

2017

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED JUNE 30, 2017





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

FOR YEAR ENDED JUNE 30, 2017

PREPARED BY:
FINANCE DEPARTMENT

SUBMITTED BY:
JOHN F. McDONOUGH
CITY MANAGER

CITY OF SANDY SPRINGS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	Page Number
INTRODUCTORY SECTION	
Letter of Transmittal.....	i-x
Organizational Chart	xi
Listing of Elected Officials & City Manager	xii
Listing of Principal Officials	xiii
Certificate of Achievement for Excellence in Financial Reporting.....	xiv
 FINANCIAL SECTION	
Independent Auditor’s Report.....	1-3
Management’s Discussion and Analysis	4-14
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	17
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	20
Notes to Financial Statements	21-44
Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	45 and 46
Combining and Individual Nonmajor Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	47
Combining Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Nonmajor Governmental Funds	48
Confiscated Assets Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	49
E911 Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	50
Tree Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	51
Federal Grants Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	52

CITY OF SANDY SPRINGS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	Page Number
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Statements and Schedules (Continued):	
Operating Grant Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	53
CDBG Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	54
Hotel/Motel Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	55
Auto Excise Tax Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	56
Schedule of Projects Constructed with Proceeds from	
Transportation Special Purpose Local Option Sales Tax (TSPLOST).....	57
Statement of Changes in Assets and Liabilities – Agency Fund	58
Balance Sheet – Component Unit – Sandy Springs Hospitality & Tourism.....	59
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Component Unit – Sandy Springs Hospitality & Tourism.....	60
Balance Sheet – Component Unit – Sandy Springs Development Authority	61
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Component Unit – Sandy Springs Development Authority	62
STATISTICAL SECTION	
Net Position by Component	63
Changes in Net Position	64
Governmental Activities Tax Revenues by Source	65
Fund Balances of Governmental Funds	66
Changes in Fund Balances of Governmental Funds.....	67
General Governmental Tax Revenues by Source.....	68
Assessed Value and Estimated Actual Value of Taxable Property.....	69
Property Tax Rates, Direct and Overlapping Governments.....	70
Principal Property Taxpayers.....	71
Property Tax Levies and Collections	72
Ratios of Outstanding Debt by Type	73
Ratios of Net General Bonded Debt Outstanding	74
Direct and Overlapping Governmental Activities Debt	75
Demographic and Economic Statistics.....	76
Principal Employers	77
Full-time Equivalent City Government Employees by Function	78
Operating Indicators by Function.....	79
Capital Asset Statistics by Function	80



INTRODUCTORY SECTION



SANDY SPRINGS

GEORGIA

December 1, 2017

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Sandy Springs, Georgia, for the fiscal year ended June 30, 2017 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City of Sandy Springs. The report has been prepared in accordance with generally accepted accounting principles. All disclosures necessary to enable an interested reader to gain an understanding of the government's financial activities have been included.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sandy Springs for the fiscal year ended June 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Sandy Springs' financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of the report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.



SANDY SPRINGS

GEORGIA

PROFILE OF THE GOVERNMENT

Sandy Springs was incorporated in December of 2005, celebrating its tenth anniversary this year. Positioned in the heart of the metro area, Sandy Springs is a demographically diverse community and covers a 38 square mile area in north Fulton County, Georgia. Sandy Springs is the second largest city in the metropolitan Atlanta area and is the sixth largest city in the State of Georgia, serving a population of 105,703 (U.S. Census estimate for 2016). The City's daytime population doubles, swelling to more than 200,000 due to the concentration of major corporations and businesses located within the City, including UPS, Newell Brands, Veritiv, and First Data. Twenty-two miles of the Chattahoochee River flow through Sandy Springs, creating a unique recreational opportunity within a metropolitan setting.

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

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

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

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



SANDY SPRINGS

GEORGIA

911 services through the Chattahoochee River E911 Authority (ChatComm) and with the North Fulton Cities of Alpharetta, Milton and Roswell for a unified radio system through the North Fulton Regional Radio System Authority (NFRRSA).

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

LOCAL ECONOMY

More than 5,500 businesses currently call Sandy Springs home. From world-known corporations such as UPS, First Data, and Intercontinental Exchange (parent of the New York Stock Exchange); to small, family-owned retailers and restaurants, the business community realizes a strong return on investment dollars.

The City's commercial properties comprise more than 46 percent of the total tax digest by property value, which ensures a strong economic foundation for the government. Sandy Springs is located at the crossroads of the most traveled east-west and north-south connections with prime access to Interstate 285 and Georgia Highway 400, with Interstate 75 located just west of the City's border. Four stations on the MARTA rail transit system also serve Sandy Springs, creating an attractive transportation location for business.

More than 40 percent of the available hospital beds in the metropolitan Atlanta area are located in Sandy Springs. The City is home to nationally recognized Children's Healthcare of Atlanta, Northside Hospital and Emory Saint Joseph's Hospital. The City's largest employers are hospitals, headquarters and regional office from a variety of industries. Among those companies are Amtrak, VMware, AirWatch, Graphic Packaging, CSM Bakery, Cox Enterprises, and the future home of the North American Headquarters for Mercedes Benz.

Nest named Sandy Springs a Top Ten Town in which to live in 2017, and more than 105,000 reside in Sandy Springs with the city's daytime population doubling due to the strong concentration of businesses. The City is home to a burgeoning dining scene and nighttime activities, a place where one can expend energy paddle boarding on the river or slow the pace, enjoying one of the City's many parks and green spaces.



SANDY SPRINGS

GEORGIA

According to the 2016 US Census, there were 46,955 housing units within Sandy Springs, with 46.6 percent recorded as home ownership and 53.4 percent recorded as units within multi-unit structures. The median value of owner-occupied housing was \$415,600. The average household size was 2.33 people, with a median household income of \$63,917. WalletHub lists the City as among America's Most Diverse. Over a quarter of Sandy Springs residents now speak a language other than English as their primary language.

Quality of life is an important driver in attracting and keeping residents and businesses to Sandy Springs. The City prides itself on providing *Honest, Efficient and Responsive* services for the people it serves, with the City's innovative Public-Private-Partnership model known around the globe. Held accountable for product and service, this business model fosters a proactive, responsive and efficient approach to providing services. In 2017, Nest named Sandy Springs a Top Ten Town in which to live and Niche Magazine lists Sandy Springs as a Top Ten City for Millennials. Sandy Springs is also among the top 2 percent in the nation to achieve an ISO Class 2 rating.

NATIONAL ECONOMY

With the steadily improving job market, the unemployment rate improved for the state of Georgia in 2017 to 4.4%, citywide lowered to 3.7%, according to the Bureau of Labor Statistics for September.

According to August 2017 S&P CoreLogic Case-Shiller Home Price Indices, home prices continued their rise across the country over the last 12 months. The national index, which covers all nine U.S. census divisions, was up 6.1% from the prior month. All 20 cities in the report were up year over year with the exception of Atlanta, who saw a seasonal adjusted monthly number slip of 0.2%.

LONG TERM FINANCIAL PLANNING

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

To facilitate the provision of city services, the government is committed to a consistent millage rate for property taxes. The City's operating millage rate of 4.731 mills is statutorily set and cannot be increased without a public referendum. In addition, when residential property is reassessed, if a homeowner has filed for the proper homestead exemption, the assessment cannot be raised more than 3% (or the rate of inflation) in any one year for city taxes. Neighboring jurisdictions are



SANDY SPRINGS

GEORGIA

not bound by the 3% cap in the utilization of increased assessments, where a large proportion of their increased assessments fall on the back of homeowners.

Despite the negative impacts to the U.S. economy, Sandy Springs continues to enjoy a strong financial outlook. The City is expected to continue developing as an economic hub and preferred location for business and residential investment. Through planned growth consistent with existing zoning, the governing body approved several distinctive commercial developments during Fiscal Year 2017. Additionally, the commercial community continues to experience significant re-development through builders and investors developing mixed-use areas.

MAJOR INITIATIVES FOR THE YEAR

The Next Ten

In June 2015, the City began the process to update its Comprehensive Land Use Plan and associated zoning. Branded *The Next Ten*, the City worked with the community to develop the policies, guidelines and recommendations to steer orderly development and growth within the city. The City Council adopted The Next Ten Comp Plan in February 2017 and the associated Development Code in August 2017. High among the priorities for the Plan was the need for neighborhood protection with 67 percent of the City's area now listed as protected neighborhoods. Where higher density is an opportunity, such as areas near transit, the City included incentives for developers to add middle-income, "workforce" housing. The Next Ten initiative was recognized by the Georgia Planning Association for "Outstanding Planning Process – Large Scale," the most comprehensive and holistic of the award categories by the GPA.





SANDY SPRINGS

GEORGIA

City Springs

The City held a topping out ceremony in January 2017 marking another milestone in the City's vision to create a unique, vibrant, walkable center, rich in amenities desired by the community. The vision for City Springs was the result of yearlong community wide planning to create a Master Plan for Sandy Springs. The Plan was adopted in December 2012. With a goal towards growth and redevelopment, the City Springs project creates a mixed-use development introducing new dining, retail and entertainment options; creation of a cultural/civic center that functions as a place of community activity and identity; and adds a green space network to accommodate a variety of activities as well as tying together City Springs, the City's established neighborhoods and existing open spaces.



The City issued \$159,475,000 in Revenue Bonds on October 20, 2015 for the City Center Master Plan. A \$222,712,000 budget was established to provide for the funding toward the completion of the overall project. Construction in 2017 first moved upwards as the buildings took shape. As the year came to a close, a concentration on interiors is underway.



SANDY SPRINGS

GEORGIA

In 2016, City Springs received the Community Redevelopment Award from the Metro Atlanta Redevelopment Summit, recognizing the positive influence City Springs has had within the community.

TSPLOST

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





SANDY SPRINGS

GEORGIA

In August 2017, City and County leaders cut the ribbon marking the construction on the first TSPLOST project to begin construction activity. The intersection improvement project at Mt. Vernon Highway and Long Island Drive was completed in late fall.

INITIATIVES FOR FUTURE YEARS

City Springs

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

Construction on Park Facilities

The City committed \$425,000 for park improvements in the 2018 budget. This includes funding to make needed repairs in its major parks, Hammond Park and Morgan Fall Overlook Park. Improvements were added to this year's budget for Allen Park as well.

Public Works Facilities

\$7.4 million was included in the 2018 capital budget for infrastructure improvements to roads, bridges, storm water drainage, sidewalks, intersections and traffic management. The City currently has over 20 capital projects in various stages of construction and planning.

TSPLOST

The City continues to work through the first tier of projects outlined in the approved project list and hopeful to receive close to full collection in order to work into Tier 2 and 3 projects before its end in March 2022.

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



SANDY SPRINGS

GEORGIA

2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

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

As part of the City's annual single audit, required in conformity with provisions of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs as well as to determine that the City has complied with applicable laws and regulations.

Budgetary Controls - The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the general fund and special revenue funds are included in the annual appropriated budget. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level within each fund. Administrative transfers of appropriations within a fund may be authorized by the City Manager to meet unforeseen needs, as long as the total budgeted amounts do not exceed these appropriations by fund. The City's budget procedures, together with such procedures for discretely presented component units, are more fully explained in the accompanying notes to the financial statements. The City maintains an encumbrance accounting system as one means of accomplishing budgetary control. Encumbered amounts at year end are carried forward to the ensuing year's budget on a case by case basis.

OTHER INFORMATION

Awards and Achievements - The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandy Springs for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the tenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



SANDY SPRINGS

GEORGIA

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

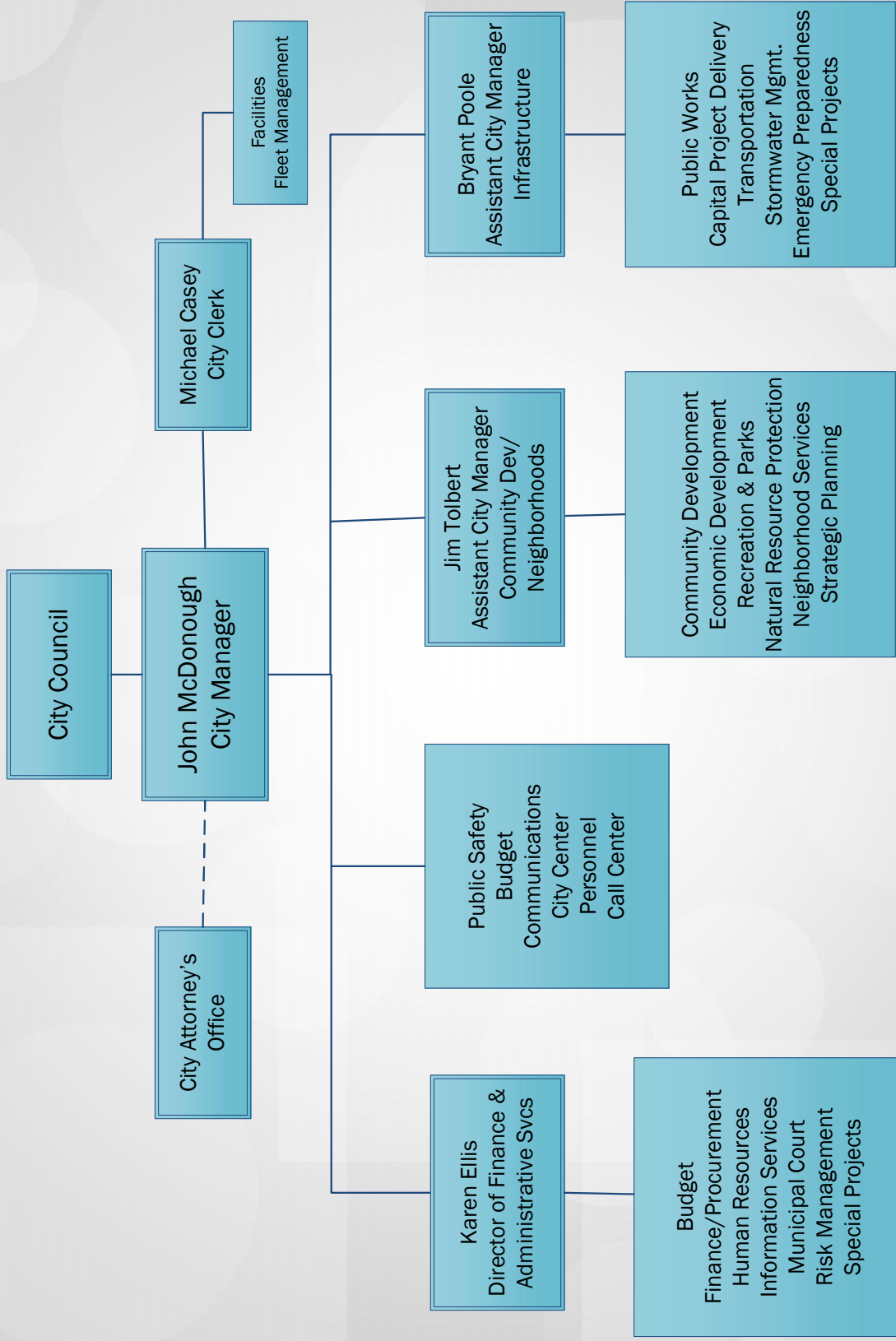
Acknowledgments - The preparation of the report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance Department, the auditors for the City and its component units, and the cooperation of City staff in various departments. My sincere appreciation is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

Respectfully submitted,

John McDonough
City Manager

Karen Ellis
Finance Director

City of Sandy Springs Georgia Organizational Chart



Mayor and City Council

Elected Officials and Manager



Mayor
Rusty Paul



Councilman
John Paulson



Councilman
Ken Dishman



Councilman
Chris Burnett



Councilman
Gabriel Sterling



Councilman
Tibby DeJulio



Councilman
Andy Bauman



City Manager
John McDonough



City of Sandy Springs, Georgia

Listing of Principal Officials



Assistant City Managers

Bryant Poole, Jim Tolbert

Finance Director

Karen Ellis

City Clerk

Michael Casey

Court Clerk

Cheston Roney

Police Chief

Ken DeSimone

Fire Chief

Keith Sanders

City Attorney

Wendell Willard

Communications Director

Sharon Kraun

Community Development Director

Michelle Alexander

Human Resources Director

Carol Sicard

Information Services Director

Jonathan Crowe

Public Works Director

Garrin Coleman

Recreation and Parks Director

Michael Perry



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Sandy Springs
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Sandy Springs, Georgia**, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Sandy Springs, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sandy Springs, Georgia as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Information (continued)

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017 on our consideration of the City of Sandy Springs, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sandy Springs, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sandy Springs, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 1, 2017

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$349,001,091 (total net position), which represents an increase of \$26,124,511, or 8.09% from the prior year. Of the total net position, \$87,470,740 (unrestricted net position) is available to meet the ongoing obligations of the government.
- The City issued \$159,475,000 of revenue bonds in fiscal year 2016 for the purpose of acquiring, constructing and installing certain public buildings in connection with the City Center Project (City Springs). To date the City has spent approximately \$94 million of bond proceeds toward construction of the City Center.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$138,372,263. This represents a decrease of \$83,445,007 from the prior year, primarily from construction costs towards City Springs referred to above.
- Total governmental fund revenues were \$114,256,971, an increase of \$7,009,799, or 6.54% from the prior year.
- Total governmental fund expenditures were \$201,636,654, an increase of \$44,839,613, or 28.60% over the prior year, primarily related to construction expenditures related to City Springs.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 17 through 19 of this report.

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

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

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

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

The combining and individual fund statements and schedules, referred to earlier, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 47 and 48 of this report. Required supplementary information can be found on pages 45 and 46 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets exceeded liabilities and deferred inflows of resources by \$349,001,091, representing a \$26,124,511, or 8.09% increase over last year.

The largest portion of the City's net position, \$253,053,379 reflects its investment in capital assets (e.g., buildings, machinery and equipment roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Other than a relatively small amount of net position that are restricted as to use, \$8,476,972, the remaining portion of the City's net position, represents unrestricted net position of \$87,470,740, which is available to meet the ongoing obligations of the government. This amount represents 98% of current governmental expenses, and a 18.36% increase over the prior year.

The City has current and other assets of \$179,365,796, a decrease of \$64,336,365 over the prior year. These assets include bond proceeds held in restricted cash and investments of \$65,419,860 in the Public Facilities Authority Fund. The City used \$77,805,405 of bond proceeds toward the construction of City Springs in fiscal year 2017.

The City's capital assets are \$396,138,471, which represents an increase of \$106,976,133, or 37%. The increase is primarily related to the construction costs for City Springs.

Long-term liabilities decreased \$3,565,441 from the prior year as a result of annual debt service payments.

The table on the following page summarizes the City's Net Position for 2017 and 2016.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

City of Sandy Springs Net Position

	<u>Governmental Activities</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	
Assets				
Current assets	\$ 179,365,796	\$ 243,702,161	\$ (64,336,365)	(26.40) %
Capital assets, net of accumulated depreciation	396,138,471	289,162,338	106,976,133	37.00
Total assets	<u>575,504,267</u>	<u>532,864,499</u>	<u>42,639,768</u>	<u>8.00</u>
Liabilities				
Current liabilities	47,128,579	26,987,881	20,140,698	74.63
Long-term liabilities	179,344,597	182,910,038	(3,565,441)	(1.95)
Total liabilities	<u>226,473,176</u>	<u>209,897,919</u>	<u>16,575,257</u>	<u>7.90</u>
Deferred service concession arrangement receipts	30,000	90,000	(60,000)	(66.67)
Net Position				
Net investment in capital assets	253,053,379	243,216,434	9,836,945	4.04
Restricted	8,476,972	5,755,644	2,721,328	47.28
Unrestricted	87,470,740	73,904,502	13,566,238	18.36
Total net position	<u>\$ 349,001,091</u>	<u>\$ 322,876,580</u>	<u>\$ 26,124,511</u>	<u>8.09 %</u>

Governmental activities: From the inception of Sandy Springs, and continuing through 2009, management focused on acquiring human as well as physical infrastructure for ongoing City activities. Fiscal Year 2009 and thereafter, the City moved more toward normal operating activities as management focused more on activities which have a direct impact on its citizens such as parks and road improvements.

Revenues: Charges for services includes fines and forfeitures, E911 telephone service charges, impact fees, and licenses and permits. These revenues increased \$2,700,099 or 21.66%, primarily because of increased building activity in the city. Impact fees increased \$1,597,839 or 53% and licenses and permits increased \$1,215,368 or 30%. Capital grants and contributions decreased \$626,824 or 19.04% as a result of fewer federal awards. Property taxes increased slightly, from \$33,240,654 to \$33,556,314 as assessed values have leveled off from post-recession increases. Sales and use taxes increased \$4,177,450 or 16.18%, driven by continued improvements in the retail economy. Hotel motel taxes increased \$230,094 or 4.37% driven by higher room and occupancy rates. Unrestricted investment earnings increased \$602,443 or 123% because of higher interest rates. The City realized a gain of \$850,242 on the sale of a land parcel adjoining the City Center project.

Expenses: General government expenses increased \$700,967 or 6.10% because of increases in contractual services. Public safety expenses increased \$1,329,868 or 3.89% due to general increases in salaries and expenses. Public works expenses increased \$2,835,311 or 17.66% because of a claim payable to the Georgia Department of Transportation (GDOT). Culture and recreation expenses decreased \$6,954,915 or 44.8% because prior year expenses included non-capitalized expenditures related to the City Center project. Housing and Development expenses increased \$578,006 or 10.92% due to increases in code enforcement. Interest on long-term debt increased \$1,879,068 or 41.37% as a result of the issuance of \$159,475,000 of long-term debt related to the City Center project in fiscal year 2016.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

City of Sandy Springs Changes in Net Position

	<u>Governmental Activities</u>		<u>Dollar Increase (Decrease)</u>	<u>Percent</u>
	<u>2017</u>	<u>2016</u>		
Revenues				
Program revenues:				
Charges for services	\$ 15,165,151	\$ 12,465,052	\$ 2,700,099	21.66 %
Operating grants and contributions	5,625	3,091	2,534	81.98
Capital grants and contributions	2,665,236	3,292,060	(626,824)	(19.04)
General revenues:				
Property taxes	33,556,314	33,240,654	315,660	0.95
Sales and use taxes	29,989,575	25,812,125	4,177,450	16.18
Hotel/motel taxes	5,492,264	5,262,170	230,094	4.37
Franchise taxes	9,715,393	9,842,953	(127,560)	(1.30)
Business taxes	15,772,737	15,644,309	128,428	0.82
Unrestricted investment earnings	1,091,867	489,424	602,443	123.09
Gain on sale of capital assets	850,242	-	850,242	-
Miscellaneous revenues	790,598	614,813	175,785	28.59
Total revenues	<u>115,095,002</u>	<u>106,666,651</u>	<u>8,428,351</u>	<u>7.90</u>
Expenses				
General government	12,198,772	11,497,805	700,967	6.10
Judicial	1,530,501	1,480,915	49,586	3.35
Public safety	35,514,365	34,184,497	1,329,868	3.89
Public works	18,888,072	16,052,761	2,835,311	17.66
Culture and recreation	8,545,292	15,500,207	(6,954,915)	(44.87)
Housing and development	5,872,460	5,294,454	578,006	10.92
Interest on long-term debt	6,421,029	4,541,961	1,879,068	41.37
Total expenses	<u>88,970,491</u>	<u>88,552,600</u>	<u>417,891</u>	<u>0.47</u>
Change in net position	26,124,511	18,114,051	8,010,460	44.22 %
Net position, beginning of year	<u>322,876,580</u>	<u>304,762,529</u>		
Net position, end of year	<u>\$ 349,001,091</u>	<u>\$ 322,876,580</u>		

Financial Analysis of the Government's Funds

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

Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The table below summarizes governmental revenues for 2017 and 2016.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

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

	<u>Governmental Funds</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	
Revenues:				
Taxes	\$ 94,499,719	\$ 89,787,515	\$ 4,712,204	5.25 %
Licenses and permits	5,284,871	4,069,503	1,215,368	29.87
Intergovernmental revenues	2,380,642	3,887,278	(1,506,636)	(38.76)
Fines and forfeitures	2,966,094	3,107,404	(141,310)	(4.55)
Charges for services	6,914,186	5,288,144	1,626,042	30.75
Interest income	1,091,867	489,424	602,443	123.09
Other	1,119,592	617,904	501,688	81.19
Total revenues	<u>114,256,971</u>	<u>107,247,172</u>	<u>7,009,799</u>	<u>6.54</u>
Expenditures:				
General government	18,482,980	15,900,684	2,582,296	16.24
Public Safety	34,853,005	33,733,508	1,119,497	3.32
Judicial	1,531,040	1,477,948	53,092	3.59
Public Works	26,117,779	27,296,011	(1,178,232)	(4.32)
Recreation	102,723,830	67,514,805	35,209,025	52.15
Housing and Development	6,441,126	5,357,955	1,083,171	20.22
Debt service	11,486,894	5,516,130	5,970,764	108.24
Total expenditures	<u>201,636,654</u>	<u>156,797,041</u>	<u>44,839,613</u>	<u>28.60</u>
Deficiency of revenues over expenditures	(87,379,683)	(49,549,869)	(37,829,814)	76.35
Proceeds from sale of capital assets	3,546,371	33,061	3,513,310	10,626.75
Issuance of note payable	252,704	2,497,296	(2,244,592)	(89.88)
Issuance of capital leases	135,601	-	135,601	100.00
Issuance of revenue bonds	-	159,475,000	(159,475,000)	(100.00)
Premium on bonds issued	-	20,224,542	(20,224,542)	(100.00)
Net change in fund balance	<u>(83,445,007)</u>	<u>132,680,030</u>	<u>(216,125,037)</u>	<u>(162.89)</u>
Fund balance, beginning of year	<u>221,817,270</u>	<u>89,137,240</u>	<u>132,680,030</u>	<u>148.85</u>
Fund balance, end of year	<u>\$ 138,372,263</u>	<u>\$ 221,817,270</u>	<u>\$ (83,445,007)</u>	<u>(37.62) %</u>

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$138,372,263, a decrease of \$83,445,007, primarily related expenditure of bond proceeds related to the City Center project. Of this balance, \$63,817,565 is restricted by law or contractual agreement, the largest portion of which is bond proceeds related to the City Center project; \$34,798,934 has been assigned by management for infrastructure projects; \$16,775,312 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2018; and \$21,894,817 is considered unassigned and can be used to meet the near term operating needs of the City.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Tax revenues include property taxes, sales taxes, franchise taxes and business taxes and overall have increased \$4,712,204 or 5.25%. Most tax revenues were consistent with the prior year, however, sales taxes increased \$4,177,450 or 16.18% as the retail economy continues to grow. Revenues for licenses and permits have increased \$1,215,368 or 29.87% as building activity within the city continues to grow. Intergovernmental revenues have decreased \$1,506,636 or 38.76% as the City applied for fewer State and Federal grants. Fines and forfeitures decreased \$141,310 or 4.55% as confiscations have decreased and public safety focused on crime prevention over violations and ticketing. Interest income increased \$602,443 primarily from improvements in interest rates. Other revenue increased \$501,688 or 81.19% because of increases in contributions.

Total governmental expenditures have increased \$44,839,613 or 28.60% due to increases in capital projects, primarily the City Center project. General government expenditures increased \$2,582,296 or 16.24% primarily related to capital expenditures related to the City Center project. Public safety expenditures increased \$1,119,497 or 3.32% because of general increases in salaries and other expenses. Recreation expenditures increased \$35,209,025, or 52.15% and are primarily related to the City Center project. Housing and development expenses increased \$1,083,171 or 20.22% primarily related to increases in code enforcement and expenditures on city gateway beautification. Debt service expenditures increased \$5,970,764 primarily because of the issuance of \$159,475,000 of debt related to the City Center project in fiscal 2016.

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 \$42,498,657, an increase of \$4,713,655 or 12.47%. As a measure of the liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance at June 30, 2017 was \$21,894,817 and represents 31.61% of total general fund expenditures.

Total General Fund revenues have increased \$1,671,472 or 1.79%. Insurance premium taxes have increased 449,897 or 8.32%. Licenses and permits have increased \$1,215,368 or 29.87% as building activity continues to improve. Fines and forfeitures have decreased \$238,499 or 8.37% as confiscations have decreased. Interest revenues have increased \$210,633 or 56.5% as interest rates have risen. Other revenue has increased \$175,785 or 28.59%.

Total General Fund expenditures increased \$5,688,560 or 8.95%. Public safety expenses increased \$1,636,980 or 5.55% due to general increases in salaries and other expenses. Public works expenses increased \$1,732,190 or 13.92% primarily due to increases in stormwater maintenance. Recreation expenses increased \$494,682 or 17.03% due to increases in special facilities and contractual services. Housing and development expenses increased \$387,628 or 7.78% due to increased code enforcement activities. Debt service expenses increased \$848,110 or 96% due to additional purchases of equipment under capital leases.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

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

	<u>General Fund</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	
Revenues:				
Property taxes	\$ 33,529,750	\$ 33,225,958	\$ 303,792	0.91 %
Sales taxes	25,907,794	25,812,125	95,669	0.37
Franchise taxes	9,715,393	9,842,953	(127,560)	(1.30)
Business taxes	9,803,144	10,120,081	(316,937)	(3.13)
Insurance premium tax	5,857,691	5,407,794	449,897	8.32
Licenses and permits	5,284,871	4,069,503	1,215,368	29.87
Charges for services	823,994	920,670	(96,676)	(10.50)
Fines and forfeitures	2,611,790	2,850,289	(238,499)	(8.37)
Interest earned	583,150	372,517	210,633	56.54
Other	790,598	614,813	175,785	28.59
Total revenues	<u>94,908,175</u>	<u>93,236,703</u>	<u>1,671,472</u>	<u>1.79</u>
Expenditures:				
General government	11,916,567	11,380,689	535,878	4.71
Judicial	1,531,040	1,477,948	53,092	3.59
Public safety	31,143,905	29,506,925	1,636,980	5.55
Public works	14,180,477	12,448,287	1,732,190	13.92
Recreation	3,400,112	2,905,430	494,682	17.03
Housing and development	5,369,120	4,981,492	387,628	7.78
Debt service:				
Principal	1,576,664	791,182	785,482	99.28
Interest	154,980	92,352	62,628	67.81
Total expenditures	<u>69,272,865</u>	<u>63,584,305</u>	<u>5,688,560</u>	<u>8.95</u>
Excess of revenues over expenditures	25,635,310	29,652,398	(4,017,088)	(13.55)
Proceeds from sale of capital assets	55,857	33,061	22,796	68.95
Proceeds from issuance of capital lease	135,601	-	135,601	(100.00)
Transfers in	3,975,956	2,173,884	1,802,072	82.90
Transfers out	<u>(25,089,069)</u>	<u>(29,938,515)</u>	<u>4,849,446</u>	<u>(16.20)</u>
Net change in fund balance	4,713,655	1,920,828	2,792,827	145.40
Fund balance, beginning of year	<u>37,785,002</u>	<u>35,864,174</u>	<u>1,920,828</u>	<u>5.36</u>
Fund balance, end of year	<u>\$ 42,498,657</u>	<u>\$ 37,785,002</u>	<u>\$ 4,713,655</u>	<u>12.47 %</u>

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on pages 45 and 46. For fiscal year 2017, the City had an overall favorable budget variance of \$21,978,873.

Total revenues were \$7,287,607 better than budgeted. Sales taxes were \$1,332,794 or 5.42% better than budgeted as the local economy improves at a faster rate than projected. Licenses and permits were \$2,774,871 or 110% better than budgeted as the City's infrastructure initiatives have brought in increased commercial and residential construction. Overall, the remaining revenue categories reflect favorable budget variances as the city continues to use very conservative revenue estimates.

Total expenditures were \$7,882,085 better than budgeted. Public safety expenditures were \$3,077,448 or 8.99% due to very conservative budget estimates. Public works expenditures were 3,654,458 or 20.49% better than budgeted due to significantly less in repairs and maintenance of storm water infrastructure than originally projected. All other expenditure categories reflect favorable budget variances as the City continues to use very conservative budget models.

Capital Projects Fund

The capital projects fund accounts for the activities for constructing or obtaining capital assets of the City such as road improvement projects, land acquisitions and improvements, storm-water drainage projects, sidewalk projects and recreation and parks facilities and improvements. At the end of 2017, the fund balance for this fund was \$31,805,684, which represents a slight decrease of \$82,311 as the city made general fund transfers necessary to maintain a consistent fund balance. The City operates on the philosophy that all revenues over and above what is required for operations in the general fund should be transferred for specific projects in the capital projects fund. Therefore, fund balance represents amounts that have been allocated toward specific projects but are in various stages of completion.

As stated above, a significant amount of the resources in the capital projects fund are direct transfers from the general fund. In 2017, the general fund contributed \$15,723,455 toward capital projects. Revenues from state and federal transportation funds were \$1,820,910 in 2017 compared to \$3,514,735 in the prior year. Expenditures totaled \$19,189,857 for 2017 compared to \$21,994,915 in 2016. The significant decrease in expenditures is attributable to more capital expenditure activities being directed to the City Center project which are accounted for in a separate fund. Below is a table comparing capital project funding for 2017 and 2016.

City of Sandy Springs Capital Projects Fund Expenditures

	<u>2017</u>	<u>2016</u>	Dollar Increase (Decrease)	Percent
General Government	\$ 6,566,413	\$ 4,519,995	\$ 2,046,418	45.27 %
Public Safety	433,615	491,483	(57,868)	(11.77)
Public Works	11,550,261	14,847,724	(3,297,463)	(22.21)
Housing and Development	497,598	42,277	455,321	1,076.99
Culture and Recreation	141,970	2,093,436	(1,951,466)	(93.22)
	<u>\$ 19,189,857</u>	<u>\$ 21,994,915</u>	<u>\$ (2,805,058)</u>	<u>(12.75) %</u>

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

General government capital expenditures increased \$2,046,418 or 45.27% primarily related City Center expenditures.

Public Facilities Authority

The public facilities authority accounts for the activities for acquiring, constructing and installing certain public buildings, facilities and equipment necessary and convenient for the efficient operation of the City in connection with the proposed City Center project, including, but not limited to, a new performing arts center, public meeting spaces, a studio theater, city office space, and public parking facilities. The City issued \$159,475,000 in Revenue Bonds on October 20, 2015 for the City Center Master Plan. A \$222,712,000 budget was established to provide for the funding toward the completion of the overall project. The bond proceeds, debt service payments and capital expenditures for the project will all flow through the public facilities authority. The City has expended \$59,310,117 in fiscal 2016 and \$97,416,534 in fiscal 2017 toward construction of the City Center.

Capital Asset and Debt Administration

Capital Assets The City's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$396,138,471 (net of accumulated depreciation). This represents an increase of \$106,976,133 or 37% over the prior year. The increase is primarily driven by the City Center project. Additional information on the City's capital assets can be found in note 6 on page 36 of this report.

City of Sandy Springs Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	
Land	\$ 29,565,609	\$ 27,094,109	\$ 2,471,500	9.12 %
Construction in progress	226,427,596	132,548,310	93,879,286	70.83
Buildings	7,202,018	6,993,052	208,966	2.99
Improvements	16,986,294	11,550,423	5,435,871	47.06
Machinery and equipment	10,686,283	9,787,697	898,586	9.18
Infrastructure	105,270,671	101,188,747	4,081,924	4.03
	<u>\$ 396,138,471</u>	<u>\$ 289,162,338</u>	<u>\$ 106,976,133</u>	<u>37.00 %</u>

Long-term Debt At the end of fiscal year 2017, the City had total debt outstanding of \$180,885,533. During 2016, the City issued \$159,475,000 of Series 2015 Revenue bonds which included \$20,224,542 of premiums, primarily to finance the City Center project and principal repayments of \$2,440,000 were made during the current year. During 2017, the City also drew down the final \$252,704 of a \$2,750,000 note payable facility to the State Road and Tollway Authority for the purpose of the Windsor Parkway Realignment. All debt is backed by the full faith and credit of the City.

Additional information on the City's long-term debt can be found in note 7 on page 37 of this report.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2018 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 2018.
- The City restricts the use of one-time revenues to capital projects.

Requests for Information

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

CITY OF SANDY SPRINGS, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2017**

	Primary Government	Component Units	
	Governmental Activities	Sandy Springs Hospitality & Tourism	Development Authority
ASSETS			
Cash and cash equivalents	\$ 94,803,192	\$ 1,318,115	\$ 347,533
Investments	10,500,000	-	-
Taxes receivable, net of allowances	5,355,195	-	-
Accounts receivable	723,746	-	-
Due from other governments, net of allowances	1,554,491	-	-
Due from primary government	-	459,044	-
Due from component unit	174,034	-	-
Restricted:			
Cash and cash equivalents	56,522,830	-	-
Investments	8,897,030	-	-
Prepaid items	835,278	-	-
Capital assets:			
Nondepreciable	255,993,205	-	-
Depreciable, net of accumulated depreciation	140,145,266	-	-
Total assets	575,504,267	1,777,159	347,533
LIABILITIES			
Accounts payable	38,169,556	69,041	-
Accrued liabilities	2,802,556	-	-
Intergovernmental payable	378,924	-	-
Due to component unit	459,044	-	-
Due to primary government	-	174,034	-
Compensated absences due within one year	1,038,113	-	-
Claims and judgments payable due within one year	698,774	-	-
Capital leases, due within one year	877,822	-	-
Bonds payable, due within one year	2,510,000	-	-
Note payable, due within one year	193,790	-	-
Compensated absences due in more than one year	643,128	-	-
Claims and judgments payable due in more than one year	1,397,548	-	-
Capital leases, due in more than one year	1,678,431	-	-
Bonds payable, due in more than one year	173,228,334	-	-
Note payable, due in more than one year	2,397,156	-	-
Total liabilities	226,473,176	243,075	-
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement receipts	30,000	-	-
Total deferred inflows of resources	30,000	-	-
NET POSITION			
Net investment in capital assets	253,053,379	-	-
Restricted:			
Infrastructure improvements	8,077,697	-	-
Public safety projects	367,997	-	-
Tourism	-	1,534,084	-
Development	-	-	347,533
Recreation	31,278	-	-
Unrestricted	87,470,740	-	-
Total net position	\$ 349,001,091	\$ 1,534,084	\$ 347,533

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, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 12,198,772	\$ 839,593	\$ -	\$ -
Judicial	1,530,501	2,611,790	-	-
Public safety	35,514,365	3,585,456	-	24,395
Public works	18,888,072	3,004,014	-	2,317,472
Culture and recreation	8,545,292	682,874	5,625	-
Housing and development	5,872,460	4,441,424	-	323,369
Interest on long-term debt	6,421,029	-	-	-
Total governmental activities	<u>88,970,491</u>	<u>15,165,151</u>	<u>5,625</u>	<u>2,665,236</u>
Total primary government	<u>\$ 88,970,491</u>	<u>\$ 15,165,151</u>	<u>\$ 5,625</u>	<u>\$ 2,665,236</u>
Component Units				
Sandy Springs Hospitality & Tourism	\$ 1,610,408	\$ -	\$ 1,765,214	\$ -
Development Authority	55,644	-	93,751	-
Total component units	<u>\$ 1,610,408</u>	<u>\$ -</u>	<u>\$ 1,765,214</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Franchise taxes				
Excise taxes				
Business taxes				
Insurance premium tax				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous revenues				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Primary Government	Component Units	
Governmental Activities	Sandy Springs Hospitality & Tourism	Sandy Springs Development Authority
\$ (11,359,179)	\$ -	\$ -
1,081,289	-	-
(31,904,514)	-	-
(13,566,586)	-	-
(7,856,793)	-	-
(1,107,667)	-	-
(6,421,029)	-	-
(71,134,479)	-	-
(71,134,479)	-	-
-	154,806	-
-	-	38,107
-	154,806	38,107
33,556,314	-	-
29,989,575	-	-
5,492,264	-	-
9,715,393	-	-
111,902	-	-
9,803,144	-	-
5,857,691	-	-
1,091,867	-	-
850,242	-	-
790,598	-	-
97,258,990	-	-
26,124,511	154,806	38,107
322,876,580	1,379,278	309,426
\$ 349,001,091	\$ 1,534,084	\$ 347,533

CITY OF SANDY SPRINGS, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

ASSETS	General Fund	Capital Projects Fund	Public Facilities Authority Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 34,547,468	\$ 33,857,110	\$ 17,540,152	\$ 8,858,462	\$ 94,803,192
Investments	10,500,000	-	-	-	10,500,000
Taxes receivable, net of allowances	3,435,884	-	-	1,919,311	5,355,195
Other receivables	105,260	175,699	-	412,787	693,746
Intergovernmental receivables, net of allowances	1,059,688	438,199	-	56,604	1,554,491
Restricted:					
Cash and cash equivalents	-	-	56,522,830	-	56,522,830
Investments	-	-	8,897,030	-	8,897,030
Due from other funds	738,202	107,426	-	4,119	849,747
Due from component unit	174,034	-	-	-	174,034
Prepaid items	835,278	-	-	-	835,278
Total assets	\$ 51,395,814	\$ 34,578,434	\$ 82,960,012	\$ 11,251,283	\$ 180,185,543
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 6,885,177	\$ 2,445,617	\$ 27,619,419	\$ 1,219,343	\$ 38,169,556
Accrued liabilities	1,155,535	327,133	-	-	1,482,668
Intergovernmental payable	378,924	-	-	-	378,924
Due to other funds	4,119	-	-	845,628	849,747
Due to component unit	61	-	-	458,983	459,044
Total liabilities	8,423,816	2,772,750	27,619,419	2,523,954	41,339,939
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	468,081	-	-	-	468,081
Unavailable revenue - intergovernmental	5,260	-	-	-	5,260
Total deferred inflow of resources	473,341	-	-	-	473,341
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	835,278	-	-	-	835,278
Restricted:					
Public safety projects	-	-	-	367,997	367,997
Capital projects	-	-	55,340,593	-	55,340,593
Recreation	-	-	-	31,278	31,278
Infrastructure improvements	-	-	-	8,077,697	8,077,697
Committed:					
Tree replacement	-	-	-	250,357	250,357
Assigned:					
Stormwater projects	2,993,250	-	-	-	2,993,250
Capital projects	-	31,805,684	-	-	31,805,684
2018 fiscal year appropriations of fund balance	16,775,312	-	-	-	16,775,312
Unassigned	21,894,817	-	-	-	21,894,817
Total fund balances	42,498,657	31,805,684	55,340,593	8,727,329	138,372,263
Total liabilities, deferred inflows of resources, and fund balances	\$ 51,395,814	\$ 34,578,434	\$ 82,960,012	\$ 11,251,283	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					396,138,471
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(185,879,638)
Expenses related to pollution remediation costs are not due and payable in the current period and, therefore, are not reported in the funds.					(103,346)
Some revenues are not available in the current period and, therefore, are not reported in the funds.					473,341
Net position of governmental activities					\$ 349,001,091

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, 2017**

	General Fund	Capital Projects Fund	Public Facilities Authority Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 33,529,750	\$ -	\$ -	\$ -	\$ 33,529,750
Sales taxes	25,907,794	-	-	4,081,781	29,989,575
Hotel/Motel taxes	-	-	-	5,492,264	5,492,264
Auto excise taxes	-	-	-	111,902	111,902
Franchise taxes	9,715,393	-	-	-	9,715,393
Business taxes	9,803,144	-	-	-	9,803,144
Insurance premium tax	5,857,691	-	-	-	5,857,691
Licenses and permits	5,284,871	-	-	-	5,284,871
Intergovernmental	-	1,820,910	-	559,732	2,380,642
Charges for services	823,994	3,051	-	6,087,141	6,914,186
Fines and forfeitures	2,611,790	-	-	354,304	2,966,094
Interest earned	583,150	-	508,717	-	1,091,867
Contributions	-	-	323,369	5,625	328,994
Miscellaneous	790,598	-	-	-	790,598
Total revenues	94,908,175	1,823,961	832,086	16,692,749	114,256,971
Expenditures:					
Current:					
General government	11,916,567	6,566,413	-	-	18,482,980
Judicial	1,531,040	-	-	-	1,531,040
Public safety	31,143,905	433,615	-	3,275,485	34,853,005
Public works	14,180,477	11,550,261	-	387,041	26,117,779
Culture and recreation	3,400,112	141,970	97,416,534	1,765,214	102,723,830
Housing and development	5,369,120	497,598	-	574,408	6,441,126
Debt service:					
Principal	1,576,664	-	2,440,000	-	4,016,664
Interest	154,980	-	7,315,250	-	7,470,230
Total expenditures	69,272,865	19,189,857	107,171,784	6,002,148	201,636,654
Excess (deficiency) of revenues over expenditures	25,635,310	(17,365,896)	(106,339,698)	10,690,601	(87,379,683)
Other financing sources (uses):					
Proceeds from sale of capital assets	55,857	-	3,490,514	-	3,546,371
Capital leases	135,601	-	-	-	135,601
Issuance of note payable	-	252,704	-	-	252,704
Transfers in	3,975,956	17,030,881	9,442,080	223,534	30,672,451
Transfers out	(25,089,069)	-	-	(5,583,382)	(30,672,451)
Total other financing sources (uses)	(20,921,655)	17,283,585	12,932,594	(5,359,848)	3,934,676
Net change in fund balances	4,713,655	(82,311)	(93,407,104)	5,330,753	(83,445,007)
Fund balances, beginning of year	37,785,002	31,887,995	148,747,697	3,396,576	221,817,270
Fund balances, end of year	\$ 42,498,657	\$ 31,805,684	\$ 55,340,593	\$ 8,727,329	\$ 138,372,263

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, 2017

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

Net change in fund balances - total governmental funds	\$ (83,445,007)
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.	109,672,262
In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(2,696,129)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(12,211)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	3,628,359
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>(1,022,763)</u>
Change in net position - governmental activities	<u>\$ 26,124,511</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, 2017**

	ASSETS	<u>Municipal Court Fund</u>
Cash		\$ 271,936
Total assets		<u>\$ 271,936</u>
	LIABILITIES	
Due to others		\$ 271,936
Total liabilities		<u>\$ 271,936</u>

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

CITY OF SANDY SPRINGS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (continued)

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

B. Government-wide and Fund Financial Statements

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

D. Encumbrances

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances would then be an assignment of fund balance since the commitments would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at June 30, 2017, and none were recorded.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund, and special revenue funds. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended June 30, 2017, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

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

F. Deposits and Investments

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

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

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

G. Receivables

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interfund Receivables and Payables

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received.

J. Capital Assets

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

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

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

The government-wide statement of net position reports the *deferred service concession arrangement receipts* as a deferred inflow of resources. This balance includes the effect of deferring the recognition of revenue from the present value of installment payments to be received by the City under the tennis center service concession arrangement. The balance of the deferred inflow of resources as of June 30, 2017 will be recognized as a revenue and increase net position over the remaining life of the contract. As of June 30, 2017 the present value of the service concession arrangement was \$30,000 and will be amortized over the life of the agreement ending December 31, 2017. The final item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

L. Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

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

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

N. Fund Equity

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

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

Fund balances are classified as follows:

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

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

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

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

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

O. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$185,879,638 difference are as follows:

Capital lease payable	\$ (2,556,253)
Bonds payable, including premiums	(175,738,334)
Notes payable	(2,590,946)
Compensated absences (i.e., vacation)	(1,681,241)
Claims and judgments payable	(2,096,322)
Accrued interest	<u>(1,216,542)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (185,879,638)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$109,672,262 difference are as follows:

Capital outlay	\$ 116,703,500
Depreciation expense	<u>(7,031,238)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ 109,672,262</u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$3,628,359 difference are as follows:

Capital leases	\$ (135,601)
Issuance of notes payable	(252,704)
Principal retirements	4,016,664
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 3,628,359

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 \$1,022,763 difference are as follows:

Compensated absences (i.e., vacation)	\$ (8,018)
Claims and judgments payable	(2,096,322)
Accrued interest	40,665
Amortization of bond premium	1,008,536
Change in pollution remediation obligation	32,376
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	\$ (1,022,763)

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Director of Finance and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution. The following funds and general fund departments had an excess of actual expenditures over appropriations for the fiscal year ended June 30, 2017:

Confiscated Assets Fund	\$	30,181
E911 Fund		459,298
Hotel/Motel Fund		318,914
General Fund:		
General government:		
Legal services		76,942
Human resources		211
Data processing / MIS		147,832
Debt service:		
Principal		318,783
Interest		445

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

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2017 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	\$	94,803,192
Investments		10,500,000
Restricted cash and cash equivalents		56,522,830
Restricted investments		8,897,030
Statement of Fiduciary Assets and Liabilities:		
Cash - Agency Fund		271,936
	\$	<u>170,994,988</u>
Cash deposited with financial institutions	\$	73,689,071
Cash deposited with Georgia Fund 1		77,908,887
Investments		19,397,030
	\$	<u>170,994,988</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

At June 30, 2017, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

Investment	Weighted Average Maturity (Years)	Credit Rating	Fair Value
United States Treasuries	0.05	AAA	\$ 8,897,030
Georgia Fund 1	0.07	AAAf	77,908,887
United States Government Sponsored Enterprise	3.87	AAA	9,250,000
Certificates of Deposit	0.17	(a)	1,250,000
			<u>\$ 97,305,917</u>

(a) These certificates of deposit are not rated.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2017:

Investment	Level 1	Level 2	Level 3	Fair Value
United States Treasuries	\$ 8,897,030	\$ -	\$ -	\$ 8,897,030
United States Government Sponsored Enterprise Certificates of Deposit	1,000,000	8,250,000	-	9,250,000
	1,250,000	-	-	1,250,000
Total investments measured at fair value	<u>\$ 11,147,030</u>	<u>\$ 8,250,000</u>	<u>-</u>	<u>\$ 19,397,030</u>
Investments not subject to level disclosure:				
Georgia Fund 1				<u>77,908,887</u>
Total investments				<u>\$ 97,305,917</u>

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

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

Custodial credit risk - Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2017, the deposits of the City and its discretely presented component units were insured and/or collateralized in accordance with State laws.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1, which is also the lien date. The City contracts with Fulton County to bill and collect City of Sandy Springs property taxes. The taxes are levied by August 1 based on the assessed value of property as listed on the previous January 1 and are due on October 15 of each year. Property taxes are recorded as receivables and deferred inflows of resources when assessed. Revenues are recognized when available.

Receivables at June 30, 2017, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Capital Projects	Nonmajor Governmental
Receivables:			
Intergovernmental	\$ 9,275,507	\$ 438,199	\$ 56,604
Taxes	3,620,884	-	1,919,311
Other	105,260	175,699	412,787
Total receivables	13,001,651	613,898	2,388,702
Less allowance for uncollectible	8,400,819	-	-
Net total receivable	\$ 4,600,832	\$ 613,898	\$ 2,388,702

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2017 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	\$ 27,094,109	\$ -	\$ -	\$ 2,471,500	\$ 29,565,609
Construction in progress	132,548,310	115,232,310	(2,638,926)	(18,714,098)	226,427,596
Total	<u>159,642,419</u>	<u>115,232,310</u>	<u>(2,638,926)</u>	<u>(16,242,598)</u>	<u>255,993,205</u>
Capital assets, being depreciated:					
Buildings	8,799,834	-	-	587,691	9,387,525
Improvements	14,009,262	37,135	-	5,960,758	20,007,155
Machinery and equipment	24,252,811	1,434,055	(414,192)	2,073,549	27,346,223
Infrastructure	157,345,381	-	(93,046)	7,620,600	164,872,935
Total	<u>204,407,288</u>	<u>1,471,190</u>	<u>(507,238)</u>	<u>16,242,598</u>	<u>221,613,838</u>
Less accumulated depreciation for:					
Buildings	(1,806,782)	(378,725)	-	-	(2,185,507)
Improvements	(2,458,839)	(562,022)	-	-	(3,020,861)
Machinery and equipment	(14,465,114)	(2,609,018)	414,192	-	(16,659,940)
Infrastructure	<u>(56,156,634)</u>	<u>(3,481,473)</u>	<u>35,843</u>	<u>-</u>	<u>(59,602,264)</u>
Total	<u>(74,887,369)</u>	<u>(7,031,238)</u>	<u>450,035</u>	<u>-</u>	<u>(81,468,572)</u>
Total capital assets being depreciated, net	<u>129,519,919</u>	<u>(5,560,048)</u>	<u>(57,203)</u>	<u>16,242,598</u>	<u>140,145,266</u>
Governmental activities capital assets, net	<u>\$ 289,162,338</u>	<u>\$ 109,672,262</u>	<u>\$ (2,696,129)</u>	<u>\$ -</u>	<u>\$ 396,138,471</u>

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

Governmental activities:	
General government	\$ 488,669
Public safety	2,069,852
Public works	3,922,314
Culture and recreation	533,710
Housing and development	16,693
Total depreciation expense - governmental activities	<u>\$ 7,031,238</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 159,475,000	\$ -	\$ (2,440,000)	\$ 157,035,000	\$ 2,510,000
Plus: Premiums	19,711,870	-	(1,008,536)	18,703,334	-
Total bonds payable	179,186,870	-	(3,448,536)	175,738,334	2,510,000
Capital lease payable	3,838,262	135,601	(1,417,610)	2,556,253	877,822
Notes payable	2,497,296	252,704	(159,054)	2,590,946	193,790
Claims and judgments	-	2,795,096	(698,774)	2,096,322	698,774
Compensated absences	1,673,223	1,041,180	(1,033,162)	1,681,241	1,038,113
Governmental activity					
Long-term liabilities	<u>\$ 187,195,651</u>	<u>\$ 4,224,581</u>	<u>\$ (6,757,136)</u>	<u>\$ 184,663,096</u>	<u>\$ 5,318,499</u>

For governmental activities, compensated absences are generally liquidated by the general fund and claims and judgements are liquidated by the capital projects fund. Additional information about the claims and judgements payable can be found in Note 9.

Capital Leases

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

Year Ending	
June 30,	
2018	\$ 401,603
2019	400,815
2020	<u>400,251</u>
	<u>1,202,669</u>
Total minimum lease payment	(69,129)
Less amounts representing interest	<u>\$ 1,133,540</u>
Present value of minimum lease payments	

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued)

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

Year Ending	
<u>June 30,</u>	\$ 528,602
2018	528,602
2019	396,732
2020	<u>1,453,936</u>
Total minimum lease payment	(31,223)
Less amounts representing interest	<u>\$ 1,422,713</u>
Present value of minimum lease payments	

As of June 30, 2017, the City had \$7,840,021 of assets, with associated accumulated depreciation of \$3,003,677, financed under the capital leases. The related depreciation expense for these assets is included in the capital asset depreciation expense.

Bonds Payable

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2018	\$ 2,510,000	\$ 7,242,050	\$ 9,752,050
2019	2,610,000	7,141,650	9,751,650
2020	2,750,000	7,011,150	9,761,150
2021	2,840,000	6,918,650	9,758,650
2022	2,980,000	6,776,650	9,756,650
2023-2027	17,165,000	31,623,250	48,788,250
2028-2032	21,630,000	27,155,750	48,785,750
2033-2037	27,215,000	21,569,800	48,784,800
2038-2042	34,335,000	14,439,750	48,774,750
2043-2047	43,000,000	5,782,900	48,782,900
Total	<u>\$ 157,035,000</u>	<u>\$ 135,661,600</u>	<u>\$ 292,696,600</u>

Notes Payable

The City has executed a note payable agreement with the State Road and Tollway Authority (SRTA). The note, financed through the Georgia Transportation Infrastructure Bank (GTIB), allowed the City to borrow \$2,750,000 for the Windsor Parkway Realignment Project. The project was completed and the note finalized in August 2016. Monthly payments of principal and interest in the amount of \$19,611 are due until the note matures on August 1, 2029. The note bears interest at 1.66%.

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

Year Ending June 30,	Principal	Interest	Total
2018	\$ 193,790	\$ 41,540	\$ 235,330
2019	197,031	38,299	235,330
2020	200,327	35,003	235,330
2021	203,678	31,652	235,330
2022	207,085	28,245	235,330
2023-2027	1,088,555	88,095	1,176,650
2028-2030	500,480	9,400	509,880
Total	<u>\$ 2,590,946</u>	<u>\$ 272,234</u>	<u>\$ 2,863,180</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 738,202
Nonmajor governmental funds	General fund	4,119
Capital projects fund	Nonmajor governmental funds	107,426
		<u>\$ 849,747</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 & Tourism	\$ 174,034
Hospitality & Tourism	General fund	61
Hospitality & tourism	Nonmajor governmental funds	458,983
		<u>\$ 633,078</u>

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 3,975,956
Capital Projects Fund	General Fund	15,723,455
Capital Projects Fund	Nonmajor governmental funds	1,307,426
Nonmajor governmental funds	General Fund	223,534
Public Facilities Authority	General Fund	9,142,080
Public Facilities Authority	Nonmajor governmental funds	300,000
		<u>\$ 30,672,451</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. COMMITMENTS AND CONTINGENT LIABILITIES

The City has entered into several public/private contractual partnerships for outsourced services and operations. Through these contracts with the private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to the cost of providing these services in-house. Currently, the cost of these contracts is approximately \$16.2 million annually.

In addition to the liabilities enumerated in the balance sheet, at June 30, 2017, the City has contractual commitments on uncompleted contracts of \$71,899,397.

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

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. A recent audit by the Georgia Department of Transportation (GDOT) has found that grant funds received by the City and passed through to a subrecipient have been disallowed and the City is now required to repay GDOT approximately \$2.8 million. The City and GDOT have executed an agreement whereby GDOT will withhold annual installments of \$698,774 from the City's annual allotment of Local Maintenance Improvement Grant (LMIG) funds until the liability is fully repaid in 2020.

As part of the development of the City's City Center Project, the City has acquired several parcels of property which were noted to contain ground soil contamination as determined by the Environmental Protection Division (EPD). These properties have required the City to perform testing of contamination levels, to perform necessary clean-up and removal of contamination, as well as to perform subsequent testing and monitoring of the properties. The City has estimated the potential liability based on current contracts with third party vendors, as well as projections of monitoring costs based on the testing and evaluation costs. The City estimates the additional pollution remediation costs to be \$103,346 as of June 30, 2017. This amount has been included with the overall balance of accrued liabilities on the statement of net position.

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The City of Sandy Springs' Profit Sharing Plan is a single employer defined contribution plan established and administered by the City of Sandy Springs for all full time employees. At June 30, 2017, there were 290 plan members. The City contributes 12% of each employee's salary directly to the Plan. Additionally, the City offers to match 100% for each dollar of employee contributions up to 5% of the employee's salary. Employees are not required to contribute to the Plan. Employees are eligible after one month of employment and are fully vested after three months. Plan provisions and contribution requirements are established and may be amended by the City's Council. For the fiscal year ending June 30, 2017, the City's contribution to the Plan, which was also the City's pension expense, was \$2,726,894 and employees contributed \$1,350,307.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURES

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

In October 2008, the cities of Sandy Springs and Johns Creek created the Chattahoochee River 911 Authority (ChatComm.), which was created pursuant to the provisions of the Official Code of Georgia Annotated (OCGA) Section 36-75-1, which provides for the organization of a joint public safety and judicial facility authority. ChatComm Board membership includes the City Manager from each participating city, or their designee. ChatComm was created by the two cities contributing a pre-determined capital amount necessary to equip the facility. In accordance with GASB 14: *The Financial Reporting Entity*, ChatComm was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. The cities have also pledged their future E911 revenues to ChatComm to pay for the operation of the emergency 911 answering facility. Additionally, the two cities will be responsible for funding any operating deficits as well as any future capital purchases of ChatComm. For the year ended June 30, 2017, the City of Sandy Springs has collected and remitted \$3,011,508 of E911 revenues. Since the inception of ChatComm, the City of Sandy Springs has contributed approximately \$8,216,000 to cover the capital and operating needs. While the General Fund of the City reports a receivable for this amount, management has evaluated the ability of the City to collect the receivable and determined the need to allow for 100% of the outstanding receivable as of June 30, 2017. At June 30, 2017, ChatComm had a negative net position of (\$11,971,329). Separate financial statements may be obtained from the City of Johns Creek, who has been contracted by ChatComm to serve as the accountants, at 10700 Abbotts Bridge Road, Suite 190, Johns Creek, Georgia 30097.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURES (CONTINUED)

In July 2013 the cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority will provide an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: *The Financial Reporting Entity*, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. For the fiscal year ended June 30, 2017, the City of Sandy Springs contributed \$785,272 to the Authority. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2017, the City received \$5,492,264 in hotel/motel taxes. Of this amount, \$3,923,673, or 71.4%, was used for the promotion of tourism, conventions, or trade shows.

NOTE 13. MOTOR VEHICLE EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the period ended June 30, 2017, the City received \$111,902 in motor vehicle excise taxes. Of this amount, \$111,902, or 100%, was used for these purposes.

NOTE 14. RISK MANAGEMENT

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT (CONTINUED)

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

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

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

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



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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 32,950,000	\$ 32,950,000	\$ 33,529,750	\$ 579,750
Sales taxes	24,575,000	24,575,000	25,907,794	1,332,794
Franchise taxes	9,225,000	9,225,000	9,715,393	490,393
Business taxes	9,250,000	9,250,000	9,803,144	553,144
Insurance premium tax	5,000,000	5,000,000	5,857,691	857,691
Licenses and permits	2,540,000	2,510,000	5,284,871	2,774,871
Charges for services	861,120	861,120	823,994	(37,126)
Fines and forfeitures	2,750,000	2,750,000	2,611,790	(138,210)
Interest earned	125,000	125,000	583,150	458,150
Miscellaneous	344,448	374,448	790,598	416,150
Total revenues	<u>87,620,568</u>	<u>87,620,568</u>	<u>94,908,175</u>	<u>7,287,607</u>
Expenditures:				
Current:				
General government:				
Mayor and council	224,922	224,922	219,457	5,465
City manager	1,044,947	1,044,947	956,572	88,375
General operations	4,978,271	4,508,389	3,916,541	591,848
Legal services	835,000	835,000	911,942	(76,942)
Human Resources	325,637	325,637	325,848	(211)
Facilities and buildings	1,592,029	1,560,029	1,462,212	97,817
City clerk	175,524	175,524	172,515	3,009
Data processing / MIS	2,303,498	2,303,498	2,451,330	(147,832)
Public information	1,503,122	1,565,122	1,500,150	64,972
Total general government	<u>12,982,950</u>	<u>12,543,068</u>	<u>11,916,567</u>	<u>626,501</u>
Judicial	<u>1,784,920</u>	<u>1,784,920</u>	<u>1,531,040</u>	<u>253,880</u>
Public safety:				
Police department	20,815,114	20,815,114	19,346,526	1,468,588
Fire department	12,184,239	12,184,239	11,133,246	1,050,993
E911	1,222,000	1,222,000	664,133	557,867
Total public safety	<u>34,221,353</u>	<u>34,221,353</u>	<u>31,143,905</u>	<u>3,077,448</u>
Public works:				
Public works	12,783,369	12,783,369	12,122,161	661,208
Sanitation and wastewater	1,819,632	3,269,632	2,022,254	1,247,378
Storm drainage	731,934	1,781,934	36,062	1,745,872
Total public works	<u>15,334,935</u>	<u>17,834,935</u>	<u>14,180,477</u>	<u>3,654,458</u>
Culture and recreation				
Recreation	3,600,916	3,632,716	3,201,676	431,040
Special facilities	-	298,420	198,436	99,984
Total culture and recreation	<u>3,600,916</u>	<u>3,931,136</u>	<u>3,400,112</u>	<u>531,024</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Housing and development				
Building/inspection/code enforcement	\$ 4,999,130	\$ 5,114,130	\$ 5,056,128	\$ 58,002
Economic development	379,748	381,448	312,992	68,456
Total housing and development	<u>5,378,878</u>	<u>5,495,578</u>	<u>5,369,120</u>	<u>58,002</u>
Debt service				
Principal	1,006,826	1,257,881	1,576,664	(318,783)
Interest	82,408	154,535	154,980	(445)
Total debt service	<u>1,089,234</u>	<u>1,412,416</u>	<u>1,731,644</u>	<u>(319,228)</u>
Total expenditures	<u>74,393,186</u>	<u>77,223,406</u>	<u>69,272,865</u>	<u>7,882,085</u>
Excess of revenues over expenditures	<u>13,227,382</u>	<u>10,397,162</u>	<u>25,635,310</u>	<u>15,238,148</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	25,000	25,000	55,857	30,857
Capital leases	-	-	135,601	135,601
Transfers in	658,700	3,158,700	3,975,956	817,256
Transfers out	(29,221,075)	(30,846,080)	(25,089,069)	5,757,011
Total other financing sources (uses)	<u>(28,537,375)</u>	<u>(27,662,380)</u>	<u>(20,921,655)</u>	<u>6,740,725</u>
Net change in fund balances	(15,309,993)	(17,265,218)	4,713,655	21,978,873
Fund balance, beginning of year	<u>37,785,002</u>	<u>37,785,002</u>	<u>37,785,002</u>	<u>-</u>
Fund balance, end of year	<u>\$ 22,475,009</u>	<u>\$ 20,519,784</u>	<u>\$ 42,498,657</u>	<u>\$ 21,978,873</u>

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

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

CITY OF SANDY SPRINGS, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

ASSETS	Special Revenue Funds				
	Confiscated Assets Fund	E911 Fund	Tree Fund	Federal Grants Fund	Operating Grant Fund
Cash	\$ 752,860	\$ 143,925	\$ 246,238	\$ -	\$ 44,003
Taxes receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	8,776	-
Other receivable	3,290	409,497	-	-	-
Due from other funds	-	-	4,119	-	-
Total assets	\$ 756,150	\$ 553,422	\$ 250,357	\$ 8,776	\$ 44,003
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 388,153	\$ 553,422	\$ -	\$ -	\$ -
Due to other funds	-	-	-	8,776	12,725
Due to component unit	-	-	-	-	-
Total liabilities	388,153	553,422	-	8,776	12,725
FUND BALANCES					
Restricted:					
Public safety projects	367,997	-	-	-	-
Recreation	-	-	-	-	31,278
Infrastructure improvements	-	-	-	-	-
Committed:					
Tree replacement	-	-	250,357	-	-
Total fund balances	367,997	-	250,357	-	31,278
Total liabilities and fund balances	\$ 756,150	\$ 553,422	\$ 250,357	\$ 8,776	\$ 44,003

Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
CDBG Fund	Hotel/ Motel Fund	Auto Excise Tax Fund	TSPLOST Fund	Impact Fees Fund	
\$ -	\$ 619,195	\$ -	\$ 2,543,293	\$ 4,508,948	\$ 8,858,462
-	508,371	10,281	1,400,659	-	1,919,311
47,828	-	-	-	-	56,604
-	-	-	-	-	412,787
-	-	-	-	-	4,119
<u>\$ 47,828</u>	<u>\$ 1,127,566</u>	<u>\$ 10,281</u>	<u>\$ 3,943,952</u>	<u>\$ 4,508,948</u>	<u>\$ 11,251,283</u>
\$ 28,556	\$ -	\$ -	\$ 249,212	\$ -	\$ 1,219,343
19,272	668,583	10,281	-	125,991	845,628
-	458,983	-	-	-	458,983
<u>47,828</u>	<u>1,127,566</u>	<u>10,281</u>	<u>249,212</u>	<u>125,991</u>	<u>2,523,954</u>
-	-	-	-	-	367,997
-	-	-	-	-	31,278
-	-	-	3,694,740	4,382,957	8,077,697
-	-	-	-	-	250,357
-	-	-	3,694,740	4,382,957	8,727,329
<u>\$ 47,828</u>	<u>\$ 1,127,566</u>	<u>\$ 10,281</u>	<u>\$ 3,943,952</u>	<u>\$ 4,508,948</u>	<u>\$ 11,251,283</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, 2017**

	Special Revenue Funds				
	Confiscated Assets Fund	E911 Fund	Tree Fund	Federal Grants Fund	Operating Grant Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	24,395	-
Charges for services	-	3,011,508	74,670	-	-
Fines and forfeitures	354,304	-	-	-	-
Contributions	-	-	-	-	5,625
Total revenues	354,304	3,011,508	74,670	24,395	5,625
EXPENDITURES					
Current:					
Public safety	230,181	3,011,508	-	33,171	625
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	39,071	-	-
Total expenditures	230,181	3,011,508	39,071	33,171	625
Excess (deficiency) of revenues over expenditures	124,123	-	35,599	(8,776)	5,000
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	214,758	8,776	-
Transfers out	-	-	-	-	(95,325)
Total other financing sources (uses)	-	-	214,758	8,776	(95,325)
Net change in fund balances	124,123	-	250,357	-	(90,325)
FUND BALANCES, beginning of year	243,874	-	-	-	121,603
FUND BALANCES, end of year	\$ 367,997	\$ -	\$ 250,357	\$ -	\$ 31,278

Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
CDBG Fund	Hotel/ Motel Fund	Auto Excise Tax Fund	TSPLOST Fund	Impact Fees Fund	
\$ -	\$ 5,492,264	\$ 111,902	\$ 4,081,781	\$ -	\$ 9,685,947
535,337	-	-	-	-	559,732
-	-	-	-	3,000,963	6,087,141
-	-	-	-	-	354,304
-	-	-	-	-	5,625
<u>535,337</u>	<u>5,492,264</u>	<u>111,902</u>	<u>4,081,781</u>	<u>3,000,963</u>	<u>16,692,749</u>
-	-	-	-	-	3,275,485
-	-	-	387,041	-	387,041
-	1,765,214	-	-	-	1,765,214
<u>535,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>574,408</u>
<u>535,337</u>	<u>1,765,214</u>	<u>-</u>	<u>387,041</u>	<u>-</u>	<u>6,002,148</u>
-	3,727,050	111,902	3,694,740	3,000,963	10,690,601
-	-	-	-	-	223,534
(41,678)	(3,727,050)	(111,902)	-	(1,607,427)	(5,583,382)
<u>(41,678)</u>	<u>(3,727,050)</u>	<u>(111,902)</u>	<u>-</u>	<u>(1,607,427)</u>	<u>(5,359,848)</u>
(41,678)	-	-	3,694,740	1,393,536	5,330,753
<u>41,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,989,421</u>	<u>3,396,576</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,694,740</u>	<u>\$ 4,382,957</u>	<u>\$ 8,727,329</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 354,304	\$ 154,304
Total revenues	200,000	200,000	354,304	154,304
Expenditures:				
Public safety	200,000	200,000	230,181	(30,181)
Total expenditures	200,000	200,000	230,181	(30,181)
Net change in fund balances	-	-	124,123	124,123
Fund balances, beginning of year	243,874	243,874	243,874	-
Fund balances, end of year	\$ 243,874	\$ 243,874	\$ 367,997	\$ 124,123

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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 2,552,210	\$ 2,552,210	\$ 3,011,508	\$ 459,298
Total revenues	<u>2,552,210</u>	<u>2,552,210</u>	<u>3,011,508</u>	<u>459,298</u>
Expenditures:				
Public safety	<u>2,552,210</u>	<u>2,552,210</u>	<u>3,011,508</u>	<u>(459,298)</u>
Total expenditures	<u>2,552,210</u>	<u>2,552,210</u>	<u>3,011,508</u>	<u>(459,298)</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

**TREE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 60,000	\$ 60,000	\$ 74,670	\$ 14,670
Total revenues	60,000	60,000	74,670	14,670
Expenditures:				
Housing and development	170,000	170,000	39,071	130,929
Total expenditures	170,000	170,000	39,071	130,929
Excess (deficiency) of revenues over expenditures	(110,000)	(110,000)	35,599	145,599
Other financing sources:				
Transfers in	214,758	214,758	214,758	-
Total other financing sources	214,758	214,758	214,758	-
Net change in fund balances	104,758	104,758	250,357	145,599
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ 104,758	\$ 104,758	\$ 250,357	\$ 145,599

CITY OF SANDY SPRINGS, GEORGIA

**FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 25,365	\$ 25,365	\$ 24,395	\$ (970)
Total revenues	<u>25,365</u>	<u>25,365</u>	<u>24,395</u>	<u>(970)</u>
Expenditures:				
Public safety	35,730	35,730	33,171	2,559
Total expenditures	<u>35,730</u>	<u>35,730</u>	<u>33,171</u>	<u>2,559</u>
Deficiency of revenues over expenditures	(10,365)	(10,365)	(8,776)	1,589
Other financing sources:				
Transfers in	10,365	10,365	8,776	(1,589)
Total other financing sources	<u>10,365</u>	<u>10,365</u>	<u>8,776</u>	<u>(1,589)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SANDY SPRINGS, GEORGIA

**OPERATING GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Contributions	\$ 15,000	\$ 15,000	\$ 5,625	\$ (9,375)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>5,625</u>	<u>(9,375)</u>
Expenditures:				
Public safety	10,000	10,000	625	9,375
Culture and recreation	5,000	5,000	-	5,000
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>625</u>	<u>14,375</u>
Excess of revenues over expenditures	-	-	5,000	5,000
Other financing uses:				
Transfers out	-	-	(95,325)	(95,325)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(95,325)</u>	<u>(95,325)</u>
Net change in fund balances	-	-	(90,325)	(90,325)
Fund balances, beginning of year	<u>121,603</u>	<u>121,603</u>	<u>121,603</u>	<u>-</u>
Fund balances, end of year	<u>\$ 121,603</u>	<u>\$ 121,603</u>	<u>\$ 31,278</u>	<u>\$ (90,325)</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,170,211	\$ 1,327,496	\$ 535,337	\$ (792,159)
Total revenues	<u>1,170,211</u>	<u>1,327,496</u>	<u>535,337</u>	<u>(792,159)</u>
Expenditures:				
Housing and development	<u>1,170,211</u>	<u>1,327,496</u>	<u>535,337</u>	<u>792,159</u>
Total expenditures	<u>1,170,211</u>	<u>1,327,496</u>	<u>535,337</u>	<u>792,159</u>
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers out	-	-	(41,678)	(41,678)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(41,678)</u>	<u>(41,678)</u>
Net change in fund balances	-	-	(41,678)	(41,678)
Fund balances, beginning of year	<u>41,678</u>	<u>41,678</u>	<u>41,678</u>	<u>-</u>
Fund balances, end of year	<u>\$ 41,678</u>	<u>\$ 41,678</u>	<u>\$ -</u>	<u>\$ (41,678)</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, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,500,000	\$ 4,500,000	\$ 5,492,264	\$ 992,264
Total revenues	4,500,000	4,500,000	5,492,264	992,264
Expenditures:				
Culture and recreation	1,446,300	1,446,300	1,765,214	(318,914)
Total expenditures	1,446,300	1,446,300	1,765,214	(318,914)
Excess of revenues over expenditures	3,053,700	3,053,700	3,727,050	673,350
Other financing uses:				
Transfers out	(3,053,700)	(3,053,700)	(3,727,050)	(673,350)
Total other financing uses	(3,053,700)	(3,053,700)	(3,727,050)	(673,350)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF SANDY SPRINGS, GEORGIA

**AUTO EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 105,000	\$ 105,000	\$ 111,902	\$ 6,902
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>111,902</u>	<u>6,902</u>
Excess of revenues over expenditures	105,000	105,000	111,902	6,902
Other financing uses:				
Transfers out	<u>(105,000)</u>	<u>(105,000)</u>	<u>(111,902)</u>	<u>(6,902)</u>
Total other financing uses	<u>(105,000)</u>	<u>(105,000)</u>	<u>(111,902)</u>	<u>(6,902)</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

**SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST)
FOR THE YEAR ENDED JUNE 30, 2017**

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL	
TSPLOST TIER 1						
Traffic Efficiency Improvements	\$ 18,000,000	\$ 18,000,000	\$ -	\$ 152,915	\$ 152,915	0.850 %
Perimeter Transit Last Mile Connectivity, Sidewalk Program, Mt. Vernon Highway Multiuse Path	28,500,000	28,500,000	-	233,818	233,818	0.820 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements, Hammond Drive, Phase 1 Efficiency Improvements	41,649,009	41,649,009	-	308	308	0.001 %
TSPLOST TIER 2						
Perimeter Transit Last Mile Connectivity, Sidewalk Program, Mt. Vernon Highway Multiuse Path, SR 400 Trail System, Roberts Drive Multiuse Path	12,500,000	12,500,000	-	-	-	0.000 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements	350,991	350,991	-	-	-	0.000 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements	2,704,716	2,704,716	-	-	-	0.000 %
TSPLOST TIER 3						
Roadway Maintenance and Paving	15,617,086	15,617,086	-	-	-	0.000 %
TOTAL TSPLOST	\$ 119,321,802	\$ 119,321,802	\$ -	\$ 387,041	\$ 387,041	

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, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
MUNICIPAL COURT FUND				
Assets:				
Cash	<u>\$ 232,526</u>	<u>\$ 3,311,568</u>	<u>\$ 3,272,158</u>	<u>\$ 271,936</u>
Liabilities:				
Due to others	<u>\$ 232,526</u>	<u>\$ 3,311,568</u>	<u>\$ 3,272,158</u>	<u>\$ 271,936</u>

COMPONENT UNITS

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

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

CITY OF SANDY SPRINGS, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY & TOURISM
JUNE 30, 2017**

ASSETS	
Cash	\$ 1,318,115
Due from primary government	<u>459,044</u>
Total assets	<u>\$ 1,777,159</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 69,041
Due to primary government	<u>174,034</u>
Total liabilities	<u>243,075</u>
FUND BALANCE	
Restricted for tourism	<u>1,534,084</u>
Total fund balance	<u>1,534,084</u>
Total liabilities and fund balance	<u>\$ 1,777,159</u>

CITY OF SANDY SPRINGS, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY & TOURISM
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

Intergovernmental	\$ 1,765,214
Total revenues	<u>1,765,214</u>

EXPENDITURES

Current:	
Housing and development	<u>1,610,408</u>
Total expenditures	<u>1,610,408</u>

Net change in fund balance	154,806
----------------------------	---------

FUND BALANCE, beginning of year	<u>1,379,278</u>
--	------------------

FUND BALANCE, end of year	<u><u>\$ 1,534,084</u></u>
----------------------------------	----------------------------

CITY OF SANDY SPRINGS, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - DEVELOPMENT AUTHORITY
JUNE 30, 2017**

ASSETS	
Cash	<u>\$ 347,533</u>
Total assets	<u><u>\$ 347,533</u></u>
FUND BALANCE	
Restricted for development	<u>\$ 347,533</u>
Total fund balance	<u><u>\$ 347,533</u></u>

CITY OF SANDY SPRINGS, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

Intergovernmental	\$ 93,751
	<u>93,751</u>

EXPENDITURES

Current:	
Community development	<u>55,644</u>
	<u>55,644</u>

Total expenditures	<u>55,644</u>
Net change in fund balance	38,107

FUND BALANCE, beginning of year	<u>309,426</u>
--	----------------

FUND BALANCE, end of year	<u><u>\$ 347,533</u></u>
----------------------------------	--------------------------



STATISTICAL SECTION

STATISTICAL SECTION

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

Page

Financial Trends..... 63

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 68

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

Debt Capacity 73

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..... 76

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 79

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

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

CITY OF SANDY SPRINGS, GEORGIA

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Primary government:					
Net investment in capital assets	\$ 253,053,379	\$ 243,216,434	\$ 216,411,054	\$ 189,462,862	\$ 170,948,189
Restricted	8,476,972	5,755,644	3,658,688	3,394,508	2,706,067
Unrestricted	<u>87,470,740</u>	<u>84,692,787</u>	<u>84,692,787</u>	<u>87,581,276</u>	<u>82,177,486</u>
Total primary government net position	<u>\$ 349,001,091</u>	<u>\$ 333,664,865</u>	<u>\$ 304,762,529</u>	<u>\$ 280,438,646</u>	<u>\$ 255,831,742</u>

Notes:

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

2012	2011	2010	2009	2008
\$ 161,513,083	\$ 152,866,760	\$ 145,320,434	\$ 134,611,236	\$ 83,403,809
2,026,724	422,094	-	-	-
74,749,546	55,282,364	54,452,631	48,473,993	45,566,572
<u>\$ 238,289,353</u>	<u>\$ 208,571,218</u>	<u>\$ 199,773,065</u>	<u>\$ 183,085,229</u> (1)	<u>\$ 128,970,381</u>

CITY OF SANDY SPRINGS, GEORGIA

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses				
General government	\$ 12,198,772	\$ 11,497,805	\$ 10,882,951	\$ 11,467,033
Judicial	1,530,501	1,480,915	1,580,859	1,660,176
Public safety	35,514,365	34,184,497	37,612,816	33,310,061
Public works	18,888,072	16,052,761	18,784,694	21,225,313
Culture and recreation	8,545,292	15,500,207	6,506,492	6,086,076
Housing and development	5,872,460	5,294,454	3,953,501	3,733,446
Interest on long-term debt	6,421,029	4,541,961 (9)	105,166	122,202
Total expenses	<u>\$ 88,970,491</u>	<u>\$ 88,552,600</u>	<u>\$ 79,426,479</u>	<u>\$ 77,604,307</u>
Program revenues				
Charges for services:				
General government	\$ 839,593	\$ 788,373	\$ 795,720	\$ 746,020
Judicial	2,611,790	2,850,289	3,295,524	3,417,669
Public safety	3,585,456	3,486,436	3,493,548	3,122,072
Public works	3,004,014	1,403,124	945,755	1,127,751
Culture and recreation	682,874	779,550	774,113	848,996
Housing and development	4,441,424	3,157,280	2,847,881	2,061,439
Operating grants and contributions	5,625	3,091	33,619	34,733
Capital grants and contributions	2,665,236	3,292,060	3,779,357	6,503,664
Total program revenues	<u>\$ 17,836,012</u>	<u>\$ 15,760,203</u>	<u>\$ 15,965,517</u>	<u>\$ 17,862,344</u>
Net (expense)/revenue	<u>\$ (71,134,479)</u>	<u>\$ (72,792,397)</u>	<u>\$ (63,460,962)</u>	<u>\$ (59,741,963)</u>
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	\$ 33,556,314	\$ 33,240,654	\$ 32,196,455	\$ 30,945,648
Sales taxes	29,989,575	25,812,125	25,513,897	24,444,122
Other taxes	30,980,394	30,749,432	28,949,996	27,864,930
Unrestricted investment earnings	1,091,867	489,424	200,608	113,666
Contributions not restricted to specific programs	-	-	-	-
Miscellaneous revenues	790,598	614,813	923,889	980,501
Gain on sale of capital assets	850,242	-	-	-
Total	<u>\$ 97,258,990</u>	<u>\$ 90,906,448</u>	<u>\$ 87,784,845</u>	<u>\$ 84,348,867</u>
Change in Net Position	<u>\$ 26,124,511</u>	<u>\$ 18,114,051</u>	<u>\$ 24,323,883</u>	<u>\$ 24,606,904</u>

Notes:

- (1) - In 2009 the City was impacted by the economy and recognized fewer sales and other tax revenues than in prior years.
- (2) - In 2009, the economy across the state and country suffered causing the sale of construction license and permits to significantly decrease.
- (3) - In 2010 the City began collecting and expensing E911 charges in the public safety function.
- (4) - In 2011 the City saw increases in personnel costs and activities in both the police and fire departments.
- (5) - In 2011 the City restructured their staffing levels in the housing and development function due to a slow down in community and development projects.
- (6) - In 2011 with the restructuring of some of the departments, the City moved several employees to the municipal court.
- (7) - In 2012 the City rebid operating contracts resulting in a decrease in expenses.
- (8) - In 2013 the City determined the receivable from the joint venture was not going to be collectible, and thus established an allowance for \$7,156,30
- (9) - In 2016 the City (through its Public Facilities Authority) issued \$159,475,000 Series 2015 Revenue Bonds.

	2013	2012	2011	2010	2009	2008
\$	10,830,697	\$ 10,887,073	\$ 15,144,396	\$ 15,710,228	\$ 15,111,854	\$ 13,818,852
	1,691,681	1,459,938 (7)	1,945,524 (6)	859,627	1,149,765	955,759
	39,889,067 (8)	30,106,163	32,710,740 (4)	28,804,834 (3)	25,720,258	23,006,598
	19,079,592	15,472,596	15,837,964	17,971,905	19,643,196	16,341,371
	5,803,498	5,593,442 (7)	7,357,811	5,154,082	3,827,709	4,708,976
	3,238,942	2,065,861 (7)	3,164,420 (5)	6,469,377	6,506,536	6,322,427
	90,881	187,350	221,804	176,855	299,772	376,778
\$	<u>80,624,358</u>	<u>\$ 65,772,423</u>	<u>\$ 76,382,659</u>	<u>\$ 75,146,908</u>	<u>\$ 72,259,090</u>	<u>\$ 65,530,761</u>
\$	826,641	\$ 668,931	\$ 750,711	\$ 806,746	\$ 722,753	\$ 724,193
	3,324,956	3,271,883	3,769,291	4,290,960	4,657,134	5,273,492
	3,554,021	2,702,483	3,052,392	2,707,819 (3)	362,585	252,473
	465,425	1,223,719	601,604	786,177	529,103	471,789
	945,132	808,689	689,294	607,460	376,610	252,846
	1,663,665	1,147,143	650,203	692,252	865,063 (2)	2,207,413
	25,462	137,855	251,227	151,796	17,397	85,068
	7,024,050	5,955,742	3,087,167	4,012,715	3,911,180	6,170,789
\$	<u>17,829,352</u>	<u>\$ 15,916,445</u>	<u>\$ 12,851,889</u>	<u>\$ 14,055,925</u>	<u>\$ 11,441,825</u>	<u>\$ 15,438,063</u>
\$	<u>(62,795,006)</u>	<u>\$ (49,855,978)</u>	<u>\$ (63,530,770)</u>	<u>\$ (61,090,983)</u>	<u>\$ (60,817,265)</u>	<u>\$ (50,092,698)</u>
\$	29,173,500	\$ 29,268,099	\$ 30,230,477	\$ 31,639,678	\$ 31,870,456	\$ 29,827,325
	23,727,126	23,717,444	21,683,618	22,021,114	21,652,231 (1)	24,992,061
	26,793,423	26,040,432	24,568,708	26,358,226	26,963,754 (1)	29,776,872
	147,672	205,572	166,946	300,151	953,901	1,395,026
	-	-	-	-	-	19,498
	482,999	342,566	179,935	193,516	378,119	669,505
	12,675	-	-	-	-	-
\$	<u>80,337,395</u>	<u>\$ 79,574,113</u>	<u>\$ 76,829,684</u>	<u>\$ 80,512,685</u>	<u>\$ 81,818,461</u>	<u>\$ 86,680,287</u>
\$	<u>17,542,389</u>	<u>\$ 29,718,135</u>	<u>\$ 13,298,914</u>	<u>\$ 19,421,702</u>	<u>\$ 21,001,196</u>	<u>\$ 36,587,589</u>

CITY OF SANDY SPRINGS, GEORGIA

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

Fiscal Year	Property Taxes	Sales Taxes	Hotel/Motel Taxes	Franchise Taxes	Business Taxes	Total
2008	\$ 29,827,325	\$ 24,992,061	\$ 4,375,173	\$ 8,227,077	\$ 17,174,622	\$ 84,596,258
2009	31,870,456	21,652,231 (1)	3,691,845 (1)	8,561,728	14,710,181 (1)	80,486,441
2010	31,639,678	22,021,114	3,322,710	8,207,816	14,827,700	80,019,018
2011	30,230,477	21,683,618	3,536,794	8,660,869	12,371,045	76,482,803
2012	29,268,099	23,717,444	3,695,536	9,593,906	12,750,990	79,025,975
2013	29,173,500	23,727,126	3,763,907	9,311,894	13,717,622	79,694,049
2014	30,945,648	24,444,122	3,866,704	9,164,266	14,833,960	83,254,700
2015	32,196,455	25,513,897	4,462,241	9,671,503	14,816,252	86,660,348
2016	33,240,654	25,812,125	5,262,170	9,842,953	15,644,309	89,802,211
2017	33,556,314	29,989,575	5,492,264	9,715,393	15,772,737	94,526,283

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable - Prepaids	835,278	133,121	-	2,003	4,894,352
Committed - Recreation	-	-	-	-	-
Assigned - Stormwater projects	2,993,250	2,551,567	989,978	467,379	906,466
Appropriations of fund balance for next fiscal year's budget	16,775,312	12,758,427	9,532,370	7,056,652	7,266,222
Unassigned	21,894,817	22,341,887	25,341,826	26,400,192	20,522,843
Total general fund	<u>\$ 42,498,657</u>	<u>\$ 37,785,002</u>	<u>\$ 35,864,174</u>	<u>\$ 33,926,226</u>	<u>\$ 33,589,883</u>
All Other Governmental Funds					
Unreserved, reported in:					
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Restricted:					
Public safety	367,997	243,874	680,588	826,567	867,578
Tourism	-	-	1,101	1,101	1,075
Recreation	31,278	121,603	123,385	106,448	122,086
Infrastructure improvements	8,077,697	2,989,421	2,853,614	2,384,926	1,715,328
Debt service	-	3,657,953 (b)	-	-	-
Capital projects	55,340,593	145,089,744 (b)	-	-	-
Restricted:					
Tree replacement	250,357				
Assigned:					
Infrastructure improvements	31,805,684	31,887,995	49,572,700	54,276,325	52,729,595
Community development	-	41,678	41,678	38,469	41,595
Total all other governmental funds	<u>\$ 95,873,606</u>	<u>\$ 184,032,268</u>	<u>\$ 53,273,066</u>	<u>\$ 57,633,836</u>	<u>\$ 55,477,257</u>

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

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

2012	2011 (a)	2010	2009	2008
\$ -	\$ -	\$ 1,300,071	\$ 1,462,461	\$ 815,003
-	-	19,903,286	23,483,803	32,995,487
219,553	72,022	-	-	-
12,761	12,237	-	-	-
1,558,193	425,864	-	-	-
11,168,204	-	-	-	-
21,766,616	20,944,346	-	-	-
<u>\$ 34,725,327</u>	<u>\$ 21,454,469</u>	<u>\$ 21,203,357</u>	<u>\$ 24,946,264</u>	<u>\$ 33,810,490</u>

\$ -	\$ -	\$ 367,860	\$ 320,488	\$ 196,466
-	-	27,885,013	20,079,444	11,394,577
-	-	-	50,357	(27,546)
346,442	343,914	-	-	-
987	923	-	-	-
130,621	77,257	-	-	-
1,548,674	-	-	-	-
-	-	-	-	-
-	-	-	-	-
33,770,010	28,129,952	-	-	-
41,221	41,053	-	-	-
<u>\$ 35,837,955</u>	<u>\$ 28,593,099</u>	<u>\$ 28,252,873</u>	<u>\$ 20,450,289</u>	<u>\$ 11,563,497</u>

CITY OF SANDY SPRINGS, GEORGIA

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

	2017	2016	2015	2014
Revenues				
Taxes	\$ 94,499,719	\$ 89,787,515	\$ 86,357,021	\$ 83,324,826
Licenses and permits	5,284,871	4,069,503	3,817,492	2,906,357
Intergovernmental	2,380,642	3,887,278	3,931,859	5,480,553
Charges for services	6,914,186	5,288,144	4,596,207	4,767,729
Fines and forfeitures	2,966,094	3,107,404	3,738,842	3,649,861
Contributions	328,994	3,091	55,785	34,733
Interest earned	1,091,867	489,424	200,608	113,666
Miscellaneous	790,598	614,813	971,677	980,501
Total revenues	114,256,971	107,247,172	103,669,491	101,258,226
Expenditures				
Current:				
General government	18,482,980	15,900,684	28,833,479 (15)	18,791,585 (14)
Judicial	1,531,040	1,477,948	1,577,453	1,657,894
Public safety	34,853,005	33,733,508	36,818,536	36,939,432 (14)
Public works	26,117,779	27,296,011	26,276,197	25,725,759
Culture and recreation	102,723,830 (15)	67,514,805 (15)	6,815,373	12,018,423 (14)
Housing and development	6,441,126	5,357,955	4,931,583	4,474,792
Debt service:				
Principal	4,016,664	791,182	776,790	978,094
Interest	7,470,230	3,810,937	107,079	121,562
Costs of issuance	-	914,011	-	-
Total expenditures	201,636,654	156,797,041	106,136,490	100,707,541
Excess (deficiency) of revenues over (under) expenditures	(87,379,683)	(49,549,869)	(2,466,999)	550,685
Other Financing Sources (Uses)				
Issuance of long term debt	388,305	182,196,838	-	725,000
Proceeds from sale of capital assets	3,546,371	33,061	44,177	1,217,237
Transfers in	30,672,451	52,802,746	31,191,169	26,177,079
Transfers out	(30,672,451)	(52,802,746)	(31,191,169)	(26,177,079)
Total other financing sources (uses)	3,934,676	182,229,899	44,177	1,942,237
Net change in fund balances	\$ (83,445,007)	\$ 132,680,030	\$ (2,422,822)	\$ 2,492,922
Debt service as a percentage of noncapital expenditures	13.5%	5.6%	1.2%	1.5%

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

	2013	2012	2011	2010	2009	2008
\$	79,868,967	\$ 79,343,825	\$ 76,309,783 (12)	\$ 80,898,625	\$ 80,218,315 (2)	\$ 84,201,305
	2,482,713	1,851,971	1,302,189	1,346,983	1,965,630 (3)	3,216,026
	6,528,813	5,885,742	3,417,008	4,155,881	3,860,706 (4)	984,545
	4,264,512	4,551,376	4,275,388	3,856,201 (5)	582,733	455,095
	4,032,615	3,419,501	3,935,918	4,481,207	4,964,885	5,511,084
	25,462	137,855	68,753	147,073	167,772	236,126
	147,672	205,572	166,946	300,151	953,901	1,395,026
	482,999	292,566	179,021	185,604	448,121	599,503
	<u>97,833,753</u>	<u>95,688,408</u>	<u>89,655,006</u>	<u>95,371,725</u>	<u>93,162,063</u>	<u>96,598,710</u>
	12,105,333	11,048,889 (13)	15,463,566	15,774,609	23,123,876 (1)	13,730,116
	1,691,077	1,459,938	1,945,524 (9)	859,627	1,149,765	955,759
	31,338,228	31,003,258	33,099,211 (7)	30,213,605 (5)	26,677,292	23,017,162
	24,765,819	21,642,758 (13)	27,737,474 (10)	22,256,953	23,866,587 (1)	18,016,930
	6,414,601	5,932,476 (13)	7,219,744 (11)	13,437,115 (6)	7,442,979	6,332,157
	3,556,669	2,753,603 (13)	3,764,554 (8)	6,990,292	6,506,536	6,322,427
	2,928,142	1,191,289	1,111,221	1,740,939	3,266,252	2,830,523
	97,087	190,483	223,288	163,435	307,919	371,671
	-	-	-	-	-	-
	<u>82,896,956</u>	<u>75,222,694</u>	<u>90,564,582</u>	<u>91,436,575</u>	<u>92,341,206</u>	<u>71,576,745</u>
	14,936,797	20,465,714	(909,576)	3,935,150	820,857	25,021,965
	3,507,449	-	1,500,000	7,912	-	1,500,000
	59,612	50,000	914	-	-	103,270
	29,057,954	13,566,119	16,062,062	26,375,804	34,746,391	20,005,239
	(29,057,954)	(13,566,119)	(16,062,062)	(26,375,804)	(34,746,391)	(20,005,239)
	<u>3,567,061</u>	<u>50,000</u>	<u>1,500,914</u>	<u>7,912</u>	<u>-</u>	<u>1,603,270</u>
\$	<u>18,503,858</u>	<u>\$ 20,515,714</u>	<u>\$ 591,338</u>	<u>\$ 3,943,062</u>	<u>\$ 820,857</u>	<u>\$ 26,625,235</u>
	4.3%	2.2%	1.8%	2.7%	4.9%	5.0%

CITY OF SANDY SPRINGS, GEORGIA

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

Fiscal Year	Property Taxes	Sales Taxes	Hotel/Motel Taxes	Franchise Taxes	Business Taxes	Total
2008	\$ 29,432,372	\$ 24,992,061	\$ 4,375,173	\$ 8,227,077	\$ 17,174,622	\$ 84,201,305
2009	32,061,197	21,193,266 (1)	3,691,845 (1)	8,561,826	14,710,181 (1)	80,218,315
2010	32,100,781	22,439,282	3,322,710	8,208,152	14,827,700	80,898,625
2011	30,018,679	21,724,415	3,536,794	8,658,850	12,371,045	76,309,783
2012	29,525,159	23,717,444	3,695,536	9,654,696	12,750,990	79,343,825
2013	29,348,418	23,727,126	3,763,907	9,311,894	13,717,622	79,868,967
2014	31,015,774	24,444,122	3,866,704	9,164,266	14,833,960	83,324,826
2015	31,893,128	25,513,897	4,462,241	9,671,503	14,816,252	86,357,021
2016	33,225,958	25,812,125	5,262,170	9,842,953	15,644,309	89,787,515
2017	33,529,750	29,989,575	5,492,264	9,715,393	15,772,737	94,499,719

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

CITY OF SANDY SPRINGS, GEORGIA

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

Calendar Year	Real Property				Personal Property	
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Motor Vehicles	Other (1)
2008	\$ 4,094,509,530	\$ 3,439,835,900	\$ 15,309,680	\$ 308,440	\$ 282,296,030	\$ 42,906,780
2009	4,096,518,200	3,072,660,470	14,882,750	308,440	310,256,370	36,383,866
2010	3,966,218,590	3,001,056,530	13,647,940	290,480	274,825,840	45,563,644
2011	3,844,147,560	2,844,527,480	12,356,130	342,320	267,556,810	47,759,277
2012	3,756,986,980	2,681,350,440	9,188,790	411,200	286,683,680	50,794,652
2013	3,833,666,050	2,796,044,990	9,452,520	417,120	311,678,440	51,788,000
2014	3,890,836,390	2,692,498,250	8,588,690	312,520	267,150,490	68,968,965
2015	4,143,679,220	3,004,411,100	7,995,190	113,480	187,532,150	79,418,444
2016	4,274,611,200	3,178,568,040	9,964,420	113,480	128,485,280	58,405,806
2017	4,287,740,310	3,346,676,380	9,233,920	113,480	84,974,890	55,208,940

Source: Fulton County Tax Commissioner

(1) Reflects conservation use.

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

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 697,411,661	\$ 7,177,754,699	4.731	\$ 17,944,386,748	40%
610,103,942	6,920,906,154	4.731	17,302,265,385	40%
598,120,585	6,703,482,439	4.731	16,758,706,098	40%
554,479,555	6,462,210,022	4.731	16,155,525,055	40%
550,368,934	6,235,046,808	4.731	15,587,617,020	40%
537,793,108	6,235,046,808	4.731	15,587,617,020	40%
523,071,081	6,405,284,224	4.731	16,013,210,560	40%
603,418,507	6,819,731,077	4.731	17,049,327,693	40%
626,029,331	7,024,118,895	4.731	17,560,297,238	40%
565,443,801	7,218,504,119	4.731	18,046,260,298	40%

CITY OF SANDY SPRINGS, GEORGIA

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

Calendar Year	Direct		Overlapping School District				Total Direct & Overlapping Rates
	Sandy Springs (1)	Fulton County	Operating Millage	Debt Service Millage	Total School District Millage	State	
2008	4.731	10.281	16.403	1.099	17.502	0.250	32.764
2009	4.731	10.281	17.502	-	17.502	0.250	32.764
2010	4.731	10.281	18.502	-	18.502	0.250	33.764
2011	4.731	10.551	18.502	-	18.502	0.250	34.034
2012	4.731	10.551	18.502	-	18.502	0.250	34.034
2013	4.731	10.551	18.502	-	18.502	0.200	33.984
2014	4.731	10.551	18.502	-	18.502	0.200	33.984
2015	4.731	10.500	18.502	-	18.502	0.050	33.783
2016	4.731	10.700	18.483	-	18.483	0.000	33.914
2017	4.731	10.630	18.483	-	18.483	0.000	33.844

Source: Fulton County Tax Commissioner

Note: As set forth in the City's Charter, the millage rate cannot exceed 4.731 mills unless a higher limit is approved through a referendum by a majority of qualified voters of the City.

(1) Total rate is for M&O. No components to separately display.

CITY OF SANDY SPRINGS, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
JUNE 30, 2017**

Taxpayer	2017			2008		
	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	\$ 126,109,809	1	1.75 %	\$ 45,595,931	3	0.64 %
Concourse Owner V/VI LLC	88,342,042	2	1.22	45,616,800	2	0.64
Cousins Northpark 500/600 LLC	72,890,271	3	1.01			
Highwoods Realty Limited Partnership	43,946,001	4	0.61			
Georgia Power Company	43,033,348	5	0.60	33,506,363	8	0.47
Concourse Owner V/VI LLC	40,384,401	6	0.56			
AG APG Palisades Property Owner LLC	35,200,000	7	0.49			
Cousins Northpark Owner 400 LLC	35,175,360	8	0.49			
BT Property LLC	32,503,631	9	0.45			
Gateway Hammond LLC	31,692,619	10	0.44			
Four Eight Prop LLC				46,280,799	1	0.64
Wells Fargo Operating Partnership LP				40,039,780	4	0.56
United Parcel Service				38,492,490	5	0.54
AT&T Mobility				35,999,920	6	0.50
Northpark Associates LTD				33,092,911	7	0.46
Eop Lakeside Office LLC				32,573,921	9	0.45
Northpark Five Hundred Assoc				29,764,840	10	0.41
Totals	<u>\$ 549,277,482</u>		<u>7.61 %</u>	<u>\$ 380,963,755</u>		<u>5.31 %</u>

Source: Fulton County Tax Commissioner

CITY OF SANDY SPRINGS, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Period Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 27,162,838	\$ 26,271,821	96.7 %	\$ 850,893	\$ 27,122,714	99.85 %
2009	29,635,929	28,869,540	97.4	727,020	29,596,560	99.87
2010	30,023,553	29,768,046	99.1	222,503	29,990,549	99.89
2011	28,645,938	28,201,259	98.4	418,566	28,619,825	99.91
2012	27,482,337	27,341,375	99.5	115,913	27,457,288	99.91
2013	27,145,118	26,489,079	97.6	634,873	27,123,952	99.92
2014	27,612,718	27,453,075	99.4	131,384	27,584,459	99.90
2015	28,502,532	28,290,291	99.3	180,041	28,470,332	99.89
2016	30,754,398	30,678,557	99.8	52,852	30,731,409	99.93
2017	31,940,164	31,638,544	99.1	-	31,638,544	99.06

Source: Fulton County Tax Commissioner

CITY OF SANDY SPRINGS, GEORGIA

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

Fiscal Period Ended June 30,	Governmental Activities			Total	Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable	Notes Payable	Capital Lease Payable			
2008	\$ -	\$ 8,326,040	\$ -	\$ 8,326,040	0.15 %	\$ 83.42
2009	-	5,059,788	2,563,682	7,623,470	0.15	76.38
2010	-	3,428,740	2,453,791	5,882,531	0.11	58.02
2011	-	3,850,776	2,420,534	6,271,310	0.13	66.82
2012	-	2,842,105	2,237,916	5,080,021	0.10	52.45
2013	-	212,060	5,447,268	5,659,328	0.12	56.92
2014	-	-	5,406,234	5,406,234	0.11	54.19
2015	-	-	4,629,444	4,629,444	0.09	45.43
2016	179,186,870	2,497,296	3,838,262	185,522,428	3.50	1,761.34
2017	175,738,334	2,590,946	2,556,253	180,885,533	3.30	1,711.26

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

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

CITY OF SANDY SPRINGS, GEORGIA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING AS OF JUNE 30, 2017

Fiscal Year	Bonds Payable	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2016	\$ 159,475,000	\$ 3,657,953	\$ 155,817,047	0.89%	\$ 1,479
2017	157,035,000	-	157,035,000	0.87%	1,486

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

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

CITY OF SANDY SPRINGS, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping general obligation debt:			
Fulton County	\$ 201,939,000	11.864 %	\$ 23,958,043
Fulton County school district	55,870,000	11.864	6,628,417
Total overlapping debt	257,809,000		30,586,460
City direct debt:			
Bonds payable	157,035,000	100	157,035,000
Notes payable	2,590,946	100	2,590,946
Capital leases	2,556,253	100	2,556,253
Total direct debt	162,182,199		162,182,199
Total direct and overlapping debt	\$ 419,991,199		\$ 192,768,659

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

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

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

CITY OF SANDY SPRINGS, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	Unemployment Rate (2)
2008	99,808	\$ 5,376,735	\$ 53,871	37.9	5.4 %
2009	99,808	5,231,035	52,411	35.2	10.4
2010	101,390	5,208,607	51,372	34.8	10.2
2011	93,853	4,933,008	52,561	33.9	8.3
2012	96,856	5,129,397	52,959	34.9	8.3
2013	99,419	4,805,815	48,339	33.4	8.8
2014	99,770	5,115,208	51,270	35.0	5.8
2015	101,908	5,091,731	49,964	35.6	4.4
2016	105,330	5,307,263	50,387	35.4	4.2
2017	105,703	5,478,269	51,827	35.6	3.7

(1) Source: U. S. Census Bureau

(2) Georgia Department of Labor

CITY OF SANDY SPRINGS, GEORGIA

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

Employer	2017			2008		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
IBM Corp	3,542	1	5.2%	810	6	1.3%
Cox Communications	2,685	2	4.0%			
United Parcel Services General	1,981	3	2.9%	1,621	3	2.7%
Airwatch LLC	1,429	4	2.1%			
Cisco Systems, Inc	1,328	6	2.0%			
Cox Enterprises	992	7	1.5%			
Oracle USA Inc	955	5	1.4%			
Manheim Auctions, Inc	920	8	1.4%			
Intercontinental Exchange, Inc	790	9	1.2%			
World Pay US	750	10	1.1%			
Troy University				2,897	1	5.0%
Allied Barton Security Service				1,984	2	3.0%
AT&T Mobility				1,182	4	2.0%
Autotrader.com				897	5	1.5%
Aspire Visa				782	7	1.3%
Internet Security Systems				701	8	1.2%
RBS Lynk Inc				663	9	1.1%
Ceridian Corporation				661	10	1.1%
Totals	15,372		22.7%	12,198		20.2%

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

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

CITY OF SANDY SPRINGS, GEORGIA

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

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	52.25	50.25	49	46	46	46	46	63	63	62
Judicial	12	12	12	13	13	15	15	11	11	12
Public safety										
Police										
Officers	137	133	129	124	129	129	129	132	132	124
Civilians	21.5	22	22	14	17	17	17	7	7	15
Fire										
Firefighters (1)	109	115	96	138	133	135	128	122	123	106
Civilians	4.5	1	1	1	2	2	2	17	16	3
Public works										
Highways and streets	32	32	31	30	30	25	25	25	25	26
Culture and recreation	11	11	10	7	7	12	12	9	9	8
Housing and development	38.9	38.9	34	30	30	27	27	37	37	45
Total	418.15	415.15	384	403	407	408	401	423	423	401

Source: City of Sandy Springs Human Resources Department

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

CITY OF SANDY SPRINGS, GEORGIA

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

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Ordinances approved	35	38	48	32	26	36	38	82	70	108
Court cases	19,550	18,323	18,323	22,313	22,943	23,344	22,083	24,781	28,631	28,793
Grants managed	12	13	17	26	16	26	28	21	21	18
Police										
Calls for service	121,704	93,201	95,138	99,525	102,319	85,480	61,727	91,494	84,393	92,482
Part 1 crimes reported	2,744	2,727	2,766	3,012	2,924	2,817	2,639	2,984	3,104	3,827
Traffic citations issued	23,936	24,125	21,274	22,877	21,519	21,266	22,976	20,467	20,933	23,013
Fire										
Incident responses	13,251	10,853	11,347	12,177	12,069	10,567	10,769	12,668	15,885	18,425
Average response time	7	7	7	7.5 minutes	7 minutes	6 minutes	6.45 minutes	6 minutes	6 minutes	6 minutes
Fire safety programs conducted	622	369	463	378	403	383	308	220	575	138
Inspections conducted	5,617	4,448	5,729	4,160	3,449	3,834	3,810	3,139	3,341	2,256
Highways and streets										
Traffic signals timed	132	130	126	124	123	123	114	60	60	121
Average days to repair pothole	1-3 days	1-3 days	1-5 days	1-5 days	1-5 days	1-5 days	1-5 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days
Community development										
Stormwater plans reviewed	87	68	57	42	55	29	21	64	65	38
New building permits issued	2,197	2,127	2,749	1,442	1,458	1,382	1,545	1,368	1,188	1,814
Parcels annexed	0	0	0	0	0	0	0	0	0	0
Culture and recreation										
Park acres maintained	272	220	220	220	227	220	220	225	225	155
Park & facilities	17	17	17	17	16	16	16	15	14	13
Annual program registrants	50,206	52,268	45,110	45,110	83,857	36,500	36,500 (1)	9,050	9,010	7,250

Sources: Various City departments.

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

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police										
Stations (1)	1	1	1	1	1	1	1	1	1	1
Patrol Units	191	191	176	156	137	165	156	131	100	106
Patrol Zones	8	8	8	8	8	8	8	8	8	8
Fire stations										
Leased (1)	1	1	1	1	1	1	2	2	2	2
Owned	3	3	3	3	3	3	2	2	2	2
Public Works										
Streets (miles)	302	360	360	360	360	360	360	360	360	360
Traffic Signals	132	126	126	123	123	123	114	122	119	121
Culture and recreation										
Park acreage	272	220	220	220	227	220	220	219	219	195
Recreational facilities	17	17	17	17	16	16	16	15	14	13

Source: Various City departments.

(1) Reflects building operating lease.

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