | <u>316,809</u> | <u>316,809</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 316,809</u> | <u>\$ 316,809</u> | <u>\$ 347,054</u> | <u>\$ 30,245</u> |

CITY OF SANDY SPRINGS, GEORGIA

**E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 2,463,089 | \$ 2,463,089 | \$ 2,463,088 | \$ (1) |
| Total revenues | <u>2,463,089</u> | <u>2,463,089</u> | <u>2,463,088</u> | <u>(1)</u> |
| Expenditures: | | | | |
| Public safety | <u>2,463,089</u> | <u>2,463,089</u> | <u>2,463,088</u> | <u>1</u> |
| Total expenditures | <u>2,463,089</u> | <u>2,463,089</u> | <u>2,463,088</u> | <u>1</u> |
| Net change in fund balances | - | - | - | - |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF SANDY SPRINGS, GEORGIA

**STATE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|---|----------|-------|--------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 173 | \$ 173 |
| Total revenues | - | - | 173 | 173 |
| Expenditures: | | | | |
| Public safety | 50,000 | 250 | 173 | 77 |
| Culture and recreation | 6,973 | - | - | - |
| Total expenditures | 56,973 | 250 | 173 | 77 |
| Deficiency of revenues over expenditures | (56,973) | (250) | - | 250 |
| Other financing sources: | | | | |
| Transfers in | 56,973 | 250 | - | (250) |
| Total other financing sources | 56,973 | 250 | - | (250) |
| Net change in fund balances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ - | \$ - | \$ - | \$ - |

CITY OF SANDY SPRINGS, GEORGIA

**OPERATING GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 4,550 | \$ 4,550 |
| Contributions | 87,794 | 13,534 | 21,973 | 8,439 |
| Total revenues | <u>87,794</u> | <u>13,534</u> | <u>26,523</u> | <u>12,989</u> |
| Expenditures: | | | | |
| Public safety | 87,794 | 2,000 | 1,596 | 404 |
| Culture and recreation | - | 11,139 | 11,139 | - |
| Housing and development | - | 395 | 395 | - |
| Total expenditures | <u>87,794</u> | <u>13,534</u> | <u>13,130</u> | <u>404</u> |
| Net change in fund balances | - | - | 13,393 | 13,393 |
| Fund balances, beginning of year | <u>54,181</u> | <u>54,181</u> | <u>54,181</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 54,181</u> | <u>\$ 54,181</u> | <u>\$ 67,574</u> | <u>\$ 13,393</u> |

CITY OF SANDY SPRINGS, GEORGIA

**CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,080,890 | \$ 1,080,890 | \$ 516,114 | \$ (564,776) |
| Interest income | - | - | 129 | 129 |
| Total revenues | <u>1,080,890</u> | <u>1,080,890</u> | <u>516,243</u> | <u>(564,647)</u> |
| Expenditures: | | | | |
| Public works | <u>1,080,890</u> | <u>1,080,890</u> | <u>516,114</u> | <u>564,776</u> |
| Total expenditures | <u>1,080,890</u> | <u>1,080,890</u> | <u>516,114</u> | <u>564,776</u> |
| Excess of revenues over expenditures | - | - | 129 | 129 |
| Other financing sources: | | | | |
| Transfers in | - | - | 40,820 | 40,820 |
| Total other financing sources | - | - | <u>40,820</u> | <u>40,820</u> |
| Net change in fund balances | - | - | 40,949 | 40,949 |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 40,949</u> | <u>\$ 40,949</u> |

CITY OF SANDY SPRINGS, GEORGIA

**HOTEL/MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | Budget | | Actual | Variance With Final Budget |
|---|--------------------|--------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 3,663,000 | \$ 3,339,075 | \$ 3,322,710 | \$ (16,365) |
| Interest income | - | 25 | 13 | (12) |
| Total revenues | <u>3,663,000</u> | <u>3,339,100</u> | <u>3,322,723</u> | <u>(16,377)</u> |
| Expenditures: | | | | |
| Culture and recreation | <u>2,486,000</u> | <u>2,310,225</u> | <u>2,394,116</u> | <u>(83,891)</u> |
| Total expenditures | <u>2,486,000</u> | <u>2,310,225</u> | <u>2,394,116</u> | <u>(83,891)</u> |
| Excess of revenues over expenditures | 1,177,000 | 1,028,875 | 928,607 | (100,268) |
| Other financing uses: | | | | |
| Transfers out | <u>(1,177,000)</u> | <u>(1,028,869)</u> | <u>(928,595)</u> | <u>100,274</u> |
| Total other financing uses | <u>(1,177,000)</u> | <u>(1,028,869)</u> | <u>(928,595)</u> | <u>100,274</u> |
| Net change in fund balances | - | 6 | 12 | 6 |
| Fund balances, beginning of year | <u>763</u> | <u>763</u> | <u>763</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 763</u> | <u>\$ 769</u> | <u>\$ 775</u> | <u>\$ 6</u> |

CITY OF SANDY SPRINGS, GEORGIA

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2010**

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|-------------------|-------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Expenditures: | | | | |
| Debt service | | | | |
| Principal | \$ 1,764,000 | \$ 1,764,000 | \$ 1,631,048 | \$ 132,952 |
| Interest | 165,000 | 165,000 | 141,605 | 23,395 |
| Total expenditures | <u>1,929,000</u> | <u>1,929,000</u> | <u>1,772,653</u> | <u>156,347</u> |
| Deficiency of revenues over expenditures | (1,929,000) | (1,929,000) | (1,772,653) | 156,347 |
| Other financing sources: | | | | |
| Transfers in | <u>2,075,000</u> | <u>2,075,000</u> | <u>1,722,296</u> | <u>(352,704)</u> |
| Total other financing sources | <u>2,075,000</u> | <u>2,075,000</u> | <u>1,722,296</u> | <u>(352,704)</u> |
| Net change in fund balances | 146,000 | 146,000 | (50,357) | (196,357) |
| Fund balances, beginning of year | <u>50,357</u> | <u>50,357</u> | <u>50,357</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 196,357</u> | <u>\$ 196,357</u> | <u>\$ -</u> | <u>\$ (196,357)</u> |

AGENCY FUND

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

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

CITY OF SANDY SPRINGS, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2010

| | Balance June 30, 2009 | Additions | Deductions | Balance June 30, 2010 |
|-----------------------------|--------------------------------------|------------------|-------------------|--------------------------------------|
| MUNICIPAL COURT FUND | | | | |
| Assets: | | | | |
| Cash | \$ 865,737 | \$ 6,283,311 | \$ 6,633,964 | \$ 515,084 |
| Total assets | \$ 865,737 | \$ 6,283,311 | \$ 6,633,964 | \$ 515,084 |
| Liabilities: | | | | |
| Due to others | \$ 865,737 | \$ 6,283,311 | \$ 6,633,964 | \$ 515,084 |

COMPONENT UNIT

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

CITY OF SANDY SPRINGS, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY BOARD
JUNE 30, 2010**

| ASSETS | |
|-------------------------------------|---------------------|
| Cash | \$ 980,482 |
| Due from primary government | <u>174,237</u> |
| Total assets | <u>\$ 1,154,719</u> |
| LIABILITIES AND FUND BALANCE | |
| LIABILITIES | |
| Accounts payable | \$ 65,989 |
| Due to primary government | <u>111,341</u> |
| Total liabilities | <u>177,330</u> |
| FUND BALANCE | |
| Unreserved | <u>977,389</u> |
| Total liabilities and fund balance | <u>\$ 1,154,719</u> |

CITY OF SANDY SPRINGS, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY BOARD
FOR THE YEAR ENDED JUNE 30, 2010**

REVENUES

| | | |
|-------------------|----|----------------|
| Intergovernmental | \$ | 966,467 |
| Interest | | 4,334 |
| Miscellaneous | | <u>4,984</u> |
| Total revenues | | <u>975,785</u> |

EXPENDITURES

| | | |
|------------------------|--|----------------|
| Current: | | |
| Culture and recreation | | <u>966,454</u> |
| Total expenditures | | <u>966,454</u> |

| | | |
|----------------------------|--|--------------|
| Net change in fund balance | | <u>9,331</u> |
|----------------------------|--|--------------|

| | | |
|--|--|----------------|
| FUND BALANCE, beginning of year | | <u>968,058</u> |
|--|--|----------------|

| | | |
|----------------------------------|----|-----------------------|
| FUND BALANCE, end of year | \$ | <u><u>977,389</u></u> |
|----------------------------------|----|-----------------------|

S t a t i s t i c a l



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..... 51

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 53

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

Debt Capacity 61

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..... 63

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 64

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The government implemented GASB Statement 34 in 2006 which was the City's first year of incorporation; schedules presented include information beginning in that year.

CITY OF SANDY SPRINGS, GEORGIA

NET ASSETS BY COMPONENT LAST FIVE FISCAL YEARS (accrual basis of accounting)

| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|-----------------------|---------------------------|-----------------------|----------------------|----------------------|
| Primary government: | | | | | |
| Invested in capital assets, net of related debt | \$ 145,320,434 | \$ 134,611,236 | \$ 83,403,809 | \$ 76,989,747 | \$ 56,330,759 |
| Unrestricted | 54,452,631 | 48,473,993 | 45,566,572 | 15,393,045 | (5,586,019) |
| Total primary government net assets | <u>\$ 199,773,065</u> | <u>\$ 183,085,229</u> (1) | <u>\$ 128,970,381</u> | <u>\$ 92,382,792</u> | <u>\$ 50,744,740</u> |

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

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

CITY OF SANDY SPRINGS, GEORGIA

**CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)**

| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | |
| General government | \$ 15,710,228 | \$ 15,111,854 | \$ 13,818,852 | \$ 14,455,096 | \$ 9,154,700 |
| Judicial | 859,627 | 1,149,765 | 955,759 | 782,597 | 328,008 |
| Public safety | 28,804,834 (4) | 25,720,258 | 23,006,598 | 23,090,567 | 9,867,430 |
| Public works | 17,971,905 | 19,643,196 | 16,341,371 | 12,515,340 | 5,105,770 |
| Culture and recreation | 5,154,082 | 3,827,709 | 4,708,976 | 4,105,728 | 2,699,718 |
| Housing and development | 6,469,377 | 6,506,536 | 6,322,427 | 7,236,048 | 2,697,519 |
| Interest on long-term debt | 176,855 | 299,772 | 376,778 | 536,480 | 194,709 |
| Total expenses | <u>\$ 75,146,908</u> | <u>\$ 72,259,090</u> | <u>\$ 65,530,761</u> | <u>\$ 62,721,856</u> | <u>\$ 30,047,854</u> |
| Program revenues | | | | | |
| Charges for services: | | | | | |
| General government | \$ 806,746 | \$ 722,753 | \$ 724,193 | \$ 652,646 | \$ 577,667 |
| Judicial | 4,290,960 | 4,657,134 | 5,273,492 | 3,447,821 | 401,377 |
| Public safety | 2,707,819 (4) | 362,585 | 252,473 | 77,240 | - |
| Public works | 786,177 | 529,103 | 471,789 | 370,645 | - |
| Culture and recreation | 607,460 | 376,610 | 252,846 | 167,975 | 43,349 |
| Housing and development | 692,252 | 865,063 (3) | 2,207,413 | 2,933,954 | 1,193,931 |
| Operating grants and contributions | 151,796 | 17,397 | 85,068 | 125,798 | - |
| Capital grants and contributions | 4,012,715 | 3,911,180 | 6,170,789 | 21,653,418 (1) | - |
| Total program revenues | <u>\$ 14,055,925</u> | <u>\$ 11,441,825</u> | <u>\$ 15,438,063</u> | <u>\$ 29,429,497</u> | <u>\$ 2,216,324</u> |
| Net (expense)/revenue | <u>\$ (61,090,983)</u> | <u>\$ (60,817,265)</u> | <u>\$ (50,092,698)</u> | <u>\$ (33,292,359)</u> | <u>\$ (27,831,530)</u> |
| General Revenues and Other Changes in Net Assets | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 31,639,678 | \$ 31,870,456 | \$ 29,827,325 | \$ 27,563,122 | \$ 996,312 |
| Sales taxes | 22,021,114 | 21,652,231 (2) | 24,992,061 | 24,795,033 | 9,627,122 |
| Other taxes | 26,358,226 | 26,963,754 (2) | 29,776,872 | 21,719,794 | 10,712,107 |
| Unrestricted investment earnings | 300,151 | 953,901 | 1,395,026 | 734,079 | 113,746 |
| Contributions not restricted to specific programs | - | - | 19,498 | 2,044 | 70,000 |
| Miscellaneous revenues | 193,516 | 378,119 | 669,505 | 116,339 | 2,898 |
| Special item - donation of infrastructure at incorporation | - | - | - | - | 57,054,085 |
| Total | <u>\$ 80,512,685</u> | <u>\$ 81,818,461</u> | <u>\$ 86,680,287</u> | <u>\$ 74,930,411</u> | <u>\$ 78,576,270</u> |
| Change in Net Assets | <u>\$ 19,421,702</u> | <u>\$ 21,001,196</u> | <u>\$ 36,587,589</u> | <u>\$ 41,638,052</u> | <u>\$ 50,744,740</u> |

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

The City is gradually taking over the services provided to its citizens by Fulton County, which will result in increases to both revenues and expenses.

- (1) - In 2007 the City received a large amount of park greenspace and park improvements from the County which was reported as capital contributions.
- (2) - In 2009 the City was impacted by the economy and recognized fewer sales and other tax revenues than in prior years.
- (3) - In 2009, the economy across the state and country suffered causing the sale of construction license and permits to significantly decrease.
- (4) - In 2010 the City began collecting and expensing E911 charges in the public safety function.

CITY OF SANDY SPRINGS, GEORGIA

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

| Fiscal Year | Property Taxes | Sales Taxes | Hotel/Motel Taxes | Franchise Taxes | Business Taxes | Total |
|--------------------|-----------------------|--------------------|--------------------------|------------------------|-----------------------|---------------|
| 2006 | \$ 996,312 | \$ 9,627,122 | \$ 2,349,053 | \$ 583,129 | \$ 7,779,925 | \$ 21,335,541 |
| 2007 | 27,563,122 | 24,795,033 | 4,319,717 | 7,603,326 | 9,796,751 | 74,077,949 |
| 2008 | 29,827,325 | 24,992,061 | 4,375,173 | 8,227,077 | 17,174,622 (1) | 84,596,258 |
| 2009 | 31,870,456 | 21,652,231 (2) | 3,691,845 (2) | 8,561,728 | 14,710,181 (2) | 80,486,441 |
| 2010 | 31,639,678 | 22,021,114 | 3,322,710 | 8,207,816 | 14,827,700 | 80,019,018 |

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

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

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

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

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

| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| General Fund | | | | | |
| Reserved | \$ 1,300,071 | \$ 1,462,461 | \$ 815,003 | \$ 3,899,995 | \$ 2,468,031 |
| Unreserved | 19,903,286 | 23,483,803 | 32,995,487 | 9,093,886 | (5,755,635) |
| Total general fund | <u>\$ 21,203,357</u> | <u>\$ 24,946,264</u> | <u>\$ 33,810,490</u> | <u>\$ 12,993,881</u> | <u>\$ (3,287,604)</u> |
| All Other Governmental Funds | | | | | |
| Unreserved, reported in: | | | | | |
| Special revenue funds | \$ 367,860 | \$ 320,488 | \$ 196,466 | \$ 264,402 | \$ 227,025 |
| Capital projects funds | 27,885,013 | 20,079,444 | 11,394,577 | 5,490,469 | - |
| Debt service fund | - | 50,357 | (27,546) | - | - |
| Total all other governmental funds | <u>\$ 28,252,873</u> | <u>\$ 20,450,289</u> | <u>\$ 11,563,497</u> | <u>\$ 5,754,871</u> | <u>\$ 227,025</u> |

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

CITY OF SANDY SPRINGS, GEORGIA

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

| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|---------------------|---------------------|----------------------|----------------------|-----------------------|
| Revenues | | | | | |
| Taxes | \$ 80,898,625 | \$ 80,218,315 (3) | \$ 84,201,305 | \$ 73,519,577 | \$ 21,335,541 |
| Licenses and permits | 1,346,983 | 1,965,630 (4) | 3,216,026 | 3,868,934 | 1,744,329 |
| Intergovernmental | 4,155,881 | 3,860,706 (5) | 984,545 | 301,730 | - |
| Charges for services | 3,856,201 (6) | 582,733 | 455,095 | 333,527 | 70,618 |
| Fines and forfeitures | 4,481,207 | 4,964,885 | 5,511,084 | 3,447,820 | 401,377 |
| Contributions | 147,073 | 167,772 | 236,126 | 172,069 | 70,000 |
| Interest earned | 300,151 | 953,901 | 1,395,026 | 734,079 | 113,746 |
| Miscellaneous | 185,604 | 448,121 | 599,503 | 116,339 | 2,898 |
| Total revenues | <u>95,371,725</u> | <u>93,162,063</u> | <u>96,598,710</u> | <u>82,494,075</u> | <u>23,738,509</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 15,774,609 | 23,123,876 (2) | 13,730,116 | 14,662,914 | 9,180,705 |
| Judicial | 859,627 | 1,149,765 | 955,759 | 784,594 | 328,008 |
| Public safety | 30,213,605 (6) | 26,677,292 | 23,017,162 | 28,023,354 | 11,332,550 |
| Public works | 22,235,953 | 23,866,587 (2) | 18,016,930 (1) | 10,884,786 | 4,353,238 |
| Culture and recreation | 13,437,115 (7) | 7,442,979 | 6,332,157 | 4,227,399 | 2,713,318 |
| Housing and development | 6,990,292 | 6,506,536 | 6,322,427 | 7,236,048 | 2,697,519 |
| Debt service: | | | | | |
| Principal | 1,740,939 | 3,266,252 | 2,830,523 | 1,843,437 | - |
| Interest | 163,435 | 307,919 | 371,671 | 522,212 | 193,750 |
| Total expenditures | <u>91,415,575</u> | <u>92,341,206</u> | <u>71,576,745</u> | <u>68,184,744</u> | <u>30,799,088</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,956,150</u> | <u>820,857</u> | <u>25,021,965</u> | <u>14,309,331</u> | <u>(7,060,579)</u> |
| Other Financing Sources (Uses) | | | | | |
| Issuance of long term debt | 7,912 | - | 1,500,000 | 7,500,000 | 4,000,000 |
| Proceeds from sale of capital assets | - | - | 103,270 | - | - |
| Transfers in | 26,375,804 | 34,746,391 | 20,005,239 | 7,414,647 | 670,889 |
| Transfers out | <u>(26,375,804)</u> | <u>(34,746,391)</u> | <u>(20,005,239)</u> | <u>(7,414,647)</u> | <u>(670,889)</u> |
| Total other financing sources (uses) | <u>7,912</u> | <u>-</u> | <u>1,603,270</u> | <u>7,500,000</u> | <u>4,000,000</u> |
| Net change in fund balances | <u>\$ 3,964,062</u> | <u>\$ 820,857</u> | <u>\$ 26,625,235</u> | <u>\$ 21,809,331</u> | <u>\$ (3,060,579)</u> |
| Debt service as a percentage of noncapital expenditures | 2.7% | 4.9% | 5.0% | 3.8% | 0.7% |

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

The City is gradually taking over the services provided to its citizens by Fulton County, which will result in increases to both revenues and expenditures.

- (1) In 2008 the City began expending outlays from the capital projects fund which account for approximately \$7,500,000 of the increase.
- (2) In 2009 the City continued expending outlays from the capital projects fund.
- (3) In 2009 the economy across the state and country suffered causing sales tax and hotel tax revenues to see significant decreases.
- (4) In 2009, the economy across the state and country suffered causing the sale of construction license and permits to significantly decrease.
- (5) In 2009 the City received and expended two large Department of Transportation grants for over \$2,000,000.
- (6) In 2010 the City began collecting E911 charges.
- (7) In 2010 the City has several large park improvement projects that were undertaken.

CITY OF SANDY SPRINGS, GEORGIA

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

| Fiscal Year | Property Taxes | Sales Taxes | Hotel/Motel Taxes | Franchise Taxes | Business Taxes | Total |
|--------------------|-----------------------|--------------------|--------------------------|------------------------|-----------------------|---------------|
| 2006 | \$ 996,312 | \$ 9,627,122 | \$ 2,349,053 | \$ 583,129 | \$ 7,779,925 | \$ 21,335,541 |
| 2007 | 27,004,750 | 24,795,033 | 4,319,717 | 7,603,326 | 9,796,751 | 73,519,577 |
| 2008 | 29,432,372 | 24,992,061 | 4,375,173 | 8,227,077 | 17,174,622 (1) | 84,201,305 |
| 2009 | 32,061,197 | 21,193,266 (2) | 3,691,845 (2) | 8,561,826 | 14,710,181 (2) | 80,218,315 |
| 2010 | 32,100,781 | 22,439,282 | 3,322,710 | 8,208,152 | 14,827,700 | 80,898,625 |

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

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

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

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

CITY OF SANDY SPRINGS, GEORGIA

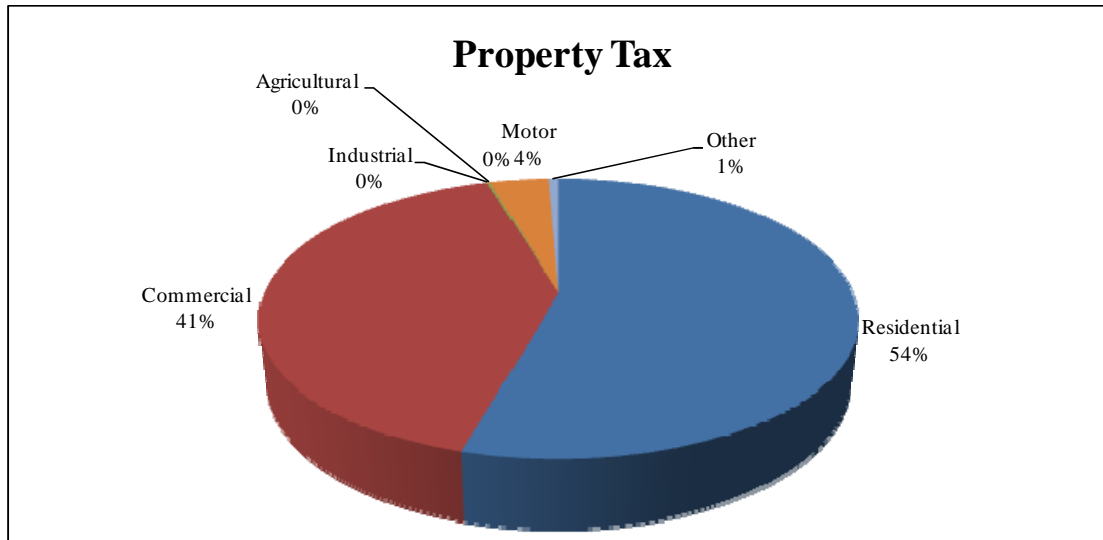
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST FIVE CALENDAR YEARS

| Calendar Year | Real Property | | | | Personal Property | |
|---------------|----------------------|---------------------|---------------------|-----------------------|-------------------|----------------|
| | Residential Property | Commercial Property | Industrial Property | Agricultural Property | Motor Vehicles | Other (1) |
| 2006 | \$ 3,793,630,390 | \$ 2,292,804,730 | \$ 26,941,230 | \$ 7,858,980 | \$ 227,567,111 | \$ 471,080 |
| 2007 | 3,974,086,600 | 2,675,326,970 | 23,156,460 | 846,230 | 201,863,798 | 1,137,843 |
| 2008 | 4,094,509,530 | 3,439,835,900 | 15,309,680 | 308,440 | 282,296,030 | 42,906,780 (2) |
| 2009 | 4,096,518,200 | 3,072,660,470 | 14,882,750 | 308,440 | 310,256,370 | 36,383,866 |
| 2010 | 3,966,218,590 | 3,001,056,530 | 13,647,940 | 290,480 | 274,825,840 | 45,563,644 |

Source: Fulton County Tax Commissioner

(1) Reflects conservation use.

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



| <u>Less: Tax Exempt Real Property</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Actual Taxable Value</u> | <u>Assessed Value as a Percentage of Actual Value</u> |
|---|---|--|---|---|
| \$ 673,279,509 | \$ 5,675,994,012 | 4.731 | \$ 14,189,985,030 | 40% |
| 624,230,855 | 6,252,187,046 | 4.731 | 15,630,467,615 | 40% |
| 697,411,661 | 7,177,754,699 | 4.731 | 17,944,386,748 | 40% |
| 610,103,942 | 6,920,906,154 | 4.731 | 17,302,265,385 | 40% |
| 598,120,585 | 6,703,482,439 | 4.731 | 16,758,706,098 | 40% |

CITY OF SANDY SPRINGS, GEORGIA

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

| Calendar Year | Sandy Springs | Fulton County | School District | | | State | Total Direct & Overlapping Rates |
|--------------------------|--------------------------|--------------------------|------------------------------|---------------------------------|--|--------------|---|
| | | | Operating Millage | Debt Service Millage | Total School District Millage | | |
| 2006 | 4.731 | 11.470 | 17.825 | 0.282 | 18.107 | 0.250 | 34.558 |
| 2007 | 4.731 | 10.281 | 16.904 | 1.188 | 18.092 | 0.250 | 33.354 |
| 2008 | 4.731 | 10.281 | 16.403 | 1.099 | 17.502 | 0.250 | 32.764 |
| 2009 | 4.731 | 10.281 | 17.502 | - | 17.502 | 0.250 | 32.764 |
| 2010 | 4.731 | 10.281 | 18.502 | - | 18.502 | 0.250 | 33.764 |

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.

CITY OF SANDY SPRINGS, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND THREE YEARS AGO
JUNE 30, 2010**

| Taxpayer | 2010 | | | 2007 | | |
|--|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Development Authority of Fulton County | \$ 82,966,331 | 1 | 1.24 % | \$ 73,122,792 | 1 | 1.17 % |
| Four Eight Prop LLC | 80,199,121 | 2 | 1.20 | 35,000,000 | 2 | 0.56 |
| FULCOPROP Fifty Six, LLC | 73,365,320 | 3 | 1.09 | | | |
| AT&T Mobility LLC | 71,570,670 | 4 | 1.07 | | | |
| FULCOPROP 400, LLC | 41,760,000 | 5 | 0.62 | | | |
| Teachers Concourse LLC | 36,742,801 | 6 | 0.55 | 26,874,519 | 10 | 0.43 |
| Vef V Atlanta Office One, LLC | 34,561,640 | 7 | 0.52 | | | |
| Highwoods DLF 97 26 DFL 99 32 | 34,000,000 | 8 | 0.51 | 27,282,761 | 9 | 0.44 |
| BT Property, LLC | 33,790,839 | 9 | 0.50 | | | |
| SRI Seven Palisades, LLC | 32,713,718 | 10 | 0.49 | | | |
| Concourse V Associates | | | | 34,600,000 | 3 | 0.55 |
| Northpark Associates LTD | | | | 33,086,079 | 4 | 0.53 |
| Georgia Power Company | | | | 35,350,272 | 5 | 0.57 |
| Northpark Five Hundred Assoc | | | | 29,720,000 | 6 | 0.48 |
| Lakeside Commons LTD Ptnrship | | | | 27,557,719 | 7 | 0.44 |
| Eop Lakeside Office LLC | | | | 27,524,680 | 8 | 0.44 |
| Totals | \$ 521,670,440 | | 7.78 % | \$ 350,118,822 | | 5.60 % |

Source: Fulton County Tax Commissioner

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

CITY OF SANDY SPRINGS, GEORGIA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST FOUR 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 (1) | Total Collections to Date | |
|---------------------------------------|--|---|-----------------------|---|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2007 | \$ 25,186,176 | \$ 24,559,900 | 97.5 % | \$ 626,276 | \$ 25,186,176 | 100.0 % |
| 2008 | 27,162,838 | 26,271,821 | 96.7 | 693,314 | 26,965,135 | 99.3 |
| 2009 | 29,635,929 | 28,869,540 | 97.4 | - | 28,869,540 | 97.4 |
| 2010 | 30,023,553 | 29,768,046 | 99.1 | N/A | 29,768,046 | 99.1 |

Source: Fulton County Tax Commissioner

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

(1) Data for taxes collected during fiscal year 2010 on previous levies is not available.

CITY OF SANDY SPRINGS, GEORGIA

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

| Fiscal Period Ended June 30, | Governmental Activities | | Total | Percentage of Personal Income (1) | | Per Capita (1) |
|---|------------------------------------|----------------------------------|--------------|--|---|---------------------------|
| | Notes Payable | Capital Lease Payable | | | | |
| 2006 | \$ 4,000,000 | \$ - | \$ 4,000,000 | 0.09 | % | \$ 46.14 |
| 2007 | 9,656,563 | - | 9,656,563 | 0.18 | | 98.64 |
| 2008 | 8,326,040 | - | 8,326,040 | 0.15 | | 83.42 |
| 2009 | 5,059,788 | 2,563,682 | 7,623,470 | 0.15 | | 76.38 |
| 2010 | 3,428,740 | 2,453,791 | 5,882,531 | 0.11 | | 58.02 |

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

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

CITY OF SANDY SPRINGS, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2010

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|-------------------------------|---------------------|---|---|
| Fulton County School District | \$ 149,760,000 | 13.18 % | \$ 19,738,368 |
| Total overlapping debt | \$ 149,760,000 | | \$ 19,738,368 |

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 FIVE FISCAL YEARS

| Fiscal Period | Population (1) | Personal Income (amounts expressed in thousands) (1) | Per Capita Personal Income (1) | Median Age (1) | School Enrollment (2) | Unemployment Rate (3) |
|----------------------|-----------------------|---|---------------------------------------|-----------------------|------------------------------|------------------------------|
| 2006 | 86,698 | \$ 4,550,258 | \$ 52,484 | 33.2 | 11,498 | 2.2 % |
| 2007 | 97,898 | 5,265,933 | 53,790 | 38.6 | 11,624 | 4.3 |
| 2008 | 99,808 | 5,376,735 | 53,871 | 37.9 | 11,391 | 5.4 |
| 2009 | 99,808 | 5,231,035 | 52,411 | 35.2 | 14,423 | 10.4 |
| 2010 | 101,390 | 5,208,607 | 51,372 | 34.8 | 15,406 | 10.2 |

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

(2) Source: Fulton County Board of Education

(3) Bureau of Labor Statistics July, 2010

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

Note: School enrollment is based on beginning of school year.

CITY OF SANDY SPRINGS, GEORGIA

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

| Employer | 2010 | | | 2006 | | |
|----------------------------------|----------------------|-------------|--|----------------------|-------------|--|
| | Employees (1) | Rank | Percentage of Total City Employment (2) | Employees (1) | Rank | Percentage of Total City Employment (2) |
| Cisco Systems, Inc. | 1,922 | 1 | 3.6 % | | | % |
| IBM Corporation | 1,536 | 2 | 2.9 | 894 | 4 | 1.5 |
| United Parcel Service | 1,534 | 3 | 2.8 | 1,653 | 1 | 2.7 |
| AT&T Mobility | 766 | 4 | 1.4 | 1,137 | 2 | 1.9 |
| RBS Lynk Inc. | 576 | 5 | 1.1 | 675 | 7 | 1.1 |
| COX Enterprises Inc | 544 | 6 | 1.0 | | | |
| Arby's Restaurant Group | 517 | 7 | 1.0 | | | |
| Ceridian Corporation | 497 | 8 | 0.9 | 604 | 8 | 1.0 |
| Global Payments, Inc. | 496 | 9 | 0.9 | | | |
| ACS State Healthcare, LLC | 467 | 10 | 0.9 | | | |
| Autotrader.com | | | | 926 | 3 | 1.5 |
| Internet Security Systems | | | | 753 | 5 | 1.2 |
| ING North American Ins Corp | | | | 675 | 6 | 1.1 |
| Coca-Cola USA Customer Care | | | | 587 | 9 | 1.0 |
| Manheim Corporate Services, Inc. | | | | 535 | 10 | 0.9 |
| Totals | 8,855 | | 16.4 % | 8,439 | | 13.9 % |

(1) Source: Fulton County Development Authority and 2010 individual employer's business license filing

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

CITY OF SANDY SPRINGS, GEORGIA

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

| Function | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| General government | 63 | 63 | 62 | 55 | 120 |
| Judicial | 11 | 11 | 12 | 10 | - |
| Public safety | | | | | |
| Police | | | | | |
| Officers | 132 | 132 | 124 | 111 | 44 |
| Civilians | 7 | 7 | 15 | 15 | 2 |
| Fire | | | | | |
| Firefighters (1) | 140 | 140 | 106 | 105 | - |
| Civilians | 2 | 2 | 3 | 5 | - |
| Public works | | | | | |
| Highways and streets | 25 | 25 | 26 | 23 | 65 |
| Culture and recreation | 9 | 9 | 8 | 6 | - |
| Housing and development | 37 | 37 | 45 | 44 | 5 |
| Total | 426 | 426 | 401 | 374 | 236 |

Source: City of Sandy Springs Human Resources Department

Note: Fiscal year 2007 is the City's first full year of operations. The 2006 period was only 7 months. The City is gradually taking over the services provided to its citizens by Fulton County, which results in changes to the number of employees. The City hired additional employees during 2007 and 2008 as well as transferred existing employees between departments.

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

CITY OF SANDY SPRINGS, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST THREE FISCAL YEARS

| Function | 2010 | 2009 | 2008 |
|---------------------------------|--------------------|--------------------|--------------------|
| General government | | | |
| Ordinances approved | 82 | 70 | 108 |
| Special events held | 65 | 62 | 47 |
| Court cases | 24,781 | 28,631 | 28,793 |
| Bond rating | Aa | Aa | Aa |
| Software applications supported | 21 | 21 | 21 |
| Grants managed | 21 | 21 | 18 |
| Police | | | |
| Calls for service | 91,494 | 84,393 | 92,482 |
| Part 1 crimes reported | 2,984 | 3,104 | 3,827 |
| Traffic citations issued | 20,467 | 20,933 | 23,013 |
| Fire | | | |
| Incident responses | 12,668 | 15,885 | 18,425 |
| Average response time | 6 minutes | 6 minutes | 6 minutes |
| Fire safety programs conducted | 220 | 575 | 138 |
| Inspections conducted | 3,139 | 3,341 | 2,256 |
| Highways and streets | | | |
| Traffic signals timed | 60 | 60 | 121 |
| Average days to repair pothole | 24 hr- emg/ 3 days | 24 hr- emg/ 3 days | 24 hr- emg/ 3 days |
| Community development | | | |
| Stormwater plans reviewed | 64 | 65 | 38 |
| New building permits issued | 1,368 | 1,188 | 1,814 |
| Parcels annexed | 0 | 0 | 0 |
| Culture and recreation | | | |
| Park acres maintained | 225 | 225 | 155 |
| Greenway acres maintained | 23.3 | 23.3 | 23.3 |
| Annual program registrants | 9,050 | 9,010 | 7,250 |

Sources: Various City departments.

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

CITY OF SANDY SPRINGS, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST FIVE FISCAL YEARS

| Function/Program | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------|------|------|------|------|------|
| Police | | | | | |
| Stations (1) | 1 | 1 | 1 | 1 | 1 |
| Patrol Units | 131 | 100 | 106 | 100 | 40 |
| Patrol Zones | 8 | 8 | 8 | 8 | 3 |
| Fire stations | | | | | |
| Leased (1) | 1 | 1 | 1 | 1 | - |
| Owned | 3 | 3 | 3 | 3 | - |
| Public Works | | | | | |
| Streets (miles) | 360 | 360 | 360 | 360 | 295 |
| Traffic Signals | 122 | 119 | 121 | 119 | 78 |
| Culture and recreation | | | | | |
| Park acreage | 130 | 130 | 130 | 130 | - |
| Recreational facilities | 3 | 3 | 3 | 3 | - |
| Parks and greenspace | | | | | |
| Leased | 2 | 2 | 2 | 2 | - |
| Owned | 10 | 10 | 10 | 10 | - |

Source: Various City departments.

(1) Reflects building operating lease.

Note: Fiscal year 2007 is the City's first full year of operations. The 2006 period was only 7 months. The City is gradually taking over the services provided to its citizens by Fulton County.

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