

CITY OF SANDY SPRINGS, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

Prepared by:
Finance Department

Submitted by:
Eden Freeman
City Manager

CITY OF SANDY SPRINGS, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION



SANDY SPRINGS

GEORGIA

November 27, 2023

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

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the City of Sandy Springs, Georgia (City), for the fiscal year ended June 30, 2023, 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, 2023, 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, 2023, 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.

PROFILE OF THE GOVERNMENT

Sandy Springs celebrated its 18th anniversary in 2023, incorporated in December of 2005. The City is positioned in the heart of the metro area in northern Fulton County, Georgia. It is the second largest city in metropolitan Atlanta and the seventh largest city in the State of Georgia. Sandy Springs is a demographically diverse community and covers a 38 square mile area. Twenty-two miles of the Chattahoochee River flow through Sandy Springs, creating a unique recreational opportunity within a metropolitan setting.



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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 for the Mayor and all council members occur every four years unless a vacancy occurs during a term.

The City operates under a council/manager form of government, where the Council is the legislative authority, and the Mayor possesses all 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 administrative powers granted to the government under the constitution and laws of the State of Georgia and the City's charter. The City is empowered to levy a property tax on both real and personal property located within its boundaries and is qualified to levy all other taxes granted to municipalities within the State of Georgia.

The City's General Services including Police, Fire, Public Works/TSPLOST, Community Development, IT, Finance, Economic Development, Communications, Facilities, Municipal Court, Recreation and Parks, and Performing Arts Center Operations are performed by employees of the City of Sandy Springs. The City's call center and 911 services, as well as Public Works Field Services, Fleet Services, City Attorney's Office, and Municipal Court Solicitor are conducted with private sector partners.

Sanitation services are provided through contracts with private carriers. Water and sewer services are delivered to residential and commercial properties by the City of Atlanta and Fulton County. The City created a legally separate entity, the City of Sandy Springs Public Facilities Authority (the "Authority"), to assist with the leasing and multi-year contracting of capital facilities. The Sandy Springs Hospitality Board is a component unit of the City and functions as the tourism and marketing arm of the government. In addition, the City has a joint venture with the City of Johns Creek for Emergency 911 services through the Chattahoochee River E911 Authority (ChatComm) and with the North Fulton Cities of Alpharetta, Milton, and Roswell for a unified radio system through the North Fulton Regional Radio System Authority (NFRRSA).

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



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LOCAL ECONOMY

Sandy Springs is located at the crossroads of one of the most traveled east-west and north-south vehicular connections with prime access to Interstate 285 and Georgia Highway 400, with Interstate 75 located just west of the City's border. Four stations on the MARTA rail transit system also serve Sandy Springs, creating an attractive transportation location for business. Close to 6,000 businesses, from small, family-owned retailers to world-known corporate headquarters, currently call Sandy Springs home.

The City's largest employers are hospitals and regional corporate headquarters. The City is home to nationally recognized Children's Healthcare of Atlanta, Northside Hospital and Emory Saint Joseph's Hospital. Sandy Springs is also home to many Fortune 500 and 1000 companies. Among the largest corporate employers are United Parcel Service, WestRock, Veritiv Corporation, Newell Brands, Intercontinental Exchange/NYSE, ServiceMaster, Graphic Packaging, Cox Communications, Inspire Brands, Focus Brands, and Mercedes Benz USA that have chosen to call Sandy Springs their corporate home. The City's commercial properties comprise more than 42 percent of the total tax digest by property value, which ensures a strong economic foundation for the government.

Niche ranks Sandy Springs number 18 for Best City to Live in the U.S. and number 13 as one of the Healthiest Cities in America in 2023.^[4] Sandy Springs is home to a flourishing dining scene and nighttime activities, a place where one can expend energy paddle boarding on the river or enjoy one of the City's many parks and green spaces and enjoy live entertainment.

According to the 2020 United States Census^[2], the 5-year estimated population for Sandy Springs is 108,180. There were approximately 53,360 households reported, with an estimated 50 percent recorded as owner-occupied housing units. The median value of owner-occupied housing as of October 2023 was \$636,701, according to the Zillow Home Values Index^[5]. The average household size was two (2) people, with a median household income of more than \$80,000.

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

NATIONAL ECONOMY

According to the Bureau of Labor Statistics^[3] for August 2023, unemployment for the State of Georgia increased from 2.8 % to 3.4% in 2023. Citywide the unemployment also increased to 3.4% from 3.2% last year.



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LONG TERM FINANCIAL PLANNING

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

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

The City is expected to continue developing as an economic hub and preferred location for business and residential investment. Additionally, the commercial community continues to experience significant re-development through builders and investors developing mixed-use areas.

MAJOR INITIATIVES FOR THE YEAR

- Continued construction efforts at the new police headquarters and municipal court complex, with completion anticipated winter 2025.
- Continued construction efforts for fire station #5 in the "panhandle" area of the city, with completion anticipated summer 2024.
- Completed construction of Veterans Park, which was opened on Veterans Day.
- Began construction of the city fleet enhancement facility, with completion anticipated Spring 2024.
- Began construction of trail segment 2A
- Continued partnership with Art Sandy Springs to host Art Sandy Springs in the open sculpture competition at City Springs City Hall Lobby rotating gallery exhibition.
- Completed construction of River Shore Meadows Park.
- Completed Morgan Falls Athletic Complex Phase I improvements.
- Conducted a comprehensive review of the City of Sandy Springs Development Code and adopted a slate of modifications.
- Updated the Roswell Road at Crossroads Small Area Plan.



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- Implemented Over the Counter permit program.
- Updated the multifamily rental housing ordinance, developed updated inspection program, and created property management training and certification program.
- Opened the inaugural Skate City Springs Ice Rink on City Green.

TSPLOST



On November 9, 2021, a referendum passed to continue to impose an additional 0.75 percent Transportation Special Purpose Local Option Sales Tax (“TSPLOST”) to begin on April 1, 2022. Approximately \$546 million was estimated to be raised by the imposition of this additional tax to improve the County’s transportation infrastructure through various capital transportation projects within these cities to be collected through March 31, 2027.

At the close of the fiscal year, one project (a one-time payment to GDOT for enhancements to bridges across GA-400) was completed while the rest were still in various stages of development.

Completed Projects

TSPLOST 2016

TS103 - Spalding Drive at Dalrymple Road –Trowbridge Road
TS105 - Roswell Road at Grogan’s Ferry Road
TS107 - ATMS-4 SCOOT Perimeter Area
TS115 - Mt. Vernon Road at Long Island Drive
TS136 - Central Parkway Sidewalk Gap Fill
TS137 - Johnson Ferry Road – Glenridge Connector Side path
TS161- Johnson Ferry Road – Harleston Road/Glenridge Drive
TS164 - Windsor Parkway Sidewalk
TS165 - Northwood Drive Sidewalk
TS166 - Spalding Drive Widening, Including Sidewalks
TS167 - Brandon Mill Road (Marsh Creek to Lost Forest)
TS168 - Dalrymple Road Sidewalk
TS169 - Dunwoody Club Drive
TS170 - Interstate North Parkway
TS171 - Roberts Drive (Northridge to Davis Academy)
TS193 - Hammond Drive Improvements (Right of Way/Design)

TSPLOST 2021

S2188-1 – Allen Road at Sandy Springs Circle
S2188-2 – Johnson Ferry Road at Brookhaven City Limit



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INITIATIVES FOR FUTURE YEARS

- Complete construction of fire station #5.
- Complete construction at the police headquarters and municipal court complex.
- Complete construction of the fleet enhancement center.
- Complete construction of trail segment 2A.
- Complete design and permitting for Old Riverside Park
- Complete design and permitting for the Abernathy South Greenway enhancements.
- Complete construction of the Nancy Creek improvements at Windsor Meadows Park.
- Implement the next phase of major enhancements to the Morgan Falls Overlook Athletic Complex.
- Design and construct enhancements to the Morgan Falls Dog Park.
- Conduct a comprehensive review of the City's Public Works and Capital Improvement Project delivery process.
- Begin the process to create citywide design guidelines.
- Update the City's impact fee ordinance.

FINANCIAL POLICIES

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

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

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



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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 at the department level. Administrative transfers of appropriations within a department may be authorized by the City Manager to meet unforeseen needs, as long as the total budgeted amounts do not exceed the original appropriations by department. 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 annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the seventeenth consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and 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. Our sincere appreciation is extended to everyone for the contributions made in the preparation of this report.

Respectfully submitted,

DocuSigned by:

265B62BA3E7A433...
Eden E. Freeman
City Manager

DocuSigned by:

3FAD16FC02854A5...
Toni Carlisle
Chief Financial Officer



SANDY SPRINGS

GEORGIA

[1] Source: Niche.com

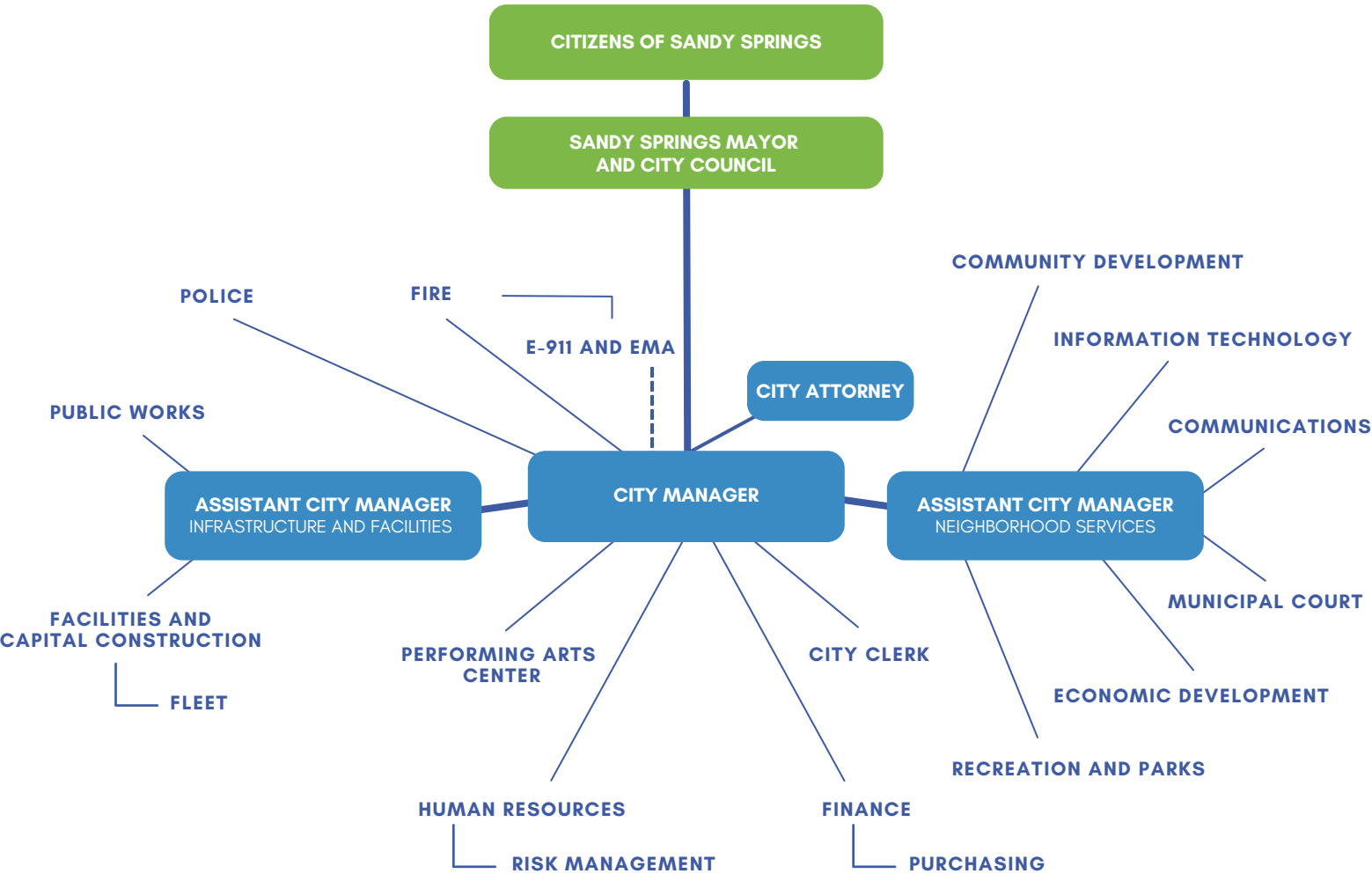
[2] Source: United States Census Bureau (2020 5-year Estimate Data)

[3] Source: Bureau of Labor Statistics (2021 Data)

[4] Source: SPGlobal.com

[5] Source: Zillow.com

CITY OF SANDY SPRINGS ORGANIZATIONAL CHART

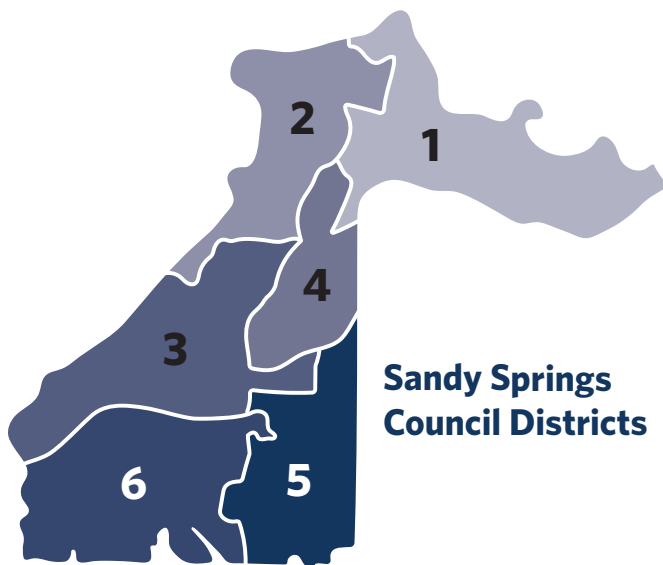


SANDY SPRINGS
GEORGIA

MAYOR AND CITY COUNCIL

Governance in Sandy Springs

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



Mayor Rusty Paul

rpaul@sandyspringsga.gov



DISTRICT 1

John Paulson

jpaulson@sandyspringsga.gov



DISTRICT 2

Melody Kelley

mkelley@sandyspringsga.gov



DISTRICT 3

Melissa Mular

mmular@sandyspringsga.gov



DISTRICT 4

Jody Reichel

jreichel@sandyspringsga.gov



DISTRICT 5

Tiberio "Tibby" DeJulio

tdejulio@sandyspringsga.gov



DISTRICT 6

Andy Bauman

abauman@sandyspringsga.gov

City of Sandy Springs, Georgia

Listing of Principal Officials

City Manager

Eden E. Freeman

Chief Financial Officer

Toni Carlisle

Assistant City Manager Infrastructure and Facilities

Open

Assistant City Manager Neighborhood Services

Kristin Byars-Smith

Chief of Fire

Keith Sanders

Chief of Police

Ken DeSimone

City Clerk

Raquel D. Gonzalez

Communications Director

Open

Community Development Director

Ginger Sottile

Court Administrator

Cheston Roney

Economic Development Director

Open

Facilities and Construction Director

David Wells

Human Resources Director

Jennifer Emery

Information Technology Director

Jonathan Crowe

Performing Arts Center Director

William Haggett

Public Works Director

William Martin

Recreation and Parks Director

Michael Perry



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sandy Springs
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

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 Audit of the Financial Statements

Opinions

We have audited the 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** (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund – Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) and ARPA Fund – Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the Schedules of Expenditures of Transportation Special Purpose Local Option Sales Taxes (the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 on our consideration of the City'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'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's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 27, 2023

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. 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 \$563,763,861 (total net position), which represents an increase of \$46,657,724 or 9.02% from the prior year. Of the total net position, \$118,988,944 (unrestricted net position) is available to meet the ongoing obligations of the government.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$240,924,653. This represents an increase of \$19,366,754 from the prior year.
- Total governmental fund revenues were \$177,254,083, an increase of \$16,885,388 or 10.53%.
- Total governmental fund expenditures were \$159,624,120, an increase of \$6,063,267 or 3.95% over the prior year.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 16 through 18 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 are governmental funds.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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 twelve 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. The General Fund, American Recovery Plan Act Fund (ARPA), Capital Projects Fund, TSPLOST Fund and Public Facilities Authority Fund 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 19 through 21 of this report.

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 22 through 51 of this report.

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

The combining and individual fund statements and schedules, referred to earlier, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 55 through 58 of this report. Required supplementary information can be found on pages 52 through 54 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 \$563,763,861, representing a \$46,657,724 or 9.02% increase over last year.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The largest portion of the City's net position, \$367,043,192 reflects its investment in capital assets (e.g., buildings, machinery and equipment, roadways, sidewalks, culverts, and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Other than the amount of net position, \$77,731,725 is restricted as to use by law or agreement, the remaining portion of the City's net position represents unrestricted net position of \$118,988,944 that is available to meet the ongoing obligations of the government. This amount represents 91.11% of current governmental expenses.

The City has current and other assets of \$276,353,193, an increase of \$27,010,379 or 10.83% over the prior year. These assets include \$206,942,684 of cash and investments.

The City's capital assets are \$540,962,374, which represents an increase of \$18,775,380 or 3.60%. The increase is primarily infrastructure projects.

Long-term liabilities decreased \$10,168,038 or 4.42% as debt is repaid.

The table below summarizes the City's Net Position for 2023 and 2022.

City of Sandy Springs Net Position

	<u>Governmental Activities</u>		Dollar Increase (Decrease)	Percent
	2023	2022		
Assets				
Current assets	\$ 276,353,193	\$ 249,342,814	\$ 27,010,379	10.83 %
Capital assets, net of accumulated depreciation	<u>540,962,374</u>	<u>522,186,994</u>	<u>18,775,380</u>	<u>3.60</u>
Total assets	<u>817,315,567</u>	<u>771,529,808</u>	<u>45,785,759</u>	<u>5.93</u>
Deferred charges on bond refunding	<u>14,187,247</u>	<u>15,084,335</u>	<u>(897,088)</u>	<u>(5.95)</u>
Liabilities				
Current liabilities	41,284,212	39,449,632	1,834,580	4.65
Long-term liabilities	<u>219,770,336</u>	<u>229,938,374</u>	<u>(10,168,038)</u>	<u>(4.42)</u>
Total liabilities	<u>261,054,548</u>	<u>269,388,006</u>	<u>(8,333,458)</u>	<u>(3.09)</u>
Deferred inflows of resources	<u>6,684,405</u>	<u>120,000</u>	<u>6,564,405</u>	<u>5,470.34</u>
Net Position				
Net investment in capital assets	367,043,192	330,327,766	36,715,426	11.11
Restricted	77,731,725	67,925,213	9,806,512	14.44
Unrestricted	<u>118,988,944</u>	<u>118,853,158</u>	<u>135,786</u>	<u>0.11</u>
Total net position	<u>\$ 563,763,861</u>	<u>\$ 517,106,137</u>	<u>\$ 46,657,724</u>	<u>9.02 %</u>

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Governmental activities: Governmental activities are those that have a direct impact on its citizens such as public safety, zoning, recreation, and parks and road improvements. The table below reflects changes in net position for 2023 and 2022.

City of Sandy Springs Changes in Net Position

	Governmental Activities		Dollar Increase (Decrease)	Percent
	2023	2022		
Revenues				
Program revenues:				
Charges for services	\$ 17,626,794	\$ 15,554,910	\$ 2,071,884	13.32 %
Operating grants and contributions	-	4,750,388	(4,750,388)	(100.00)
Capital grants and contributions	30,911,118	22,897,495	8,013,623	35.00
General revenues:				
Property taxes	50,504,655	48,843,037	1,661,618	3.40
Sales and use taxes	37,161,097	35,415,246	1,745,851	4.93
Hotel/motel taxes	4,938,219	4,277,495	660,724	15.45
Franchise taxes	9,583,654	9,092,140	491,514	5.41
Business taxes	11,074,025	10,438,099	635,926	6.09
Insurance premium taxes	8,782,622	7,782,186	1,000,436	12.86
Unrestricted investment earnings	5,340,674	420,041	4,920,633	1,171.46
Miscellaneous revenues	1,328,548	931,294	397,254	42.66
Total revenues	177,251,406	160,402,331	16,849,075	10.50
Expenses				
General government	25,345,872	23,440,173	1,905,699	8.13
Judicial	1,251,216	940,350	310,866	33.06
Public safety	52,073,063	51,837,529	235,534	0.45
Public works	27,618,045	30,916,105	(3,298,060)	(10.67)
Health and welfare	8,111	-	8,111	100.00
Culture and recreation	13,432,564	10,689,505	2,743,059	25.66
Housing and development	5,456,446	4,711,685	744,761	15.81
Interest on long-term debt	5,408,365	5,668,978	(260,613)	(4.60)
	-	-	-	100.00
Total expenses	130,593,682	128,204,325	2,389,357	1.86
Change in net position	46,657,724	32,198,006	\$ 14,459,718	44.91 %
Net position, beginning of year	517,106,137	484,908,131		
Net position, end of year	\$ 563,763,861	\$ 517,106,137		

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Revenues: Charges for services includes fines and forfeitures, E911 telephone service charges, impact fees, and licenses and permits. These revenues increased \$2,071,884, or 13.32%, primarily from increased revenue from the performing arts center which had been adversely affected by the pandemic in the prior years. Operating grants and contributions decreased as these funds were used to fund the municipal and safety complex and other capital related projects and were reflected in capital projects expenses in FY23. Capital grants and contributions increased by \$8,013,623 or 35.00% as the availability of federal and state funding increased. Property taxes increased \$1,661,618 or 3.40% as assessed property values have increased. Sales and use taxes and hotel/motel taxes increased \$1,745,851 (4.93%) and \$660,724 (15.45%), respectively, and were driven by recovery in the retail and travel economy. Franchise taxes, business taxes and insurance premium taxes increased 5.41%, 6.09% and 12.86%, respectively. Unrestricted investment earnings increased \$4,920,633 or 1,171.46% as interest rates increased back to rates not seen for the last 20 years.

Expenses: General government expenses increased 8.13%. Judicial, cultural and recreation and housing and development increased 33.06%, 25.66%, and 15.81% respectively because of market conditions changing, requiring competitive salary increases. Public safety expenses were consistent with the prior year and increased \$235,534 or less than 1% as significant pay increases had been annualized in the prior fiscal year. Public Works expenses decreased \$3,298,060 or 10.67% as a result of significant decreases in non-depreciable road resurfacing projects. Interest expenses decreased \$260,613 or 4.60% because of refinancing of certain debt issued in a prior year.

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.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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 2023 and 2022.

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

	<u>Governmental Funds</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	
Revenues:				
Taxes				
Property taxes	\$ 50,506,371	\$ 48,814,649	\$ 1,691,722	3.47 %
Sales taxes	37,161,097	35,415,246	1,745,851	4.93
Hotel/Motel taxes	4,938,219	4,277,495	660,724	15.45
Franchise taxes	9,583,654	9,092,140	491,514	5.41
Business taxes	11,074,025	10,438,099	635,926	6.09
Insurance premium taxes	8,782,622	7,782,186	1,000,436	12.86
Licenses and Permits	4,244,618	4,310,020	(65,402)	(1.52)
Intergovernmental Revenues	30,912,079	27,458,676	3,453,403	12.58
Charges for Services	10,216,989	8,283,089	1,933,900	23.35
Fines and Forfeitures	2,993,320	2,789,934	203,386	7.29
Interest Income	5,340,674	420,041	4,920,633	1,171.46
Other	1,500,415	1,287,120	213,295	16.57
Total Revenues	<u>177,254,083</u>	<u>160,368,695</u>	<u>16,885,388</u>	<u>10.53</u>
Expenditures:				
General Government	19,201,570	17,287,366	1,914,204	11.07
Judicial	1,235,075	928,723	306,352	32.99
Public Safety	51,391,351	51,701,275	(309,924)	(0.60)
Public Works	24,519,273	26,935,911	(2,416,638)	(8.97)
Health and Welfare	8,111	-	8,111	100.00
Culture and Recreation	11,635,498	9,277,909	2,357,589	25.41
Housing and Development	5,424,482	4,702,822	721,660	15.35
Capital outlay	30,407,756	27,527,393	2,880,363	10.46
Debt Service	15,801,004	15,199,454	601,550	3.96
Total Expenditures	<u>159,624,120</u>	<u>153,560,853</u>	<u>6,063,267</u>	<u>3.95</u>
Excess of Revenues over Expenditures	17,629,963	6,807,842	10,822,121	158.97
Other financing sources (uses)				
Issuance of lease liability	1,736,791	-	1,736,791	100
Net Change in Fund Balance	19,366,754	6,807,842	12,558,912	184.48
Fund Balance, Beginning of Year	221,557,899	214,750,057	6,807,842	3.17
Fund Balance, End of Year	<u>\$ 240,924,653</u>	<u>\$ 221,557,899</u>	<u>\$ 19,366,754</u>	<u>8.74 %</u>

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$240,924,653, an increase of \$19,366,754. Of this balance, \$4,018,509 is considered nonspendable as these items are not expected to be converted to cash; \$122,486,440 is restricted by law or contractual agreement; \$722,082 is committed by resolution of the City Council; \$51,675,889 has been assigned by management for infrastructure projects; \$22,685,951 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2024; and \$39,335,782 is considered unassigned and can be used to meet the near term operating needs of the City.

Total governmental revenues increased \$16,885,388 or 10.53%. Property taxes increased \$1,691,722 or 3.47% as assessed property values have increased. Sales taxes and hotel/motel taxes have increased \$1,745,851 or 4.93% and \$660,724 or 15.45%, respectively, as the general economy has improved. Licenses and permits have decreased \$65,402 or 1.52%. Intergovernmental revenues have increased by \$3,453,403 or 12.58%. Charges for services increased \$1,933,900 or 23.35% as revenues from the performing arts center rebound from the pandemic. Interest income increased \$4,920,633 or more than 1000% as interest rates have increased.

Total governmental expenditures have increased \$6,063,267 or 3.95%. General government expenditures increased \$1,914,204 or 11.07% and is primarily attributable to ongoing market demands of higher project costs and the competitive salary market. Public safety expenditures decreased \$309,924 as jail services expenditures decreased. Culture and Recreation expenditures increased \$2,357,589 or 25.41% as a result of the arts making a strong return after struggling during and shortly after the pandemic.

There was an issuance of a lease liability in fiscal year 2023.

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 \$63,885,024 an increase of \$4,240,623 or 7.11%. 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, 2023 was \$39,335,782 and represents 40.75% of total General Fund expenditures. The following table compares revenues and expenses for the General Fund for fiscal years 2023 and 2022.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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

	<u>General Fund</u>		<u>Dollar</u>	<u>Percent</u>
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	
Revenues:				
Property taxes	\$ 50,506,371	\$ 48,814,649	\$ 1,691,722	3.47 %
Sales taxes	37,161,097	35,415,246	1,745,851	4.93
Franchise taxes	9,583,654	9,092,140	491,514	5.41
Business taxes	10,985,623	10,359,877	625,746	6.04
Insurance premium tax	8,782,622	7,782,186	1,000,436	12.86
Licenses and permits	4,244,618	4,310,020	(65,402)	(1.52)
Intergovernmental revenues	1,573,750	183,342	1,390,408	758.37
Charges for services	4,262,272	2,884,759	1,377,513	47.75
Fines and forfeitures	2,561,652	2,460,443	101,209	4.11
Interest earned	5,148,768	411,043	4,737,725	1,152.61
Other	1,500,163	1,257,120	243,043	19.33
Total revenues	<u>136,310,590</u>	<u>122,970,825</u>	<u>13,339,765</u>	<u>10.85</u>
Expenditures:				
General government	19,090,682	17,012,557	2,078,125	12.22
Judicial	1,235,075	928,723	306,352	32.99
Public safety	43,564,347	40,242,860	3,321,487	8.25
Public works	14,915,335	13,096,101	1,819,234	13.89
Culture and Recreation	9,687,431	7,815,800	1,871,631	23.95
Housing and development	5,208,325	4,564,771	643,554	14.10
Debt service:				
Principal	2,671,538	2,020,914	650,624	32.19
Interest	163,134	189,371	(26,237)	(13.85)
Total expenditures	<u>96,535,867</u>	<u>85,871,097</u>	<u>10,664,770</u>	<u>12.42</u>
Excess of revenues over expenditures	39,774,723	37,099,728	2,674,995	7.21
Issuance of lease liability	1,736,791	-	1,736,791	100.00
Transfers in	3,439,477	2,980,930	458,547	15.38
Transfers out	(40,710,368)	(50,091,807)	9,381,439	(18.73)
Net change in fund balance	4,240,623	(10,011,149)	14,251,772	(142.36)
Fund balance, beginning of year	<u>59,644,401</u>	<u>69,655,550</u>	<u>(10,011,149)</u>	<u>(14.37)</u>
Fund balance, end of year	<u>\$ 63,885,024</u>	<u>\$ 59,644,401</u>	<u>\$ 4,240,623</u>	<u>7.11 %</u>

Total General Fund revenues have increased \$13,339,765 or 10.85%. Property taxes have increased \$1,691,722 or 3.47% as property values and the tax digest have increased. Franchise taxes increased \$491,514 or 5.41%. Sales taxes have increased \$1,745,851 or 4.93%, as the retail economy stabilized during this fiscal year. Business taxes and Insurance premium taxes increased modestly by 6.04% and 12.86%, respectively. Charges for services increased \$1,377,513 or 47.75% as the performing arts center continues to increase its programs during a less restricted period. Interest revenues have increased \$4,737,725 or 1,153% as interest rates have risen.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Total General Fund expenditures increased \$10,664,770 or 12.42%. The increase is largely attributed to the management of the competitive hiring market and the implementation of a comprehensive salary compensation program.

Capital Projects Fund

The Capital Projects fund is primarily funded by transfers from the General Fund designated for capital improvements. This fund received transfers of \$27,542,952 and \$37,161,265 for fiscal 2023 and 2022, respectively. Revenues for 2023 and 2022 were \$3,429,917 and \$3,669,702, respectively, a decrease of \$239,785. These revenues are primarily related to federal and state transportation grants and are based upon availability.

Expenditures for 2023 and 2022 were \$26,015,361 and \$29,207,643, respectively, a decrease of \$3,192,282 as the pace of completion for city infrastructure and related projects decreased.

Public Facilities Authority Fund

The Public Facilities Authority Fund is used to serve as a financing and ownership partner for major city developments. It is primarily funded thru transfers from the General Fund. Transfers for 2023 and 2022 were \$19,947,054 and \$13,557,925, respectively.

Total expenditures excluding debt service for 2023 and 2022 were \$3,245,410 and \$7,024,512, respectively. Debt service expenditures for 2023 and 2022 were \$12,609,146 and \$12,624,640, respectively. Expenditures are primarily related to the construction of public safety facilities.

TSPLOST

The TSPLOST fund is used to account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by voter referendum. Total revenues for 2023 were \$24,357,828 and 2022 were \$22,876,367 respectively, an increase of \$1,481,458 as the local retail economy improves. Expenditures for 2023 and 2022 were \$14,738,373 and \$13,058,741, respectively, an increase of \$1,679,632 as more TSPLOST projects progress toward completion.

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on pages 52 and 53. For fiscal year 2023, the City had an overall favorable budget variance of \$35,000,469.

Total revenues were \$24,970,803 better than budgeted. Property taxes reflect a favorable budget variance of \$2,626,371, as budgeted tax revenues are based on prior year collections as the tax digest continues to grow. Sales taxes were \$9,161,097 or 32.72% better than budgeted as the local economy improves at a faster rate than projected, and the City's negotiated share of local option sale tax proceeds increased over the prior year. Franchise taxes were \$1,233,654 or 14.77% better than budgeted and is primarily related to electric franchise fees which were better than projected due to favorable weather conditions and growth in the electric utilities within the City. Insurance premium taxes were \$1,082,622 better than the budget. Interest earned was \$5,028,768 better than budgeted with increased interest rates. All other revenue categories reflect modest variances as the City continues to use very conservative revenue estimates.

Total expenditures were \$5,927,998 better than budgeted. Legal Services and Public Safety experienced a slight increase in expenditures as all other expenditure categories reflect favorable budget variances as the City continues to use very conservative budget models.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Capital Asset and Debt Administration

Capital Assets The City's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$540,962,374 (net of accumulated depreciation). This represents an increase of \$18,775,380 or 3.60% over the prior year. The increase is primarily driven by the PFA and public works projects. Additional information on the City's capital assets can be found in Note 7 on page 41 of this report.

City of Sandy Springs Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		Dollar Increase (Decrease)	Percent
	2023	2022		
Land	\$ 77,385,082	\$ 75,856,675	\$ 1,528,407	2.01 %
Construction in progress	80,304,593	70,292,138	10,012,455	14.24
Buildings	136,631,179	131,131,282	5,499,897	4.19
Improvements	81,593,934	83,249,056	(1,655,122)	(1.99)
Machinery and equipment	15,108,853	15,806,567	(697,714)	(4.41)
Infrastructure	147,850,325	144,130,488	3,719,837	2.58
Lease assets	2,088,408	1,720,788	367,620	-
	<u>\$ 540,962,374</u>	<u>\$ 522,186,994</u>	<u>\$ 18,775,380</u>	<u>3.60 %</u>

Long-term Debt At the end of fiscal year 2023 and 2022, the City had total debt outstanding of \$231,637,906 and \$240,892,375, respectively. 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 9 on page 42 of this report.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Economic Factors and Next Year’s Budgets and Rates

All of these factors were considered in preparing the City’s budget for the 2023 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 2022 and in to 2023.
- The City restricts the use of one-time revenues to capital projects.

Requests for Information

This financial report is designed to provide a general overview of the City of Sandy Springs’ finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, City of Sandy Springs, 1 Galambos Way, Sandy Springs, Georgia, 30328, or by calling 770-730-5600.

CITY OF SANDY SPRINGS, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary		
	Governmental	Component Units	
	Activities	Sandy Springs Hospitality & Tourism	Development Authority
ASSETS			
Cash and cash equivalents	\$ 206,942,684	\$ 1,908,338	\$ 108,853
Taxes receivable, net of allowances	5,705,477	-	-
Accounts receivable, net of allowances	3,083,685	-	-
Due from other governments, net of allowances	4,701,498	-	-
Lease receivable, due within one year	13,396	-	-
Lease receivable, due in more than one year	4,998,680	-	-
Accrued interest receivable	106,693	-	-
Due from primary government	-	306,626	-
Restricted:			
Cash and cash equivalents	46,810,242	-	-
Inventories	34,275	-	-
Prepaid items	3,956,563	11,572	-
Capital assets:			
Nondepreciable	157,689,675	-	-
Depreciable, net of accumulated depreciation and amortization	383,272,699	-	-
Total assets	817,315,567	2,226,536	108,853
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on bond refunding	14,187,247	-	-
Total deferred outflows of resources	14,187,247	-	-
LIABILITIES			
Accounts payable	12,712,855	42,616	-
Accrued liabilities	3,216,205	-	-
Due to component unit	306,626	-	-
Unearned revenue	13,180,956	-	-
Compensated absences, due within one year	1,407,161	-	-
Financed purchases, due within one year	1,072,162	-	-
Bonds payable, due within one year	7,510,000	-	-
Note payable, due within one year	501,070	-	-
Lease liability, due within one year	1,377,177	-	-
Compensated absences, due in more than one year	1,407,161	-	-
Financed purchases, due in more than one year	2,398,822	-	-
Bonds payable, due in more than one year	212,090,682	-	-
Note payable, due in more than one year	3,175,415	-	-
Lease liability, due in more than one year	698,256	-	-
Total liabilities	261,054,548	42,616	-
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement receipts	1,700,000	-	-
Lease arrangements	4,984,405	-	-
Total deferred inflows of resources	6,684,405	-	-
NET POSITION			
Net investment in capital assets	367,043,192	-	-
Restricted:			
Infrastructure improvements	76,443,954	-	-
Public safety projects	1,061,637	-	-
Tourism	-	2,183,920	-
Development	226,134	-	108,853
Unrestricted	118,988,944	-	-
Total net position	\$ 563,763,861	\$ 2,183,920	\$ 108,853

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, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 25,345,872	\$ 908,920	\$ -	\$ 932,626
Judicial	1,251,216	2,561,652	-	-
Public safety	52,073,063	4,490,395	-	16,540
Public works	27,618,045	1,629,312	-	29,161,831
Health and welfare	8,111	-	-	-
Culture and recreation	13,432,564	4,293,019	-	188,428
Housing and development	5,456,446	3,743,496	-	611,693
Interest on long-term debt	5,408,365	-	-	-
Total governmental activities	130,593,682	17,626,794	-	30,911,118
Total primary government	\$ 130,593,682	\$ 17,626,794	\$ -	\$ 30,911,118
Component Units				
Sandy Springs Hospitality & Tourism	\$ 1,326,751	\$ -	\$ 1,587,144	\$ -
Development Authority	1,309,230	-	1,309,422	-
Total component units	\$ 2,635,981	\$ -	\$ 2,896,566	\$ -
General revenues:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Franchise taxes				
Excise taxes				
Business taxes				
Insurance premium tax				
Unrestricted investment earnings				
Miscellaneous revenues				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

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

Primary Government	Component Units	
Governmental Activities	Sandy Springs Hospitality & Tourism	Sandy Springs Development Authority
\$ (23,504,326)	\$ -	\$ -
1,310,436	-	-
(47,566,128)	-	-
3,173,098	-	-
(8,111)	-	-
(8,951,117)	-	-
(1,101,257)	-	-
(5,408,365)	-	-
<u>(82,055,770)</u>	<u>-</u>	<u>-</u>
(82,055,770)	-	-
-	260,393	-
-	-	192
<u>-</u>	<u>260,393</u>	<u>192</u>
50,504,655	-	-
37,161,097	-	-
4,938,219	-	-
9,583,654	-	-
88,402	-	-
10,985,623	-	-
8,782,622	-	-
5,340,674	-	-
1,328,548	1,454	-
<u>128,713,494</u>	<u>1,454</u>	<u>-</u>
46,657,724	261,847	192
517,106,137	1,922,073	108,661
<u>\$ 563,763,861</u>	<u>\$ 2,183,920</u>	<u>\$ 108,853</u>

CITY OF SANDY SPRINGS, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

ASSETS	General Fund	ARPA Fund	Capital Projects Fund	TSPLOST Fund	Public Facilities Authority	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 63,994,617	\$ 12,935,679	\$ 48,513,395	\$ 67,264,020	\$ 1,406,244	\$ 12,828,729	\$ 206,942,684
Taxes receivable, net of allowances	5,211,214	-	-	-	-	494,263	5,705,477
Other receivables, net of allowances	774,517	-	-	-	-	609,168	1,383,685
Intergovernmental receivables, net of allowances	-	-	2,002,997	2,613,726	-	84,775	4,701,498
Lease receivable, due within one year	13,396	-	-	-	-	-	13,396
Lease receivable, due in more than one year	4,998,680	-	-	-	-	-	4,998,680
Restricted:							
Cash and cash equivalents	-	-	-	-	46,810,242	-	46,810,242
Due from other funds	730,114	-	447,012	-	-	-	1,177,126
Inventory	34,275	-	-	-	-	-	34,275
Prepaid items	1,801,345	-	2,155,218	-	-	-	3,956,563
Total assets	\$ 77,558,158	\$ 12,935,679	\$ 53,118,622	\$ 69,877,746	\$ 48,216,486	\$ 14,016,935	\$ 275,723,626
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 6,885,512	\$ -	\$ 3,158,495	\$ 1,556,193	\$ 499,334	\$ 613,321	\$ 12,712,855
Accrued liabilities	1,433,371	-	879,065	-	-	-	2,312,436
Due to other funds	-	-	-	-	-	1,177,126	1,177,126
Due to component unit	-	-	-	-	-	306,626	306,626
Unearned revenue	245,277	12,935,679	-	-	-	-	13,180,956
Total liabilities	8,564,160	12,935,679	4,037,560	1,556,193	499,334	2,097,073	29,689,999
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	116,431	-	-	-	-	-	116,431
Unavailable revenue - intergovernmental	8,138	-	-	-	-	-	8,138
Lease arrangements	4,984,405	-	-	-	-	-	4,984,405
Total deferred inflow of resources	5,108,974	-	-	-	-	-	5,108,974
FUND BALANCES							
Fund balances:							
Nonspendable:							
Inventory	34,275	-	-	-	-	-	34,275
Prepaid items	1,801,345	-	2,155,218	-	-	-	3,956,563
Leases	27,671	-	-	-	-	-	27,671
Restricted:							
Public safety projects	-	-	-	-	-	1,061,637	1,061,637
Capital projects	-	-	-	-	46,310,908	-	46,310,908
Infrastructure improvements	-	-	-	68,321,553	-	6,566,208	74,887,761
Housing and development	-	-	-	-	-	226,134	226,134
Committed:							
Tree replacement	-	-	-	-	-	722,082	722,082
Assigned:							
Capital projects	-	-	46,925,844	-	1,406,244	-	48,332,088
Tree replacement	-	-	-	-	-	508,669	508,669
Federal programs	-	-	-	-	-	2,835,132	2,835,132
2024 fiscal year appropriations of fund balance	22,685,951	-	-	-	-	-	22,685,951
Unassigned	39,335,782	-	-	-	-	-	39,335,782
Total fund balances	63,885,024	-	49,081,062	68,321,553	47,717,152	11,919,862	240,924,653
Total liabilities, deferred inflows of resources, and fund balances	\$ 77,558,158	\$ 12,935,679	\$ 53,118,622	\$ 69,877,746	\$ 48,216,486	\$ 14,016,935	
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.							540,962,374
Accrued interest receivables related to leases are not a current financial resource and, therefore, are not reported in the funds.							106,693
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.							(218,354,428)
Some revenues are not available in the current period and, therefore, are not reported in the funds.							124,569
Net position of governmental activities							\$ 563,763,861

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, 2023

	General Fund	ARPA Fund	Capital Projects Fund	TSPLOST Fund	Public Facilities Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 50,506,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,506,371
Sales taxes	37,161,097	-	-	-	-	-	37,161,097
Hotel/Motel taxes	-	-	-	-	-	4,938,219	4,938,219
Auto excise taxes	-	-	-	-	-	88,402	88,402
Franchise taxes	9,583,654	-	-	-	-	-	9,583,654
Business taxes	10,985,623	-	-	-	-	-	10,985,623
Insurance premium tax	8,782,622	-	-	-	-	-	8,782,622
Licenses and permits	4,244,618	-	-	-	-	-	4,244,618
Intergovernmental	1,573,750	932,626	3,418,681	24,357,828	-	629,194	30,912,079
Charges for services	4,262,272	-	10,984	-	-	5,943,733	10,216,989
Fines and forfeitures	2,561,652	-	-	-	-	431,668	2,993,320
Interest earned	5,148,768	-	-	-	152	191,754	5,340,674
Miscellaneous	1,500,163	-	252	-	-	-	1,500,415
Total revenues	136,310,590	932,626	3,429,917	24,357,828	152	12,222,970	177,254,083
Expenditures:							
Current:							
General government	19,090,682	-	66,455	-	44,433	-	19,201,570
Judicial	1,235,075	-	-	-	-	-	1,235,075
Public safety	43,564,347	-	425,528	-	3,200,977	4,200,499	51,391,351
Public works	14,915,335	-	9,603,938	-	-	-	24,519,273
Health and welfare	-	-	-	-	-	8,111	8,111
Culture and recreation	9,687,431	-	287,448	-	-	1,660,619	11,635,498
Housing and development	5,208,325	-	209,966	-	-	6,191	5,424,482
Capital outlay	-	-	15,422,026	14,738,373	-	247,357	30,407,756
Debt service:							
Principal	2,671,538	-	-	-	7,250,000	287,000	10,208,538
Interest	163,134	-	-	-	5,359,146	70,186	5,592,466
Total expenditures	96,535,867	-	26,015,361	14,738,373	15,854,556	6,479,963	159,624,120
Excess (deficiency) of revenues over expenditures	39,774,723	932,626	(22,585,444)	9,619,455	(15,854,404)	5,743,007	17,629,963
Other financing sources (uses):							
Issuance of lease liability	1,736,791	-	-	-	-	-	1,736,791
Transfers in	3,439,477	-	27,542,952	-	19,947,054	8,190	50,937,673
Transfers out	(40,710,368)	(932,626)	(5,400,000)	-	-	(3,894,679)	(50,937,673)
Total other financing sources (uses)	(35,534,100)	(932,626)	22,142,952	-	19,947,054	(3,886,489)	1,736,791
Net change in fund balances	4,240,623	-	(442,492)	9,619,455	4,092,650	1,856,518	19,366,754
Fund balances, beginning of year	59,644,401	-	49,523,554	58,702,098	43,624,502	10,063,344	221,557,899
Fund balances, end of year	\$ 63,885,024	\$ -	\$ 49,081,062	\$ 68,321,553	\$ 47,717,152	\$ 11,919,862	\$ 240,924,653

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, 2023

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

Net change in fund balances - total governmental funds	\$	19,366,754
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 or amortization expense. This is the amount by which capital outlays exceeded depreciation expense or amortization expense in the current period.		19,305,726
The effect of disposals of capital assets is to decrease net position.		(530,346)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		104,016
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		8,471,747
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.		(60,173)
Change in net position - governmental activities	\$	<u>46,657,724</u>

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

CITY OF SANDY SPRINGS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 Sandy Springs Hospitality & Tourism can be obtained from their administrative offices at 1 Galambos Way, Sandy Springs, Georgia 30328. 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. 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. 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. General capital asset acquisitions, including entering into contracts giving the City the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

The **ARPA Fund** is a special revenue fund used to account for all local fiscal recovery funds received through the American Rescue Plan Act.

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

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

The **Public Facilities Authority Fund** is a capital projects fund 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Encumbrances

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances would then be an assignment of fund balance since the commitments would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at June 30, 2023, and none were recorded.

E. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund, special revenue funds, and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and special revenue funds. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended June 30, 2023, 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/S1+ rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

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

H. Interfund Receivables and Payables

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items in both government-wide and fund financial statements and the expenditure is recognized as the benefits are received.

J. Inventories

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

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NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets, which include buildings, improvements, machinery and equipment, infrastructure, and right-to-use leased 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 and right-to-use leased assets of the City are depreciated/amortized using the straight-line method over the following useful lives:

Buildings	20-50 years
Right-to-use leased buildings	3-5 years
Right-to-use leased equipment	3-5 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.

L. Leases

Lessee

The City of Sandy Springs is a lessee for several leases for buildings and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

Lessee (continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for a noncancellable lease of land. The City recognizes a lease receivable and a deferred inflow of resources in the General Fund and government-wide financial statements. The City recognizes lease receivables with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

Lessor (continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City either states the interest rate in the lease agreement or uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to collect.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease receivable.

M. 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 assets that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has one item that qualifies for reporting in this category, which is the deferred charge on refunding. The deferred charge on refunding is reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

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, 2023 will be recognized as a revenue and increase net position over the remaining life of the contract. As of June 30, 2023 the present value of the service concession arrangement was \$1,700,000 and will be amortized over the life of the agreement ending June 30, 2033. The second item reported as a deferred inflow of resources arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The City also reports deferred revenue on a lease receivable, which is reported both at the fund level and the government wide level.

N. 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.

O. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

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.

Q. 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 \$218,354,428 difference are as follows:

Financed purchases	\$ (3,470,984)
Bonds payable, including premiums and discounts	(219,600,682)
Deferred charges on refunding	14,187,247
Notes payable	(3,676,485)
Lease liabilities	(2,075,433)
Compensated absences (i.e., vacation)	(2,814,322)
Accrued interest	<u>(903,769)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (218,354,428)</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 or amortization expense.” The details of this \$19,305,726 difference are as follows:

Capital outlay	\$ 37,247,622
Depreciation expense	(16,572,134)
Amortization expense - lease assets	<u>(1,369,762)</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>\$ 19,305,726</u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$60,173 difference are as follows:

Compensated absences (i.e., vacation)	\$ (137,581)
Accrued interest - debt	54,193
Amortization of bond premium	920,303
Amortization of deferred charges on refunding	<u>(897,088)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ (60,173)</u>

Another element of the reconciliation states 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 \$8,471,747 difference are as follows:

Principal retirements	\$ 10,208,538
Issuance of lease liability	<u>(1,736,791)</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>\$ 8,471,747</u>

Another element of the reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$104,016 difference are as follows:

Accrued interest receivable - leases	\$ 106,693
Unavailable revenue - taxes	(1,716)
Unavailable revenue - intergovernmental	<u>(961)</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>\$ 104,016</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Director of Finance and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution. The following funds had an excess of actual expenditures over appropriations for the fiscal year ended June 30, 2023:

General Fund:	
General government - Legal services	\$ 24,804
Public safety - Fire department	297,581
Debt service - Principal	1,282,060
Debt service - Interest	47,076
E911 Fund	993,901
Hotel/Motel Fund	462,244
Impact Fees Fund	6,191
	\$ 3,113,857

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

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2023 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 206,942,684
Restricted cash and cash equivalents	46,810,242
	\$ 253,752,926
Cash deposited with financial institutions	\$ 146,616,704
Cash deposited with Georgia Fund 1	107,136,222
	\$ 253,752,926

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

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, 2023, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

Investment	Weighted Average Maturity (Years)	Credit Rating	Fair Value
Georgia Fund 1	0.08	AAAf/S1	\$ 107,136,222

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 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 require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, the financial institution holding all of the City's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2023, all of the City's bank balances were collateralized as defined by GASB and required by State Statutes.

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, 2023, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>TSPLOST</u>	<u>Nonmajor Governmental</u>
Receivables:				
Intergovernmental	\$ 9,412,927	\$ 2,002,997	\$ 2,613,726	\$ 84,775
Taxes	5,395,133	-	-	494,263
Leases	5,012,076	-	-	-
Other	774,517	-	-	609,168
Total receivables	<u>20,594,653</u>	<u>2,002,997</u>	<u>2,613,726</u>	<u>1,188,206</u>
Less allowance for uncollectible	9,596,846	-	-	-
Net total receivable	<u>\$ 10,997,807</u>	<u>\$ 2,002,997</u>	<u>\$ 2,613,726</u>	<u>\$ 1,188,206</u>

NOTE 6. LEASE RECEIVABLE

The City leased a parcel of land to a third party for the placement of radio and telecommunication equipment. The City receives monthly fixed payments of \$2,530 increasing 10% on January 1, 2025 and again every five years thereafter. There is no interest rate stated in the lease agreement. The City has used an incremental borrowing rate of 4%. For the current year, the City recognized \$25,403 in lease revenue and \$16,012 in interest revenue related to the lease. As of June 30, 2023, the City's receivable for lease payments was \$430,200. Also, the City has a deferred inflow of resources associated with the lease that will be recognized over the lease term that ends on December 31, 2039. This deferred inflow of resources has a balance of \$419,145 as of June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASE RECEIVABLE (CONTINUED)

The City leased the use of the land and building at City Springs to a third party. The City receives quarterly fixed payments of \$33,006, escalating every five years. The City has used an incremental borrowing interest rate of 4.46%. For the current year, the City recognized \$49,622 in lease revenue and \$99,018 in interest revenue related to the lease. As of June 30, 2023, the City's receivable for lease payments was \$4,581,876. The City has a deferred inflow of resources associated with the leases that will be recognized over the lease term that ends on June 30, 2115. This deferred inflow of resources has a balance of \$4,565,260 as of June 30, 2023. Also, the City has accrued interest receivable associated with the lease with a balance of \$106,693 as of June 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease receivable - Land	\$ -	\$ 444,548	\$ (14,348)	\$ 430,200	\$ 13,396
Lease receivable - Building	-	4,614,882	(33,006)	4,581,876	-
	\$ -	5,059,430	(47,354)	5,012,076	13,396

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASE RECEIVABLE (CONTINUED)

Future repayments to be received by the City are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 13,396	\$ 148,987	\$ 162,383
2025	15,472	148,429	163,901
2026	17,664	147,755	165,419
2027	18,384	160,217	178,601
2028	19,133	159,468	178,601
2029-2033	120,536	813,260	933,796
2034-2038	166,878	860,499	1,027,377
2039-2043	58,737	916,024	974,761
2044-2048	-	1,005,571	1,005,571
2049-2053	-	1,106,065	1,106,065
2054-2058	-	1,216,788	1,216,788
2059-2063	-	1,338,477	1,338,477
2064-2068	-	1,472,293	1,472,293
2069-2073	-	1,619,522	1,619,522
2074-2078	-	1,781,474	1,781,474
2079-2083	-	1,959,622	1,959,622
2084-2088	-	2,155,584	2,155,584
2089-2093	-	2,371,142	2,371,142
2094-2098	-	2,608,257	2,608,257
2099-2103	-	2,869,082	2,869,082
2104-2108	374,098	3,155,990	3,530,088
2109-2113	2,810,112	3,471,590	6,281,702
2114-2115	1,397,666	1,468,749	2,866,415
Total	<u>\$ 5,012,076</u>	<u>\$ 32,954,845</u>	<u>\$ 37,966,921</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2023 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	\$ 75,856,675	\$ 1,528,407	\$ -	\$ -	\$ 77,385,082
Construction in progress	70,292,138	26,620,930	(48,963)	(16,559,512)	80,304,593
Total	<u>146,148,813</u>	<u>28,149,337</u>	<u>(48,963)</u>	<u>(16,559,512)</u>	<u>157,689,675</u>
Capital assets, being depreciated:					
Buildings	148,934,690	-	-	9,348,289	158,282,979
Improvements	98,313,442	807,445	(481,383)	995,296	99,634,800
Machinery and equipment	51,100,044	3,731,436	-	145,811	54,977,291
Infrastructure	226,242,824	2,822,022	-	6,070,116	235,134,962
Total	<u>524,591,000</u>	<u>7,360,903</u>	<u>(481,383)</u>	<u>16,559,512</u>	<u>548,030,032</u>
Less accumulated depreciation for:					
Buildings	(17,803,408)	(3,848,392)	-	-	(21,651,800)
Improvements	(15,064,386)	(2,976,480)	-	-	(18,040,866)
Machinery and equipment	(35,293,477)	(4,574,961)	-	-	(39,868,438)
Infrastructure	(82,112,336)	(5,172,301)	-	-	(87,284,637)
Total	<u>(150,273,607)</u>	<u>(16,572,134)</u>	<u>-</u>	<u>-</u>	<u>(166,845,741)</u>
Lease assets, net (Note 8)					<u>2,088,408</u>
Total capital assets being depreciated/amortized, net	<u>374,317,393</u>	<u>(9,211,231)</u>	<u>(481,383)</u>	<u>16,559,512</u>	<u>383,272,699</u>
Governmental activities capital assets, net	<u>\$ 520,466,206</u>	<u>\$ 18,938,106</u>	<u>\$ (530,346)</u>	<u>\$ -</u>	<u>\$ 540,962,374</u>

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

Governmental activities:	
General government	\$ 5,857,051
Judicial	10,382
Public safety	2,695,553
Public works	5,508,086
Culture and recreation	2,470,415
Housing and development	<u>30,647</u>
Total depreciation expense - governmental activities	<u>\$ 16,572,134</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LEASE ASSETS

A summary of lease asset activity for the City for the year ended June 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Lease assets:				
Buildings	\$ 2,546,093	\$ -	\$ -	\$ 2,546,093
Equipment	-	1,736,791	-	1,736,791
Total	<u>2,546,093</u>	<u>1,736,791</u>	<u>-</u>	<u>4,282,884</u>
Less accumulated amortization for:				
Buildings	(825,305)	(824,997)	-	(1,650,302)
Equipment	-	(544,174)	-	(544,174)
Total	<u>(825,305)</u>	<u>(1,369,171)</u>	<u>-</u>	<u>(2,194,476)</u>
Total lease assets, net	<u>\$ 1,720,788</u>	<u>\$ 367,620</u>	<u>\$ -</u>	<u>\$ 2,088,408</u>

NOTE 9. 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, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 222,115,000	\$ -	\$ (7,250,000)	\$ 214,865,000	\$ 7,510,000
Plus: Premiums	5,655,985	-	(920,303)	4,735,682	-
Total bonds payable	227,770,985	-	(8,170,303)	219,600,682	7,510,000
Financed purchases from direct borrowings	4,517,255	-	(1,046,271)	3,470,984	1,072,162
Notes payable from direct borrowings	4,174,034	-	(497,549)	3,676,485	501,070
Lease liability	1,753,360	1,736,791	(1,414,718)	2,075,433	1,377,177
Compensated absences	2,676,741	1,869,736	(1,732,155)	2,814,322	1,407,161
Governmental activity Long-term liabilities	<u>\$ 240,892,375</u>	<u>\$ 3,606,527</u>	<u>\$ (12,860,996)</u>	<u>\$ 231,637,906</u>	<u>\$ 11,867,570</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings

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

During October 2020, the City entered into an agreement to finance the purchase of vehicles and equipment for fire protection services. The vehicles and equipment have an original cost of \$2,958,011. Annual payments of \$444,484, including interest at a rate 1.28% began in October 2021 and will continue through October 2027.

The debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,072,162	\$ 70,658	\$ 1,142,820
2025	1,098,792	44,029	1,142,821
2026	427,844	16,640	444,484
2027	433,320	11,164	444,484
2028	438,866	5,617	444,483
	<u>\$ 3,470,984</u>	<u>\$ 148,108</u>	<u>\$ 3,619,092</u>

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. During fiscal year 2021, the Public Facilities Authority refunded \$129,940,000 of the Series 2015 Bonds through the issuance of the Series 2020 Refunding Revenue Bonds.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

In fiscal year 2021, the Public Facilities Authority issued \$161,770,000 of Series 2020 Refunding Revenue Bonds to (i) refund the Public Facilities Revenue Bonds, Series 2015, maturing in the years 2027 through 2047 and (ii) paying the costs of issuing the Series 2020 Bonds. The Public Facilities Authority defeased \$129,940,000 of the 2015 bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The City has pledged its full faith and credit and taxing power to service the debt. The Series 2020 bonds bear interest at rates ranging from 0.22% to 2.58% and are payable semi-annually on May 1 and November 1 beginning in May of 2021 through the maturity date of May 1, 2047. The refunding transaction undertaken by the Public Facilities Authority resulted in aggregate debt service savings of \$16,674,801 and an economic gain (net present value of the aggregate debt service savings) of \$12,706,737. The current outstanding amount of debt considered legally defeased equals \$129,940,000 as of June 30, 2023.

Also during fiscal year 2021, the Public Facilities Authority issued \$53,170,000 of Series 2020B Revenue Bonds to (i) acquire, construct, and install certain public buildings, facilities and equipment necessary and convenient for the efficient operation of the City, and (ii) pay expenses necessary to accomplish the foregoing. The City has pledged its full faith and credit and taxing power to service the debt. The Series 2020B bonds bear interest at rates ranging from 2% to 5% and are payable semi-annually on May 1 and November 1 beginning in May of 2021 through the maturity date of May 1, 2040.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 7,510,000	\$ 5,113,318	\$ 12,623,318
2025	7,690,000	4,936,132	12,626,132
2026	7,975,000	4,645,378	12,620,378
2027	8,295,000	4,334,498	12,629,498
2028	8,475,000	4,154,572	12,629,572
2029-2033	45,400,000	17,710,804	63,110,804
2034-2038	50,115,000	13,004,892	63,119,892
2039-2043	45,120,000	7,527,146	52,647,146
2044-2047	34,285,000	2,239,570	36,524,570
Total	<u>\$ 214,865,000</u>	<u>\$ 63,666,310</u>	<u>\$ 278,531,310</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Notes Payable from Direct Borrowings

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

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 214,070	\$ 21,259	\$ 235,329
2025	217,650	17,678	235,328
2026	221,292	14,038	235,330
2027	224,993	10,336	235,329
2028	228,757	6,573	235,330
2029-2030	271,723	2,828	274,551
Total	<u>\$ 1,378,485</u>	<u>\$ 72,712</u>	<u>\$ 1,451,197</u>

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

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 287,000	\$ 62,774	\$ 349,774
2025	287,000	55,189	342,189
2026	287,000	47,431	334,431
2027	287,000	39,398	326,398
2028	287,000	31,176	318,176
2029-2031	863,000	41,368	904,368
Total	<u>\$ 2,298,000</u>	<u>\$ 277,336</u>	<u>\$ 2,575,336</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Leases

City as a Lessee

In July 2020, the City entered into a lease agreement as lessee for the use of 7840 Roswell Road Building 300 for a term of four (4) years. The initial lease liability was recorded in the amount of \$662,997. As of June 30, 2023, the value of the lease liability was \$229,586. The City is required to make variable monthly principal and interest payments from \$18,589 to \$19,340. The City used its incremental borrowing rate of 2.0%. The building has a useful life equal to the remaining lease term of two years and the value of the right-to-use asset as of the end of the current fiscal year was \$662,997 and had accumulated amortization of \$441,998.

In July 2020, the City entered into a lease agreement as lessee for the use of 7840 Roswell Road Building 400 for a term of four (4) years. The initial lease liability was recorded in the amount of \$826,067. As of June 30, 2023, the value of the lease liability was \$286,056. The City is required to make variable monthly principal and interest payments from \$23,161 to \$24,097. The City used its incremental borrowing rate of 2.0%. The building has a useful life equal to the remaining lease term of two years and the value of the right-to-use asset as of the end of the current fiscal year was \$826,067 and had accumulated amortization of \$550,711.

In July 2020, the City entered into a lease agreement as lessee for the use of 7840 Roswell Road Suites 501 and 510 for a term of four (4) years. The initial lease liability was recorded in the amount of \$806,389. As of June 30, 2023, the value of the lease liability was \$279,240. The City is required to make variable monthly principal and interest payments from \$22,609 to \$23,523. The City used its incremental borrowing rate of 2.0%. The building has a useful life equal to the remaining lease term of two years and the value of the right-to-use asset as of the end of the current fiscal year was \$806,389 and had accumulated amortization of \$537,593.

In August 2020, the City entered into a lease agreement as lessee for the use of a building located at 4410 Bankers Circle for a term of five (5) years. The initial lease liability was recorded in the amount of \$250,640. As of June 30, 2023, the value of the lease liability was \$136,978. The City is required to make variable monthly principal and interest payments from \$4,875 to \$5,487. The City used its incremental borrowing rate of 2.0%. The building has a useful life equal to the remaining lease term of three years and the value of the right-to-use asset as of the end of the current fiscal year was \$251,231 and had accumulated amortization of \$120,591.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Leases (Continued)

City as a Lessee (continued)

In July 2022, the City entered into a lease agreement as lessee for the use of certain public safety equipment for a term of forty-two (42) months. The initial lease liability was recorded in the amount of \$1,560,564. As of June 30, 2023, the value of the lease liability is \$992,087. The City is required to make variable annual principal and interest payments from \$498,182 to \$569,691. The lease has an interest rate of 2.0%. The equipment has a useful life equal to the remaining lease term of two years and the value of the right-to-use asset as of the current fiscal year end was \$1,560,564 and had accumulated amortization of \$520,188.

In December 2022, the City entered into a lease agreement as lessee for the use of certain photocopier equipment for a term of forty-eight (48) months. The initial lease liability was recorded in the amount of \$176,227. As of June 30, 2023, the value of the lease liability is \$151,486. The City is required to make monthly fixed payments of \$3,901. The lease has an interest rate of 3.14%. The equipment has a useful life equal to the remaining lease term of four years and the value of the right-to-use asset as of June 30, 2023 of \$176,227 with accumulated amortization of \$23,986.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,377,177	\$ 34,795	\$ 1,411,972
2025	622,217	13,980	636,197
2026	56,687	1,409	58,096
2027	19,352	152	19,504
Total	<u>\$ 2,075,433</u>	<u>\$ 50,336</u>	<u>\$ 2,125,769</u>

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 730,114
Capital Projects Fund	Nonmajor governmental funds	447,012
		<u>\$ 1,177,126</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

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

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Hospitality & Tourism	Nonmajor governmental funds	\$ 306,626

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 3,439,477
Capital Projects Fund	General Fund	27,095,940
Capital Projects Fund	Nonmajor governmental funds	447,012
Public Facilities Authority	General Fund	13,614,428
Public Facilities Authority	Capital Projects Fund	5,400,000
Public Facilities Authority	ARPA Fund	932,626
Nonmajor governmental funds	Nonmajor governmental funds	8,190
		\$ 50,937,673

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

NOTE 11. COMMITMENTS AND CONTINGENT LIABILITIES

In addition to the liabilities enumerated in the statement of net position, at June 30, 2023, the City has contractual commitments on uncompleted contracts of \$29,741,093.

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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, 2023, there were 459 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 ended June 30, 2023, the City's contribution to the Plan, which was also the City's pension expense, was \$4,018,154 and employees contributed \$1,704,878.

NOTE 13. 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, 229 Peachtree St NE, STE 100, Atlanta, Georgia 30303.

The Chattahoochee River 911 Authority (ChattComm) was created pursuant to the provisions of the Official Code of Georgia Annotated (OFGA) Section 36-75-1 by the Cities of Sandy Springs and Johns Creek. ChattComm Board membership includes the City Manager from each participating city, or their designee. ChattComm 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*, ChattComm 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 ChattComm 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 ChattComm. For the year ended June 30, 2023, the City of Sandy Springs has collected and remitted \$3,993,901 of E911 revenues. Since the inception of ChattComm, the City of Sandy Springs has contributed approximately \$8,251,000 to cover the capital and operating needs. While the General Fund of the City reports a receivable for this amount, management has evaluated the ability of the City to collect the receivable and determined the need to allow for 100% of the outstanding receivable as of June 30, 2023. At June 30, 2023, ChattComm had a negative net position of (\$10,786,258). Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by ChattComm to serve as the accountants, at 1 Galambos Way, Sandy Springs, Georgia 30328.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. 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, 2023, the City of Sandy Springs contributed \$654,141 to the Authority. Separate financial statements may be obtained from the City of Milton, who has been contracted by the Authority to serve as the accountants, at 2006 Heritage Walk, Milton, Georgia 30004.

NOTE 14. 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, 2023, the City received \$4,938,219 in hotel/motel taxes. Of this amount, \$3,527,863, or 71.4%, was used for the promotion of tourism, conventions, or trade shows.

NOTE 15. 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, 2023, the City received \$88,402 in motor vehicle excise taxes. Of this amount, \$88,402, or 100%, was used for these purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RISK MANAGEMENT

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

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

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

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

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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 47,880,000	\$ 47,880,000	\$ 50,506,371	\$ 2,626,371
Sales taxes	28,000,000	28,000,000	37,161,097	9,161,097
Franchise taxes	8,350,000	8,350,000	9,583,654	1,233,654
Business taxes	9,840,000	9,840,000	10,985,623	1,145,623
Insurance premium tax	7,700,000	7,700,000	8,782,622	1,082,622
Licenses and permits	3,242,000	3,242,000	4,244,618	1,002,618
Intergovernmental	182,700	182,700	1,573,750	1,391,050
Charges for services	2,757,287	2,723,287	4,262,272	1,538,985
Fines and forfeitures	2,300,000	2,300,000	2,561,652	261,652
Interest earned	120,000	120,000	5,148,768	5,028,768
Contributions	309,300	309,300	-	(309,300)
Miscellaneous	658,500	692,500	1,500,163	807,663
Total revenues	111,339,787	111,339,787	136,310,590	24,970,803
Expenditures:				
Current:				
General government:				
Mayor and council	239,758	239,758	206,953	32,805
City manager	1,051,249	1,051,249	845,705	205,544
General operations	5,784,890	5,757,890	5,223,379	534,511
Legal services	1,238,647	1,238,647	1,263,451	(24,804)
Human resources	801,440	801,440	767,708	33,732
Facilities and buildings	6,213,887	6,213,887	5,402,942	810,945
City clerk	569,048	574,048	501,533	72,515
Data processing/MIS	3,362,328	3,362,328	3,148,463	213,865
Public information	1,999,319	2,021,319	1,730,548	290,771
Total general government	21,260,566	21,260,566	19,090,682	2,169,884
Judicial	1,549,978	1,549,978	1,235,075	314,903
Public safety:				
Police department	27,026,039	26,818,559	26,769,178	49,381
Fire department	15,381,764	15,381,764	15,679,345	(297,581)
E911	1,311,648	1,311,648	1,115,824	195,824
Total public safety	43,719,451	43,511,971	43,564,347	(52,376)
Public works:				
Public works	13,835,085	13,585,085	12,494,642	1,090,443
Sanitation and wastewater	1,156,926	3,062,706	2,191,117	871,589
Storm drainage	316,295	315,514	229,576	85,938
Total public works	15,308,306	16,963,305	14,915,335	2,047,970
Culture and recreation:				
Recreation	3,970,338	3,970,338	3,843,873	126,465
Special facilities	7,297,146	7,297,146	5,843,558	1,453,588
Total culture and recreation	11,267,484	11,267,484	9,687,431	1,580,053

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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Housing and development:				
Building/inspection/code enforcement	\$ 5,781,395	\$ 5,781,395	\$ 4,959,550	\$ 821,845
Economic development	623,630	623,630	248,775	374,855
Total housing and development	<u>6,405,025</u>	<u>6,405,025</u>	<u>5,208,325</u>	<u>1,196,700</u>
Debt service:				
Principal	1,289,478	1,389,478	2,671,538	(1,282,060)
Interest	116,058	116,058	163,134	(47,076)
Total debt service	<u>1,405,536</u>	<u>1,505,536</u>	<u>2,834,672</u>	<u>(1,329,136)</u>
Total expenditures	<u>100,916,346</u>	<u>102,463,865</u>	<u>96,535,867</u>	<u>5,927,998</u>
Excess of revenues over expenditures	10,423,441	8,875,922	39,774,723	30,898,801
Other financing sources (uses):				
Issuance of lease liability	-	-	1,736,791	1,736,791
Transfers in	1,074,600	1,074,600	3,439,477	2,364,877
Transfers out	<u>(34,829,519)</u>	<u>(40,710,368)</u>	<u>(40,710,368)</u>	<u>-</u>
Total other financing sources (uses)	<u>(33,754,919)</u>	<u>(39,635,768)</u>	<u>(35,534,100)</u>	<u>4,101,668</u>
Net change in fund balances	(23,331,478)	(30,759,846)	4,240,623	35,000,469
Fund balance, beginning of year	<u>59,644,401</u>	<u>59,644,401</u>	<u>59,644,401</u>	<u>-</u>
Fund balance, end of year	<u>\$ 36,312,923</u>	<u>\$ 28,884,555</u>	<u>\$ 63,885,024</u>	<u>\$ 35,000,469</u>

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

CITY OF SANDY SPRINGS, GEORGIA
ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,868,305	\$ 13,868,305	\$ 932,626	\$ (12,935,679)
Total revenues	<u>13,868,305</u>	<u>13,868,305</u>	<u>932,626</u>	<u>(12,935,679)</u>
Other financing uses:				
Transfers out	(13,868,305)	(13,868,305)	(932,626)	12,935,679
Total other financing uses	<u>(13,868,305)</u>	<u>(13,868,305)</u>	<u>(932,626)</u>	<u>12,935,679</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>

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.

Opioid Settlement Fund – To account for opioid settlement funds received and the related expenditures.

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

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

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

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

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

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

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

CITY OF SANDY SPRINGS, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

ASSETS	Special Revenue Funds				
	Confiscated Assets Fund	Opioid Settlement Fund	E911 Fund	Tree Fund	Federal Grants Fund
Cash	\$ 986,930	\$ 74,707	\$ -	\$ 1,519,564	\$ -
Taxes receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	16,540
Other receivable	-	-	609,168	-	-
Total assets	\$ 986,930	\$ 74,707	\$ 609,168	\$ 1,519,564	\$ 16,540
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 609,168	\$ 28	\$ -
Due to other funds	-	-	-	288,785	16,540
Due to component unit	-	-	-	-	-
Total liabilities	-	-	609,168	288,813	16,540
FUND BALANCES					
Restricted:					
Public safety projects	986,930	74,707	-	-	-
Infrastructure improvements	-	-	-	-	-
Housing and development	-	-	-	-	-
Committed:					
Tree replacement	-	-	-	722,082	-
Assigned:					
Tree replacement	-	-	-	508,669	-
Federal programs	-	-	-	-	-
Total fund balances	986,930	74,707	-	1,230,751	-
Total liabilities and fund balances	\$ 986,930	\$ 74,707	\$ 609,168	\$ 1,519,564	\$ 16,540

Special Revenue Funds				
CDBG Fund	Hotel/ Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
\$ 3,047,778	\$ 468,252	\$ -	\$ 6,731,498	\$ 12,828,729
-	485,779	8,484	-	494,263
68,235	-	-	-	84,775
-	-	-	-	609,168
<u>\$ 3,116,013</u>	<u>\$ 954,031</u>	<u>\$ 8,484</u>	<u>\$ 6,731,498</u>	<u>\$ 14,016,935</u>
\$ 2,565	\$ -	\$ -	\$ 1,560	\$ 613,321
52,182	647,405	8,484	163,730	1,177,126
-	306,626	-	-	306,626
<u>54,747</u>	<u>954,031</u>	<u>8,484</u>	<u>165,290</u>	<u>2,097,073</u>
-	-	-	-	1,061,637
-	-	-	6,566,208	6,566,208
226,134	-	-	-	226,134
-	-	-	-	722,082
-	-	-	-	508,669
<u>2,835,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,835,132</u>
<u>3,061,266</u>	<u>-</u>	<u>-</u>	<u>6,566,208</u>	<u>11,919,862</u>
<u>\$ 3,116,013</u>	<u>\$ 954,031</u>	<u>\$ 8,484</u>	<u>\$ 6,731,498</u>	<u>\$ 14,016,935</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, 2023

	Special Revenue Funds				
	Confiscated Assets Fund	Opioid Settlement Fund	E911 Fund	Tree Fund	Federal Grants Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	16,540
Charges for services	-	-	3,993,901	331,504	-
Fines and forfeitures	356,961	74,707	-	-	-
Interest income	-	-	-	-	-
Total revenues	356,961	74,707	3,993,901	331,504	16,540
EXPENDITURES					
Current:					
Public safety	181,868	-	3,993,901	-	24,730
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	73,475	-
Housing and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	181,868	-	3,993,901	73,475	24,730
Excess (deficiency) of revenues over expenditures	175,093	74,707	-	258,029	(8,190)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	8,190
Transfers out	(8,190)	-	-	(283,282)	-
Total other financing uses	(8,190)	-	-	(283,282)	8,190
Net change in fund balances	166,903	74,707	-	(25,253)	-
FUND BALANCES, beginning of year	820,027	-	-	1,256,004	-
FUND BALANCES, end of year	\$ 986,930	\$ 74,707	\$ -	\$ 1,230,751	\$ -

Special Revenue Funds				
CDBG Fund	Hotel/ Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
\$ -	\$ 4,938,219	\$ 88,402	\$ -	\$ 5,026,621
612,654	-	-	-	629,194
-	-	-	1,618,328	5,943,733
-	-	-	-	431,668
120,311	-	-	71,443	191,754
<u>732,965</u>	<u>4,938,219</u>	<u>88,402</u>	<u>1,689,771</u>	<u>12,222,970</u>
-	-	-	-	4,200,499
8,111	-	-	-	8,111
-	1,587,144	-	-	1,660,619
-	-	-	6,191	6,191
247,357	-	-	-	247,357
287,000	-	-	-	287,000
70,186	-	-	-	70,186
<u>612,654</u>	<u>1,587,144</u>	<u>-</u>	<u>6,191</u>	<u>6,479,963</u>
120,311	3,351,075	88,402	1,683,580	5,743,007
-	-	-	-	8,190
-	(3,351,075)	(88,402)	(163,730)	(3,894,679)
-	(3,351,075)	(88,402)	(163,730)	(3,886,489)
120,311	-	-	1,519,850	1,856,518
<u>2,940,955</u>	<u>-</u>	<u>-</u>	<u>5,046,358</u>	<u>10,063,344</u>
<u>\$ 3,061,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,566,208</u>	<u>\$ 11,919,862</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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 135,000	\$ 135,000	\$ 356,961	\$ 221,961
Total revenues	<u>135,000</u>	<u>135,000</u>	<u>356,961</u>	<u>221,961</u>
Expenditures:				
Public safety	184,500	184,500	181,868	2,632
Total expenditures	<u>184,500</u>	<u>184,500</u>	<u>181,868</u>	<u>2,632</u>
Excess (deficiency) of revenues over expenditures	(49,500)	(49,500)	175,093	224,593
Other financing uses:				
Transfers out	-	(8,190)	(8,190)	-
Total other financing uses	<u>-</u>	<u>(8,190)</u>	<u>(8,190)</u>	<u>-</u>
Net change in fund balances	(49,500)	(41,310)	166,903	224,593
Fund balances, beginning of year	<u>820,027</u>	<u>820,027</u>	<u>820,027</u>	<u>-</u>
Fund balances, end of year	<u>\$ 770,527</u>	<u>\$ 778,717</u>	<u>\$ 986,930</u>	<u>\$ 224,593</u>

CITY OF SANDY SPRINGS, GEORGIA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 74,707	\$ 74,707
Total revenues	<u>-</u>	<u>-</u>	<u>74,707</u>	<u>74,707</u>
 Net change in fund balances	-	-	74,707	74,707
 Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,707</u>	<u>\$ 74,707</u>

CITY OF SANDY SPRINGS, GEORGIA
E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 3,000,000	\$ 3,000,000	\$ 3,993,901	\$ 993,901
Total revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,993,901</u>	<u>993,901</u>
Expenditures:				
Public safety	3,000,000	3,000,000	3,993,901	(993,901)
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,993,901</u>	<u>(993,901)</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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 600,000	\$ 600,000	\$ 331,504	\$ (268,496)
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>331,504</u>	<u>(268,496)</u>
Expenditures:				
Culture and recreation	204,098	104,098	73,475	30,623
Total expenditures	<u>204,098</u>	<u>104,098</u>	<u>73,475</u>	<u>30,623</u>
Excess of revenues over expenditures	395,902	495,902	258,029	(237,873)
Other financing uses:				
Transfers out	(355,000)	(430,702)	(283,282)	147,420
Total other financing uses	<u>(355,000)</u>	<u>(430,702)</u>	<u>(283,282)</u>	<u>147,420</u>
Net change in fund balances	40,902	65,200	(25,253)	(90,453)
Fund balances, beginning of year	<u>1,256,004</u>	<u>1,256,004</u>	<u>1,256,004</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 1,296,906</u></u>	<u><u>\$ 1,321,204</u></u>	<u><u>\$ 1,230,751</u></u>	<u><u>\$ (90,453)</u></u>

CITY OF SANDY SPRINGS, GEORGIA
FEDERAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 16,540	\$ 16,540	\$ 16,540	\$ -
Total revenues	<u>16,540</u>	<u>16,540</u>	<u>16,540</u>	<u>-</u>
Expenditures:				
Public safety	24,730	24,730	24,730	-
Total expenditures	<u>24,730</u>	<u>24,730</u>	<u>24,730</u>	<u>-</u>
Deficiency of revenues over expenditures	(8,190)	(8,190)	(8,190)	-
Other financing sources:				
Transfers in	8,190	8,190	8,190	-
Total other financing sources	<u>8,190</u>	<u>8,190</u>	<u>8,190</u>	<u>-</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
CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 648,339	\$ 612,654	\$ (35,685)
Interest income	2,500	-	120,311	120,311
Total revenues	<u>-</u>	<u>648,339</u>	<u>732,965</u>	<u>84,626</u>
Expenditures:				
Health and welfare	-	8,111	8,111	-
Capital outlay	1,395,700	2,381,965	247,357	2,134,608
Debt service:				
Principal	287,000	287,000	287,000	-
Interest	73,841	70,186	70,186	-
Total expenditures	<u>1,756,541</u>	<u>2,747,262</u>	<u>612,654</u>	<u>2,134,608</u>
Net change in fund balances	(1,756,541)	(2,098,923)	120,311	2,219,234
Fund balances, beginning of year	<u>2,940,955</u>	<u>2,940,955</u>	<u>2,940,955</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,184,414</u>	<u>\$ 842,032</u>	<u>\$ 3,061,266</u>	<u>\$ 2,219,234</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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,500,000	\$ 3,500,000	\$ 4,938,219	\$ 1,438,219
Total revenues	<u>3,500,000</u>	<u>3,500,000</u>	<u>4,938,219</u>	<u>1,438,219</u>
Expenditures:				
Culture and recreation	1,124,900	1,124,900	1,587,144	(462,244)
Total expenditures	<u>1,124,900</u>	<u>1,124,900</u>	<u>1,587,144</u>	<u>(462,244)</u>
Excess of revenues over expenditures	2,375,100	2,375,100	3,351,075	975,975
Other financing uses:				
Transfers out	(2,375,100)	(2,375,100)	(3,351,075)	(975,975)
Total other financing uses	<u>(2,375,100)</u>	<u>(2,375,100)</u>	<u>(3,351,075)</u>	<u>(975,975)</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
AUTO EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 75,000	\$ 75,000	\$ 88,402	\$ 13,402
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>88,402</u>	<u>13,402</u>
Excess of revenues over expenditures	75,000	75,000	88,402	13,402
Other financing uses:				
Transfers out	(75,000)	(75,000)	(88,402)	(13,402)
Total other financing uses	<u>(75,000)</u>	<u>(75,000)</u>	<u>(88,402)</u>	<u>(13,402)</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
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,275,000	\$ 1,275,000	\$ 1,618,328	\$ 343,328
Interest income	-	-	71,443	71,443
Total revenues	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,689,771</u>	<u>414,771</u>
Expenditures:				
Housing and development	-	-	6,191	(6,191)
Total expenditures	<u>-</u>	<u>-</u>	<u>6,191</u>	<u>(6,191)</u>
Excess of revenues over expenditures	1,275,000	1,275,000	1,683,580	408,580
Other financing uses:				
Transfers out	<u>(1,275,000)</u>	<u>(5,640,692)</u>	<u>(163,730)</u>	<u>5,476,962</u>
Total other financing uses	<u>(1,275,000)</u>	<u>(5,640,692)</u>	<u>(163,730)</u>	<u>5,476,962</u>
Net change in fund balances	-	(4,365,692)	1,519,850	5,885,542
Fund balances, beginning of year	<u>5,046,358</u>	<u>5,046,358</u>	<u>5,046,358</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,046,358</u>	<u>\$ 680,666</u>	<u>\$ 6,566,208</u>	<u>\$ 5,885,542</u>

CITY OF SANDY SPRINGS, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
TSPLOST 2016
FOR THE YEAR ENDED JUNE 30, 2023

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Traffic Efficiency Improvements	\$ 18,000,000	\$ 18,566,765	\$ 9,990,834	\$ 2,762,901	\$ 12,753,735	56.48 %
Perimeter Transit Last Mile Connectivity, Sidewalk Program, Mt. Vernon Highway Multiuse Path	28,500,000	28,950,743	13,233,757	3,206,126	16,439,883	45.60 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements, Hammond Drive, Phase 1 Efficiency Improvements	41,649,009	41,947,504	16,513,203	5,198,148	21,711,351	50.64 %
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	- (1)	-	-	-	100.00 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements	350,991	- (1)	-	-	-	100.00 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements	2,704,716	- (1)	-	-	-	100.00 %
TSPLOST TIER 3						
Roadway Maintenance and Paving	15,617,086	- (1)	-	-	-	100.00 %
TOTAL TSPLOST	\$ 119,321,802	\$ 89,465,012	\$ 39,737,794	\$ 11,167,175	\$ 50,904,969	

Notes:

(1) - In 2021 the City determined that the funding from these taxes would not be sufficient to reach tiers 2 and 3; therefore, the City moved all budgets up to tier 1.

CITY OF SANDY SPRINGS, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
TSPLOST 2021
FOR THE YEAR ENDED JUNE 30, 2023

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Operations and Safety Improvements	\$ 18,325,000	\$ 18,325,000	\$ -	\$ 39,088	\$ 39,088	0.21 %
Pedestrian and Bike Improvements	21,779,153	21,779,153	-	811,961	811,961	3.73 %
Bridges	6,160,000	6,160,000	3,203,000	-	3,203,000	51.97 %
Congestion Relief	38,500,000	38,500,000	-	2,720,149	2,720,149	7.07 %
TSPLOST TIER 2						
Pedestrian and Bike Improvements	14,958,380	14,958,380	-	-	-	0.00 %
TSPLOST TIER 3						
Pedestrian and Bike Improvements	4,958,380	4,958,380	-	-	-	0.00 %
Maintenance and Safety Enhancements	10,000,000	10,000,000	-	-	-	0.00 %
TOTAL TSPLOST	\$ 114,680,913	\$ 114,680,913	\$ 3,203,000	\$ 3,571,198	\$ 6,774,198	

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.

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, 2023**

ASSETS

Cash	\$	1,908,338
Due from primary government		306,626
Prepaid items		<u>11,572</u>
Total assets	\$	<u><u>2,226,536</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	<u>42,616</u>
Total liabilities		<u>42,616</u>

FUND BALANCE

Nonspendable - prepaid items		11,572
Restricted for tourism		<u>2,172,348</u>
Total fund balance		<u>2,183,920</u>
Total liabilities and fund balance	\$	<u><u>2,226,536</u></u>

CITY OF SANDY SPRINGS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - SANDY SPRINGS HOSPITALITY & TOURISM
FOR THE YEAR ENDED JUNE 30, 2023

REVENUES

Intergovernmental	\$	1,587,144
Miscellaneous		<u>1,454</u>
Total revenues		<u>1,588,598</u>

EXPENDITURES

Current:		
Housing and development		<u>1,326,751</u>
Total expenditures		<u>1,326,751</u>
Net change in fund balance		261,847

FUND BALANCE, beginning of year		<u>1,922,073</u>
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FUND BALANCE, end of year	\$	<u><u>2,183,920</u></u>
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CITY OF SANDY SPRINGS, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DEVELOPMENT AUTHORITY
JUNE 30, 2023

ASSETS

Cash	\$ <u>108,853</u>
Total assets	\$ <u><u>108,853</u></u>

FUND BALANCE

Restricted for development	\$ <u>108,853</u>
Total fund balance	\$ <u><u>108,853</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, 2023**

REVENUES

Charges for services	\$ 1,309,422
	<u>1,309,422</u>
Total revenues	<u>1,309,422</u>

EXPENDITURES

Current:	
Community development	<u>1,309,230</u>
Total expenditures	<u>1,309,230</u>

Net change in fund balance	192
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FUND BALANCE, beginning of year	<u>108,661</u>
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FUND BALANCE, end of year	<u><u>\$ 108,853</u></u>
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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Sandy Springs' Annual Comprehensive 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 **74 and 75**

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 **83**

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

Debt Capacity **89**

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..... **92**

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 **95**

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 annual comprehensive financial report for the relevant year.

CITY OF SANDY SPRINGS, GEORGIA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Primary government:					
Net investment in capital assets	\$ 367,043,192	\$ 330,327,766	\$ 316,301,742	\$ 318,342,207	\$ 297,446,240
Restricted	77,731,725	67,925,213	59,747,342	48,435,304	44,985,095
Unrestricted	<u>118,988,944</u>	<u>118,853,158</u>	<u>108,859,047</u>	<u>91,630,708</u>	<u>81,376,670</u>
Total primary government net position	<u>\$ 563,763,861</u>	<u>\$ 517,106,137</u>	<u>\$ 484,908,131</u>	<u>\$ 458,408,219</u>	<u>\$ 423,808,005</u>

2018	2017	2016	2015	2014
\$ 276,338,164	\$ 253,053,379	\$ 243,216,434	\$ 216,411,054	\$ 189,462,862
61,044,391	8,476,972	5,755,644	3,658,688	3,394,508
52,871,010	87,470,740	84,692,787	84,692,787	87,581,276
<u>\$ 390,253,565</u>	<u>\$ 349,001,091</u>	<u>\$ 333,664,865</u>	<u>\$ 304,762,529</u>	<u>\$ 280,438,646</u>

CITY OF SANDY SPRINGS, GEORGIA

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

	2023	2022	2021	2020	2019
Expenses					
General government	\$ 25,345,872	\$ 23,440,173	\$ 23,490,759	\$ 22,032,642	\$ 20,570,073
Judicial	1,251,216	940,350	1,215,519	1,350,747	1,500,223
Public safety	52,073,063	51,837,529	43,481,583	40,247,937	40,621,132
Public works	27,618,045	30,916,105 (5)	27,268,850	21,716,386	17,614,378
Health and welfare	8,111	-	1,006,918 (4)	-	-
Culture and recreation	13,432,564	10,689,505	12,178,080	8,668,399	11,784,629
Housing and development	5,456,446	4,711,685	4,954,816	4,525,417	6,249,077
Interest on long-term debt	5,408,365	5,668,978	5,993,692	6,275,574	6,489,771
Total expenses	\$ 130,593,682	\$ 128,204,325	\$ 119,590,217	\$ 104,817,102	\$ 104,829,283
Program revenues					
Charges for services:					
General government	\$ 908,920	\$ 886,045	\$ 869,166	\$ 853,600	\$ 1,721,471
Judicial	2,561,652	2,460,443	2,537,398	2,203,624	2,543,046
Public safety	4,490,395	3,879,072	3,907,187	4,207,705	4,127,827
Public works	1,629,312	1,124,649	676,095	915,039	1,598,758
Culture and recreation	4,293,019	2,915,506	771,329	1,318,119	1,480,729
Housing and development	3,743,496	4,289,195	2,138,784	2,210,204	2,130,066
Operating grants and contributions	-	4,750,388	4,567,629 (3)	76,200	1,933
Capital grants and contributions	30,911,118 (7)	22,897,495	24,503,340	22,994,707	22,994,063
Total program revenues	\$ 48,537,912	\$ 43,202,793	\$ 39,970,928	\$ 34,779,198	\$ 36,597,893
Net (expense)/revenue	\$ (82,055,770)	\$ (85,001,532)	\$ (79,619,289)	\$ (70,037,904)	\$ (68,231,390)
General Revenues and Other Changes in Net Position					
Taxes					
Property taxes	\$ 50,504,655	\$ 48,843,037	\$ 46,896,331	\$ 42,913,155	\$ 38,192,028
Sales taxes	37,161,097	35,415,246 (6)	29,163,162	27,790,829	28,981,123
Other taxes	34,378,520	31,589,920	29,345,381	29,938,267	32,009,808
Unrestricted investment earnings	5,340,674 (8)	420,041	124,317	1,521,138	1,852,629
Miscellaneous revenues	1,328,548	931,294	590,010	2,474,729	750,242
Gain on sale of capital assets	-	-	-	-	-
Total	\$ 128,713,494	\$ 117,199,538	\$ 106,119,201	\$ 104,638,118	\$ 101,785,830
Change in Net Position	\$ 46,657,724	\$ 32,198,006	\$ 26,499,912	\$ 34,600,214	\$ 33,554,440

Notes:

- (1) - In 2016 the City (through its Public Facilities Authority) issued \$159,475,000 Series 2015 Revenue Bonds.
- (2) - In 2018 the City increased impact fees and there were several new projects and developments.
- (3) - In 2021 the City received COVID-19 relief funding from the Coronavirus Relief Fund.
- (4) - In 2021 the City experienced significant costs associated with community health initiatives responding to the COVID -19 pandemic.
- (5) - In 2022 the City experienced a significant increase in non-depreciable road resurfacing projects.
- (6) - In 2022 the City experienced an increase in sales tax revenue resulting from businesses re-opening following the pandemic.
- (7) - In 2023 the City's TSPLOST projects had increased activity.
- (8) - In 2023 the City increased the Georgia Fund 1 deposits by \$12.6 million and the interest rate on the account increased from 0.045% to 5.2%.

	2018	2017	2016	2015	2014
\$	14,774,462	\$ 12,198,772	\$ 11,497,805	\$ 10,882,951	\$ 11,467,033
	1,621,822	1,530,501	1,480,915	1,580,859	1,660,176
	37,471,210	35,514,365	34,184,497	37,612,816	33,310,061
	22,343,592	18,888,072	16,052,761	18,784,694	21,225,313
	-	-	-	-	-
	12,125,056	8,545,292	15,500,207	6,506,492	6,086,076
	5,750,697	5,872,460	5,294,454	3,953,501	3,733,446
	6,317,627	6,421,029	4,541,961 (1)	105,166	122,202
\$	<u>100,404,466</u>	<u>\$ 88,970,491</u>	<u>\$ 88,552,600</u>	<u>\$ 79,426,479</u>	<u>\$ 77,604,307</u>
\$	871,594	\$ 839,593	\$ 788,373	\$ 795,720	\$ 746,020
	2,650,421	2,611,790	2,850,289	3,295,524	3,417,669
	3,653,718	3,585,456	3,486,436	3,493,548	3,122,072
	7,040,817 (2)	3,004,014	1,403,124	945,755	1,127,751
	644,594	682,874	779,550	774,113	848,996
	4,019,473	4,441,424	3,157,280	2,847,881	2,061,439
	151,259	5,625	3,091	33,619	34,733
	22,775,443	2,665,236	3,292,060	3,779,357	6,503,664
\$	<u>41,807,319</u>	<u>\$ 17,836,012</u>	<u>\$ 15,760,203</u>	<u>\$ 15,965,517</u>	<u>\$ 17,862,344</u>
\$	<u>(58,597,147)</u>	<u>\$ (71,134,479)</u>	<u>\$ (72,792,397)</u>	<u>\$ (63,460,962)</u>	<u>\$ (59,741,963)</u>
\$	34,803,725	\$ 33,556,314	\$ 33,240,654	\$ 32,196,455	\$ 30,945,648
	27,474,424	29,989,575	25,812,125	25,513,897	24,444,122
	31,285,973	30,980,394	30,749,432	28,949,996	27,864,930
	912,960	1,091,867	489,424	200,608	113,666
	2,811,263	790,598	614,813	923,889	980,501
	2,561,276	850,242	-	-	-
\$	<u>99,849,621</u>	<u>\$ 97,258,990</u>	<u>\$ 90,906,448</u>	<u>\$ 87,784,845</u>	<u>\$ 84,348,867</u>
\$	<u>41,252,474</u>	<u>\$ 26,124,511</u>	<u>\$ 18,114,051</u>	<u>\$ 24,323,883</u>	<u>\$ 24,606,904</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
2014	\$ 30,945,648	\$ 24,444,122	\$ 3,866,704	\$ 9,164,266	\$ 14,833,960	\$ 83,254,700
2015	32,196,455	25,513,897	4,462,241	9,671,503	14,816,252	86,660,348
2016	33,240,654	25,812,125	5,262,170	9,842,953	15,644,309	89,802,211
2017	33,556,314	29,989,575	5,492,264	9,715,393	15,772,737	94,526,283
2018	34,803,725	27,474,424	5,531,780	9,224,562	16,529,631	93,564,122
2019	38,192,028	28,981,123	5,681,086	9,626,740	16,701,982	99,182,959
2020	42,913,155	27,790,829	3,873,529	9,875,047	16,189,691	100,642,251
2021	46,896,331	29,163,162	2,630,102	9,024,621	17,690,658	105,404,874
2022	48,843,037	35,415,246	4,277,495	9,092,140	18,220,285	115,848,203
2023	50,504,655	37,161,097	4,938,219	9,583,654	19,856,647	122,044,272

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund					
Nonspendable - Prepaids	\$ 1,801,345	\$ 1,607,727	\$ 1,072,666	\$ 332,096	\$ 111,045
Nonspendable - Inventory	34,275	30,740	20,536	26,590	32,944
Nonspendable - Leases	27,671	-	-	-	-
Assigned - Stormwater projects	-	-	-	1,225,000	1,750,000
Appropriations of fund balance for next fiscal year's budget	22,685,951	20,929,552	1,212,505	2,567,605	17,866,830
Unassigned	39,335,782	37,076,382	67,349,843	45,710,692	26,616,192
Total general fund	<u>\$ 63,885,024</u>	<u>\$ 59,644,401</u>	<u>\$ 69,655,550</u>	<u>\$ 49,861,983</u>	<u>\$ 46,377,011</u>
All Other Governmental Funds					
Nonspendable - Prepaids	\$ 2,155,218	\$ 56,795	\$ -	\$ -	\$ -
Restricted:					
Public safety	1,061,637	770,527	729,990	699,370	274,645
Tourism	-	-	-	-	-
Recreation	-	-	-	-	-
Infrastructure improvements	74,887,761	63,748,456	53,160,980	40,782,753	36,126,144
Housing and development	226,134	1,186,914	2,850,892	2,928,130	2,804,178
Debt service	-	-	-	-	-
Capital projects	46,310,908	42,105,140	49,715,577 (c)	5,413,633	4,179,490
Committed:					
Tree replacement	722,082	1,192,805	736,838	661,527	480,219
Recreation	-	-	-	-	-
Assigned:					
Capital projects	48,332,088	50,986,121	37,900,230	43,182,939	35,111,789
Recreation	-	-	-	983,812	2,225,000
Community development	-	-	-	-	-
Public safety projects	-	49,500	-	-	-
Tree replacement	508,669	63,199	-	-	-
Federal programs	2,835,132	1,754,041	-	-	-
Total all other governmental funds	<u>\$ 177,039,629</u>	<u>\$ 161,913,498</u>	<u>\$ 145,094,507</u>	<u>\$ 94,652,164</u>	<u>\$ 81,201,465</u>

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

(b) In 2018 the City TSPLOST program began.

(c) In 2021 the Public Facilities Authority issued Series 2020 and Series 2020B bonds, the proceeds of which were restricted for capital projects.

2018	2017	2016	2015	2014
\$ 308,894	\$ 835,278	\$ 133,121	\$ -	\$ 2,003
-	-	-	-	-
-	-	-	-	-
3,058,310	2,993,250	2,551,567	989,978	467,379
14,526,344	16,775,312	12,758,427	9,532,370	7,056,652
25,373,013	21,894,817	22,341,887	25,341,826	26,400,192
<u>\$ 43,266,561</u>	<u>\$ 42,498,657</u>	<u>\$ 37,785,002</u>	<u>\$ 35,864,174</u>	<u>\$ 33,926,226</u>
\$ -	\$ -	\$ -	\$ -	\$ -
454,191	367,997	243,874	680,588	826,567
-	-	-	1,101	1,101
100,522	31,278	121,603	123,385	106,448
27,106,782 (b)	8,077,697	2,989,421	2,853,614	2,384,926
-	-	-	-	-
-	-	3,657,953 (a)	-	-
25,388,237	55,340,593	145,089,744 (a)	-	-
284,427	250,357	-	-	-
285,325	-	-	-	-
11,812,923	31,805,684	31,887,995	49,572,700	54,276,325
-	-	-	-	-
-	-	41,678	41,678	38,469
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 65,432,407</u>	<u>\$ 95,873,606</u>	<u>\$ 184,032,268</u>	<u>\$ 53,273,066</u>	<u>\$ 57,633,836</u>

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

	2023	2022	2021	2020	2019
Revenues					
Taxes	\$ 122,045,988	\$ 115,819,815	\$ 105,706,312	\$ 100,517,135	\$ 99,174,113
Licenses and permits	4,244,618	4,310,020	2,769,757	2,823,665	2,977,714
Intergovernmental	30,912,079	27,458,676	29,065,918 (4)	22,911,157	22,830,155
Charges for services	10,216,989	8,283,089	5,078,542	5,678,785	7,532,520
Fines and forfeitures	2,993,320	2,789,934	2,879,793	3,033,974	2,919,796
Contributions	-	183,959	1,200	76,200	1,933
Interest earned	5,340,674 (7)	420,041	124,317	1,684,604	1,936,622
Miscellaneous	1,500,415	1,103,161	761,877	2,646,596	922,109
Total revenues	<u>177,254,083</u>	<u>160,368,695</u>	<u>146,387,716</u>	<u>139,372,116</u>	<u>138,294,962</u>
Expenditures					
Current:					
General government	19,201,570	17,287,366	17,785,070	20,692,633	18,336,795
Judicial	1,235,075	928,723	1,207,231	1,342,742	1,492,453
Public safety	51,391,351	51,701,275	57,696,164 (5)	41,065,976	42,329,360
Public works	24,519,273	26,935,911	32,377,554	33,310,882	31,428,914
Health and welfare	8,111	-	1,006,918	-	-
Culture and recreation	11,635,498	9,277,909	9,577,701	10,461,625	16,105,238
Housing and development	5,424,482	4,702,822	4,912,573	4,399,163	6,206,702
Capital outlay	30,407,756	27,527,393 (6)	-	-	-
Debt service:					
Principal	10,208,538	9,362,914	5,793,811	3,915,241	4,632,679
Interest	5,592,466	5,836,540	6,752,795	7,248,183	7,379,407
Costs of issuance	-	-	2,498,907	-	81,915
Total expenditures	<u>159,624,120</u>	<u>153,560,853</u>	<u>139,608,724</u>	<u>122,436,445</u>	<u>127,993,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,629,963</u>	<u>6,807,842</u>	<u>6,778,992</u>	<u>16,935,671</u>	<u>10,301,499</u>
Other Financing Sources (Uses)					
Issuance of long term debt	-	-	60,498,907	-	2,872,000
Proceeds from sale of capital assets	-	-	-	-	1,418,406
Proceeds from financed purchases	-	-	2,958,011	-	4,287,603
Proceeds from lease liability	1,736,791	-	-	-	-
Transfers in	50,937,673	53,700,120	44,037,504	35,645,853	32,954,060
Transfers out	<u>(50,937,673)</u>	<u>(53,700,120)</u>	<u>(44,037,504)</u>	<u>(35,645,853)</u>	<u>(32,954,060)</u>
Total other financing sources (uses)	<u>1,736,791</u>	<u>-</u>	<u>63,456,918</u>	<u>-</u>	<u>8,578,009</u>
Net change in fund balances	<u>\$ 19,366,754</u>	<u>\$ 6,807,842</u>	<u>\$ 70,235,910</u>	<u>\$ 16,935,671</u>	<u>\$ 18,879,508</u>
Debt service as a percentage of noncapital expenditures	12.9% (8)	12.8%	11.5%	12.0%	13.0%

(1) 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.

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

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

(4) In 2021 the City received COVID-19 relief funding from the Coronavirus Relief Fund.

(5) In 2021 the Public Facilities Authority had construction in progress on several fire stations.

(6) In 2022 several of the City's construction projects started back up following significant delays due to the pandemic.

(7) In 2023 the City increased the Georgia Fund 1 deposits by \$12.6 million and the interest rate on the account increased from 0.045% to 5.2%.

(8) This is calculated by dividing the total debt service expenditures above by the total noncapital expenditures. Noncapital expenditures is calculated by subtracting the total amount of capital and lease asset additions from Notes 7 and 8 from the total expenditures above.

	2018	2017	2016	2015	2014
\$	93,780,228	\$ 94,499,719	\$ 89,787,515	\$ 86,357,021	\$ 83,324,826
	4,984,317	5,284,871	4,069,503	3,817,492	2,906,357
	22,775,443	2,380,642	3,887,278	3,931,859	5,480,553
	11,016,993	6,914,186	5,288,144	4,596,207	4,767,729
	2,879,306	2,966,094	3,107,404	3,738,842	3,649,861
	151,259	328,994	3,091	55,785	34,733
	912,960	1,091,867	489,424	200,608	113,666
	714,941	790,598	614,813	971,677	980,501
	<u>137,215,447</u>	<u>114,256,971</u>	<u>107,247,172</u>	<u>103,669,491</u>	<u>101,258,226</u>
	21,743,685	18,482,980	15,900,684	28,833,479 (2)	18,791,585 (1)
	1,619,227	1,531,040	1,477,948	1,577,453	1,657,894
	36,932,141	34,853,005	33,733,508	36,818,536	36,939,432 (1)
	30,090,874	26,117,779	27,296,011	26,276,197	25,725,759
	-	-	-	-	-
	65,731,006 (3)	102,723,830	67,514,805 (2)	6,815,373	12,018,423 (1)
	5,713,276	6,441,126	5,357,955	4,931,583	4,474,792
	-	-	-	-	-
	3,581,612	4,016,664	791,182	776,790	978,094
	7,335,973	7,470,230	3,810,937	107,079	121,562
	-	-	914,011	-	-
	<u>172,747,794</u>	<u>201,636,654</u>	<u>156,797,041</u>	<u>106,136,490</u>	<u>100,707,541</u>
	<u>(35,532,347)</u>	<u>(87,379,683)</u>	<u>(49,549,869)</u>	<u>(2,466,999)</u>	<u>550,685</u>
	-	388,305	182,196,838	-	725,000
	5,859,052	3,546,371	33,061	44,177	1,217,237
	-	-	-	-	-
	-	-	-	-	-
	37,190,638	30,672,451	52,802,746	31,191,169	26,177,079
	<u>(37,190,638)</u>	<u>(30,672,451)</u>	<u>(52,802,746)</u>	<u>(31,191,169)</u>	<u>(26,177,079)</u>
	<u>5,859,052</u>	<u>3,934,676</u>	<u>182,229,899</u>	<u>44,177</u>	<u>1,942,237</u>
\$	<u>(29,673,295)</u>	<u>(83,445,007)</u>	<u>132,680,030</u>	<u>(2,422,822)</u>	<u>2,492,922</u>
	11.3%	13.5%	6.8%	1.2%	1.5%

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
2014	\$ 31,015,774	\$ 24,444,122	\$ 3,866,704	\$ 9,164,266	\$ 14,833,960	\$ 83,324,826
2015	31,893,128	25,513,897	4,462,241	9,671,503	14,816,252	86,357,021
2016	33,225,958	25,812,125	5,262,170	9,842,953	15,644,309	89,787,515
2017	33,529,750	29,989,575	5,492,264	9,715,393	15,772,737	94,499,719
2018	35,019,831	27,474,424	5,531,780	9,224,562	16,529,631	93,780,228
2019	38,183,182	28,981,123	5,681,086	9,626,740	16,701,982	99,174,113
2020	43,059,031	27,519,837	3,873,529	9,875,047	16,189,691	100,517,135
2021	46,926,777	29,434,154	2,630,102	9,024,621	17,690,658	105,706,312
2022	48,814,649	35,415,246	4,277,495	9,092,140	18,220,285	115,819,815
2023	50,506,371	37,161,097	4,938,219	9,583,654	19,856,647	122,045,988

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)
2013	\$ 3,833,666,050	\$ 2,796,044,990	\$ 9,452,520	\$ 417,120	\$ 311,678,440	\$ 51,788,000
2014	3,890,836,390	2,692,498,250	8,588,690	312,520	267,150,490	68,968,965
2015	4,143,679,220	3,004,411,100	7,995,190	113,480	187,532,150	79,418,444
2016	4,274,611,200	3,178,568,040	9,964,420	113,480	128,485,280	58,405,806
2017	4,287,740,310	3,346,676,380	9,233,920	113,480	84,974,890	55,208,940
2018	5,209,552,730	3,542,347,870	8,934,839	232,280	57,197,080	53,479,113
2019	5,569,524,370	4,062,572,960	10,010,190	87,520	40,913,220	90,693,443
2020	5,754,347,030	4,045,474,710	10,963,440	97,960	30,398,740	85,978,670
2021	6,226,269,420	4,165,935,530	13,957,880	103,080	22,570,250	99,626,230
2022	6,566,498,830	4,193,729,340	13,237,520	104,200	18,835,730	101,228,270

Source: Fulton County Tax Commissioner

(1) Reflects conservation use.

	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$	537,793,108	\$ 6,465,254,012	4.731	\$ 16,163,135,030	40%
	523,071,081	6,405,284,224	4.731	16,013,210,560	40%
	603,418,507	6,819,731,077	4.731	17,049,327,693	40%
	626,029,331	7,024,118,895	4.731	17,560,297,238	40%
	565,443,801	7,218,504,119	4.731	18,046,260,298	40%
	889,548,811	7,982,195,101	4.731	19,955,487,753	40%
	974,401,936	8,799,399,767	4.731	21,998,499,418	40%
	947,687,936	8,979,572,614	4.731	22,448,931,535	40%
	1,191,907,854	9,336,554,536	4.731	23,341,386,340	40%
	1,225,602,081	9,668,031,809	4.731	24,170,079,523	40%

CITY OF SANDY SPRINGS, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS
(rate per \$1,000 of assessed value)

Calendar Year	Direct		Overlapping				Total Direct & Overlapping Rates
	Sandy Springs (1)	Fulton County	Operating Millage	Debt Service Millage	Total School District Millage	State	
2013	4.731	10.551	18.502	-	18.502	0.200	33.984
2014	4.731	10.551	18.502	-	18.502	0.200	33.984
2015	4.731	10.500	18.502	-	18.502	0.050	33.783
2016	4.731	10.700	18.483	-	18.483	0.000	33.914
2017	4.731	10.630	18.483	-	18.483	0.000	33.844
2018	4.731	10.430	17.796	-	17.796	0.000	32.957
2019	4.731	10.119	17.796	-	17.796	0.000	32.646
2020	4.731	9.996	17.796	-	17.796	0.000	32.523
2021	4.731	9.776	17.590	-	17.590	0.000	32.097
2022	4.731	9.070	17.240	-	17.240	0.000	31.041

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 CALENDAR YEAR AND NINE FISCAL YEARS AGO
JUNE 30, 2023

Taxpayer	2023			2014		
	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	\$ 161,035,339	1	1.72 %	\$ 105,938,028	1	1.64 %
City of Sandy Springs Development Authority	89,787,081	2	0.96			
Cousins Northpark 500/600 LLC	85,100,879	3	0.91			
REJV Concourse Atlanta LLC	66,354,800	4	0.71			
Georgia Power Company	59,636,550	5	0.64	47,726,502	4	0.74
SPUS8 CCC LP	58,998,960	6	0.63			
Cousins Northpark Owner 400 LLC	85,100,879	7	0.91			
Concourse Owner V/VI LLC	51,268,000	8	0.55	59,938,341	3	0.93
US REIF Lakeside Commons Georgia	45,903,600	9	0.49			
Piedmont Operating Partnership LP	41,254,720	10	0.44			
FULCOPROP Fifty Six LLC				64,676,741	2	1.00
Sprintcom, Inc				34,892,980	5	0.54
Ctech Holdings LLC				34,176,159	6	0.53
BT Property, LLC				32,503,631	7	0.50
Highwoods DLF 97 26 DFL 99 32				31,155,720	8	0.48
FULLCOPROP 400, LLC				29,285,170	9	0.45
VEF V Atlanta Portfolio SPE LLC				27,252,401	10	0.42
Totals	\$ 744,440,808		7.97 %	\$ 467,545,673		7.23 %

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
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	181,097	28,471,388	99.89
2016	30,754,398	30,678,557	99.8	54,078	30,732,635	99.93
2017	31,940,164	31,638,544	99.1	278,918	31,917,462	99.93
2018	32,925,336	32,533,102	98.8	385,183	32,918,285	99.98
2019	36,117,676	35,807,887	99.1	291,473	36,099,360	99.95
2020	39,557,447	39,337,612	99.4	208,883	39,546,495	99.97
2021	41,123,937	40,908,215	99.5	211,878	41,120,093	99.99
2022	42,792,126	42,552,344	99.4	202,126	42,754,470	99.91
2023	45,739,458	44,891,921	98.1	-	44,891,921	98.15

Source: Fulton County Tax Commissioner

CITY OF SANDY SPRINGS, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Period Ended June 30,	Governmental Activities				Total	Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable	Notes Payable	Financed Purchases Payable	Lease Liability			
2014	\$ -	\$ -	\$ 5,406,234	\$ -	\$ 5,406,234	0.11 %	\$ 54.19
2015	-	-	4,629,444	-	4,629,444	0.09	45.43
2016	179,186,870	2,497,296	3,838,262	-	185,522,428	3.50	1,761.34
2017	175,738,334	2,590,946	2,556,253	-	180,885,533	3.30	1,711.26
2018	172,229,890	2,397,156	1,678,431	-	176,305,477	3.19	1,651.74
2019	168,635,288	5,072,124	4,140,387	-	177,847,799	3.21	1,634.68
2020	164,918,678	4,871,797	3,175,473	-	172,965,948	3.13	1,589.80
2021	235,849,709	4,668,119	5,538,351	-	246,056,179	4.12	2,223.45
2022	227,770,985	4,174,034	4,517,255	1,753,360	238,215,634	3.36	2,152.60
2023	219,600,682	3,676,485	3,470,984	2,075,433	228,823,584	3.23	2,067.73

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 LAST EIGHT FISCAL YEARS

Fiscal Year	Bonds Payable	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2016	\$ 179,186,870	\$ 3,657,953	\$ 175,528,917	1.00%	\$ 1,661
2017	175,738,334	-	175,738,334	0.97%	1,663
2018	172,229,890	-	172,229,890	0.86%	1,614
2019	168,635,288	-	168,635,288	0.77%	1,580
2020	164,918,678	-	164,918,678	0.73%	1,516
2021	235,849,709	-	235,849,709	1.05%	2,131
2022	227,770,985	-	227,770,985	0.98%	2,053
2023	219,600,682	-	219,600,682	0.94%	1,980

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, 2023**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping general obligation debt:			
Fulton County	\$ 228,618,000 (2)	11.489 %	\$ 26,266,195
Total overlapping debt	<u>228,618,000</u>		<u>26,266,195</u>
City direct debt:			
Bonds payable	219,600,682	100	219,600,682
Notes payable	3,676,485	100	3,676,485
Financed purchases	3,470,984	100	3,470,984
Lease liability	<u>2,075,433</u>	100	<u>2,075,433</u>
Total direct debt	<u>228,823,584</u>		<u>228,823,584</u>
Total direct and overlapping debt	<u>\$ 457,441,584</u>		<u>\$ 255,089,779</u>

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

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

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

(2) Obtained from the fiscal year 12/31/2021 Fulton County Annual Comprehensive Financial Report. The fiscal year 12/31/2022 was not available.

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)
2014	99,770	\$ 5,115,208	\$ 51,270	35.0	5.8 %
2015	101,908	5,091,731	49,964	35.6	4.4
2016	105,330	5,307,263	50,387	35.4	4.2
2017	105,703	5,478,269	51,827	35.6	3.7
2018	106,739	5,531,962	51,827	35.7	2.8
2019	108,797	5,966,101	54,837	36.4	3.7
2020	110,779	6,074,788	54,837	36.4	3.7
2021	110,664	6,068,482	54,837	36.5	3.1
2022	110,926	7,091,166	63,927	36.7	3.2
2023	107,763	7,398,145	68,652	36.7	2.7

(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	2023			2014		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
United Parcel Service General	2,427	1	3.7%	1,678	4	2.7%
IBM Corporation	1,955	2	3.0%	3,396	1	5.5%
Onetrust LLC	1,758	3	2.7%			
Optomi, LLC	1,750	4	2.6%			
Inspire Brands, Inc. & Subsidiaries	1,007	5	1.5%			
Newell Brands Inc.	980	6	1.5%			
Cox Enterprises, Inc.	925	7	1.4%			
Westrock Shared Services, LLC	847	8	1.3%			
Cox Communications	803	9	1.2%	2,005	2	
Prestige Staffing	800	10	1.2%			
Cisco Systems, Inc.				1,690	3	2.8%
Oracle America Inc				1,062	5	1.7%
Airwatch LLC				1,400	6	2.3%
AT&T Mobility				789	8	1.3%
National Account Svc, Co.				688	9	1.1%
Manheim Auctions, Inc.				1,140	7	1.9%
Walden Security				650	10	1.1%
Totals	13,252		20.0%	14,498		20.3%

(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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	83	80	65	72	73	53	50	50	49	46
Judicial	11	10	8	11	11	12	12	12	12	13
Public safety										
Police										
Officers	162	169	143	153	149	142	137	133	129	124
Civilians	23	17	21	21	25	37	22	22	22	14
Fire										
Firefighters (1)	121	117	110	110	113	113	109	115	96	138
Civilians	4	5	6	6	5	7	4	1	1	1
Emergency Management	1	1	1	1	-	-	-	-	-	-
Public works										
Highways and streets	46	44	38	42	37	34	32	32	31	30
Culture and recreation (3)	98	(4) 38	64	103	78	(2) 12	11	11	10	7
Housing and development	45	45	33	39	36	40	39	39	34	30
Total	594	526	489	558	527	450	416	415	384	403

Source: City of Sandy Springs Human Resources Department

- (1) Includes the full time equivalents for the part time positions.
- (2) Increase due to the Performing Arts Center at the new City Springs facility opening at the end of fiscal year 2018.
- (3) Consists of R&P and CSS FT & PT.
- (4) Increase due to increased performances held at the Performing Arts Center.

CITY OF SANDY SPRINGS, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Ordinances approved	33	26	31	21	31	30	35	38	48	32
Court cases	13,942	15,184	(2) 18,434	20,267	18,024	18,529	19,550	18,323	18,323	22,313
Grants managed	11	13		6	14	9	12	13	17	26
Police										
Calls for service	102,864	100,111	113,838	135,868	129,057	111,374	121,704	93,201	95,138	99,525
Part 1 crimes reported (1)	1,952	1,802	1,814	1,963	2,205	2,312	2,744	2,727	2,766	3,012
Traffic citations issued	19,902	19,293	12,654	17,835	13,059	35,979	23,936	24,125	21,274	22,877
Fire										
Incident responses	13,199	14,368	14,138	13,875	11,812	12,049	13,251	10,853	11,347	12,177
Average response time	7.46 min	6.24 min	7.15 min	7.04 min	7.02 min	7.01 min	7	7	7	7.5 minutes
Fire safety programs conducted	238	143	48	551	633	285	622	369	463	378
Inspections conducted	5,214	7,297	7,316	5,511	5,336	6,981	5,617	4,448	5,729	4,160
Highways and streets										
Traffic signals timed	132	131	132	132	136	136	132	130	126	124
Average days to repair pothole	3-days	3-days	1-2 days	1-2 days	1-2 days	1-3 days	1-3 days	1-3 days	1-5 days	1-5 days
Community development										
Stormwater plans reviewed	99	80	57	80	91	85	87	68	57	42
New building permits issued	3,266	4,064	2,063	2,033	2,025	2,418	2,197	2,127	2,749	1,442
Culture and recreation										
Park acres maintained	295	295	276	272	272	272	272	220	220	220
Park & facilities	28	27	27	26	26	26	17	17	17	17
Annual program registrants	112,632	89,229	60,157	73,832	115,071	94,996	50,206	52,268	45,110	45,110

Sources: Various City departments.

(1) Stats are reported using NIBRS (National Incident-Based Reporting System). Sandy Springs transitioned to NIBRS in February 2019. NIBRS captures single crime incident details and information on any other offense within the same incident. For more info on NIBRS – see: <https://www.fbi.gov/services/cjis/ucr/nibrs>

(2) In 2022, the City began tracking data for citations arbitrated just within the City. All numbers prior to 2022 are all citations issued, including those arbitrated by the City and the State.

CITY OF SANDY SPRINGS, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations (1)	1	1	1	1	1	1	1	1	1	1
Patrol Units	230	226	226	220	210	205	191	191	176	156
Patrol Zones	9	9	9	9	9	9	8	8	8	8
Fire stations										
Leased (1)	-	-	-	-	1	1	1	1	1	1
Owned	5	5	4	4	3	3	3	3	3	3
Public Works										
Streets (miles)	302	302	302	302	302	302	302	360	360	360
Traffic Signals	132	132	132	132	136	136	132	126	126	123
Culture and recreation										
Park acreage	295	295	272	272	272	272	272	220	220	220
Recreational facilities	28	27	26	26	26	26	17	17	17	17

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.