

CITY OF SANDY SPRINGS, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025

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INTRODUCTORY SECTION



SANDY SPRINGS

GEORGIA

November 21, 2025

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, 2025, 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. 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 is to provide reasonable assurance that the financial statements of the City of Sandy Springs for the fiscal year ended June 30, 2025, 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's financial statements for the fiscal year ended June 30, 2025, 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 20th anniversary in 2025, incorporated in December of 2005. The City is positioned in the heart of the metro area in northern Fulton County, Georgia (County). It is the second largest city in metropolitan Atlanta and the seventh largest city in the State of Georgia (State). Sandy Springs is a demographically diverse community and covers 38.52 square miles. 22 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 every four years unless a vacancy occurs during a term. Council members are elected by district, and the Mayor is elected at-large by popular vote. The Mayor and council members serve until their successors are qualified and certified. Terms of office begin after the certification of the election and swearing into office.

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

The City's General Services, including Police, Fire, Public Works/TSPLOST, Community Development, Information Technology, Finance, Human Resources, Economic Development, Communications, Facilities, Municipal Court, Recreation and Parks, and Performing Arts Center Operations, are performed by employees of the City. The City's call center and 911 services, as well as Public Works Field Services, Fleet Services, City Attorney, 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, respectively. The City created a legally separate entity, the City of Sandy Springs Public Facilities 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 for the next fiscal year no later than the close of the current 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 if 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 5,700 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's Scottish Rite Hospital, 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 that have chosen to call Sandy Springs their corporate home is United Parcel Service, Smurfit WestRock, Veritiv Corporation, Newell Brands, Intercontinental Exchange/NYSE, Graphic Packaging, Cox Communications, Inspire Brands, GoTo Foods, Choate Construction, Edible Arrangements, and Mercedes Benz USA. 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 9 for Best Cities to Retire in America, number 10 Healthiest Cities in America, number 12 for Best City to Live in the U.S., number 13 for Best Cities to Raise a Family in America, and number 16 as Best Cities for Young Professionals in America in 2025.^[1] Sandy Springs is home to a flourishing dining scene and nighttime activities, a place where one can expend energy paddle boarding on the Chattahoochee 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 108,080. There were approximately 51,204 households reported, with an estimated 50.5 percent recorded as owner-occupied housing units. The median value of owner-occupied housing as of October 2025 was \$669,956, according to the Zillow Home Values Index^[3]. The average household size was two (2) people, with a median household income of approximately \$101,593.

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. The City Springs facility was imagined and purpose built 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.



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NATIONAL ECONOMY

According to the Bureau of Labor Statistics^[4] for August 2025, unemployment for the State was at 3.4 percent. The unemployment rate also remained the same citywide at 3.5 percent when compared to 2024.

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 percent (or the rate of inflation) in any one year for city taxes. Neighboring jurisdictions are not bound by the 3 percent 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

- Completed construction of the Police Department Headquarters and Municipal Court complex, opening the facility to the public in April 2025.
- Opened Spruill Lane, significantly improving traffic flow and enhancing safety for motorists and pedestrians on Mount Vernon Highway/Johnson Ferry Road.
- Completed construction work on Springway Trail Segment 2A, with a ribbon cutting held on May 2, 2025.
- Expanded recreation offerings with the addition of Special POPS tennis and adaptive fishing.
- Completed Morgan Falls Athletic Complex Phase I improvements.
- Continued partnership with Art Sandy Springs to host the City Hall Lobby rotating gallery exhibition.
- Conducted a comprehensive review of the City of Sandy Springs Development Code and adopted a slate of modifications.



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- Major corporate expansion and relocation efforts announced for Mercedes Benz USA, Asbury Automotive, Candescent, JB Weld, and StubHub.
- Celebrated the City's 20th Anniversary.
- Continued investments in our infrastructure:
 - Resurfaced 1.43 lane miles of roads; 1,367 sidewalk repairs; and 562 pothole repairs.
 - 14 major and multiple minor stormwater system repairs and rehabilitations, bringing our total investments to more than \$36,000,000 since 2008.

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 additional tax to improve Fulton County's transportation infrastructure through various capital transportation projects within the cities to be collected through March 31, 2027.

Completed Projects

TSPLOST 2016

- TS103 Spalding Drive at Dalrymple Road –Trowbridge Road
- TS105 Roswell Road at Grogans Ferry Road
- TS106 Northside Drive at Riverview Road/Old Powers Ferry Road
- TS107 ATMS -4 SCOOT Perimeter Area
- TS108 Roswell Road at Dalrymple Road – Traffic Efficiency
- TS111 Spalding Drive at Pitts Road – Traffic Efficiency
- TS115 Mt. Vernon Road at Long Island Drive
- TS136 Central Parkway Sidewalk Gap Fill
- TS137 Johnson Ferry Road – Glenridge Connector Sidepath
- 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)



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- TS193 Hammond Drive Improvements (ROW/Design)
- TS172/S2187 Brandon Mill Road (Lost Forest Drive to Brandon Ridge Drive) (ROW/Design)

Total Completed Project Value to Date: \$45,730,00

TSPLOST 2021

- S2163 – Northland Drive Sidewalk
- S2167 – Mt. Vernon Highway Sidewalk
- S2168 – Hilderbrand Drive Sidewalk
- S2170 – Mt. Vernon Highway Sidewalk (Existing Sidewalk at De Claire Court to Long Island Drive)
- S2175 – Trowbridge Road Sidewalk (Spalding Trail to Trowbridge Lake Drive)
- S2177 – Powers Ferry Road (New Northside Drive to 6201 Powers Ferry Road)
- S2179 – Spalding Drive (Nesbit Ferry Road to Spalding Lake Court)
- S2188-1 – Allen Road at Sandy Springs Circle
- S2188-2 – Johnson Ferry Road at Brookhaven City Limit
- S2188-3 – Glenridge Drive at Messina Way
- S2188-4 – River Exchange Drive Sidewalk
- S2188-5 – Windsor Parkway (YMCA to Peachtree Dunwoody Road) Sidewalk

Total Completed Project Value to Date: \$1,980,000

INITIATIVES FOR FUTURE YEARS

- Continue to invest in the City's vital infrastructure, including road resurfacing, and an updated inventory and condition assessment of stormwater assets.
- Initiate design and begin construction for replacement of Fire Station #4.
- Initiate design and permitting efforts for Springway Segment 2C.
- Begin construction of Old Riverside Park.
- Complete design and permitting for the Abernathy South Greenway enhancements.
- Implement the next phase of major enhancements to the Morgan Falls Overlook Athletic Complex.
- Construct enhancements to the Morgan Falls Dog Park.
- Conduct a master planning exercise to determine the future of the existing facilities at Hammond Park.
- Complete citywide design guidelines development.
- Pursue redevelopment in the City's North End.
- Complete an update to the City's Recreation and Parks Master Plan.
- Complete an update to the City's Housing Needs Assessment.



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- Pursue innovative solutions to key challenges and employ responsible, ethical use of artificial intelligence.
- Develop a Perimeter Small Area Plan Addendum.
- In partnership with the City's Preferred Development Partner, expand the City Springs District to City owned parcels south of the existing campus.
- Complete construction of the new addition to the Abernathy Arts Center.
- Begin work on the City's Comprehensive Plan 10-Year Update.
- Update the City's Transportation Master Plan.

FINANCIAL POLICIES

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

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

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

Budgetary Controls - The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is 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



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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, 2024. This was the nineteenth 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.

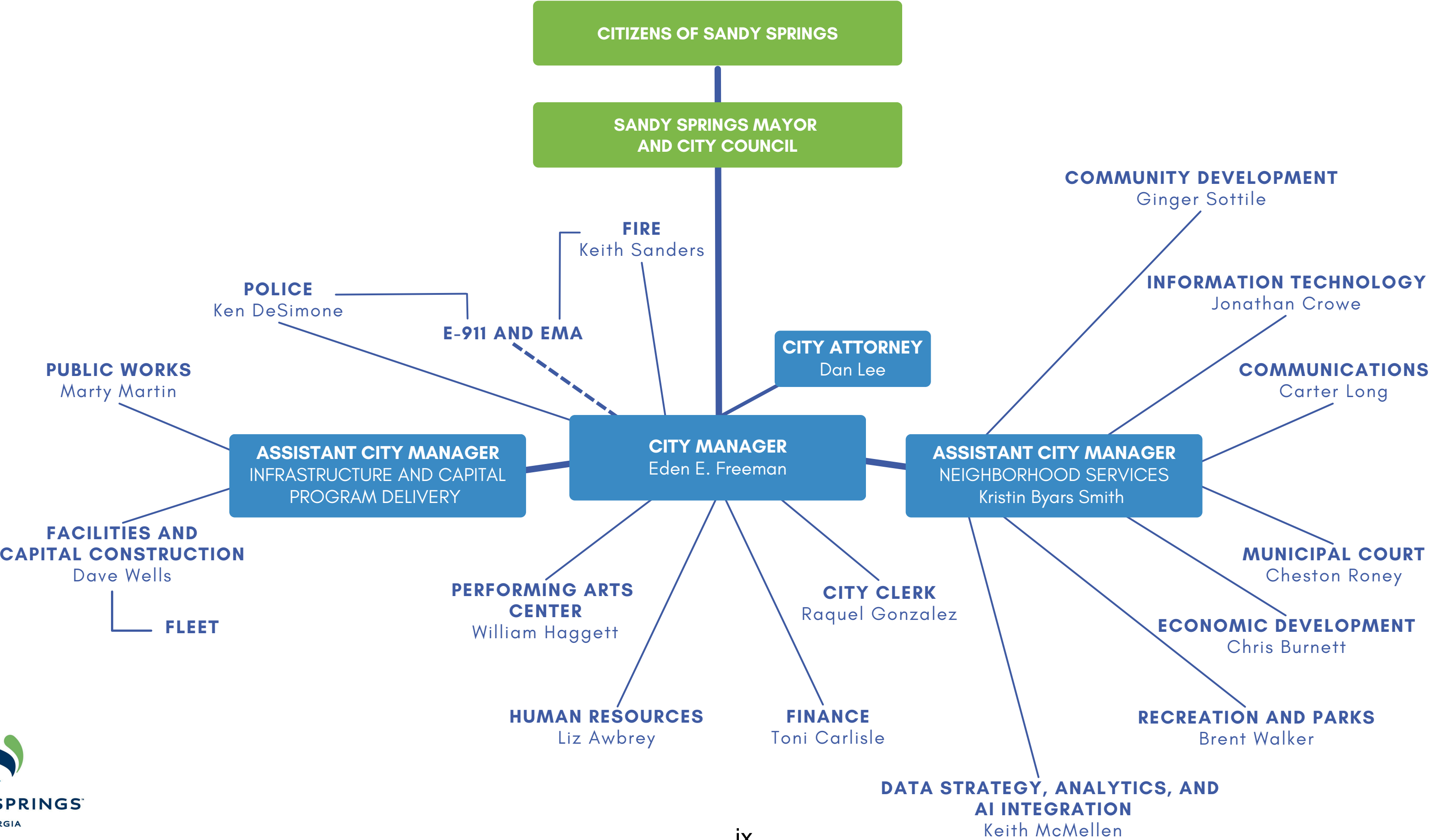
Respectfully submitted,

Eden E. Freeman
City Manager

Toni Carlisle
Chief Financial Officer

- [1] Source: Niche.com
- [2] Source: United States Census Bureau (2020 5-year Estimate Data)
- [3] Source: Zillow.com
- [4] Source: Bureau of Labor Statistics (2025 Data)

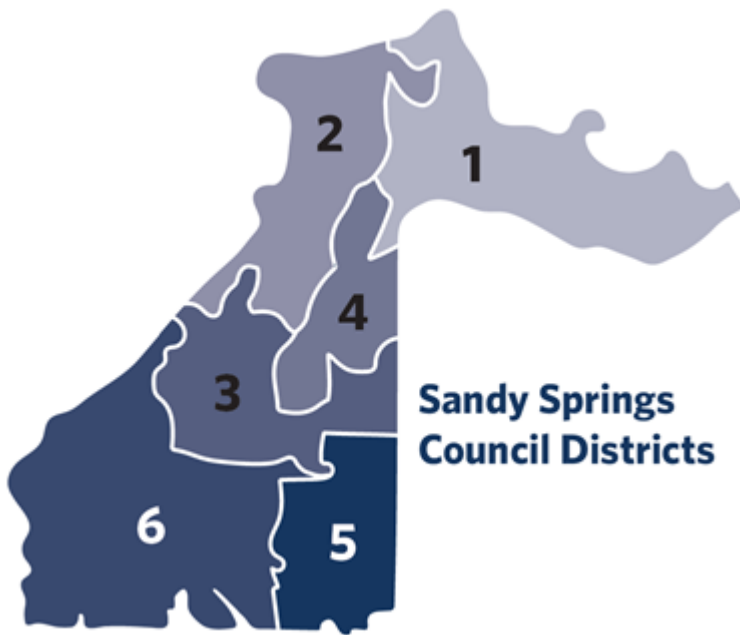
CITY OF SANDY SPRINGS ORGANIZATIONAL CHART



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

Carter Long

Community Development Director

Ginger Sottile

Court Administrator

Cheston Roney

Economic Development Director

Chris Burnett

Facilities and Construction Director

David Wells

Human Resources Director

Elizabeth Awbrey

Information Technology Director

Jonathan Crowe

Performing Arts Center Director

William Haggett

Public Works Director

William Martin

Recreation and Parks Director

Jonathan Brent Walker



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, 2024

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, 2025, 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, 2025, 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 and General 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 21, 2025 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 21, 2025

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

As the management of the City of Sandy Springs (the "City"), we present this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025. Readers are encouraged to review the information provided here alongside the additional details included in our letter of transmittal, located in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$668,224,298 (total net position), which represents an increase of \$51,049,741 or 8.27% from the prior year. Of the total net position, \$130,772,756 (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 \$224,607,386. This represents an increase of \$3,232,549 from the prior year.
- Total governmental fund revenues for the fiscal year totaled \$196,404,629, representing a decrease of \$442,187, or 0.22%, compared to the prior year. This decline is primarily attributable to the conclusion of significant one-time revenues received in FY2024, including the Homestead Tax Relief Grant from the State of Georgia and American Rescue Plan Act (ARPA) funds, which together accounted for more than \$14,342,700 in the previous year. With these temporary funding sources fully expended during FY2024, the current year's revenue reflects a return to normalized levels absent such non-recurring federal and state support.
- Total governmental fund revenues were \$196,404,629, a decrease of \$442,187 or .22%.
- Total governmental fund expenditures were \$196,452,411, a decrease of \$21,745,970 or 9.97% over the prior year, related to an increase in the number of completed capital projects.

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 like a private-sector business.

The statement of net position presents information on all the City's assets and deferred outflows of resources, 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 government-wide financial statements report functions of the City that are principally supported by taxes (governmental activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, housing and community development.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

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 the funds of the City are governmental funds.

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

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

The City maintains fourteen 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, Capital Projects Fund, TSPLOST Fund and Public Facilities Authority Fund are 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 54 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 57 through 60 of this report. Required supplementary information can be found on pages 55 and 56 of this report.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$668,224,298, representing a \$51,049,741 or 8.2715% increase over last year.

The largest portion of the City's net position, \$444,926,617 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, \$92,524,925 is restricted as to use by law or agreement, the remaining portion of the City's net position represents unrestricted net position of \$130,772,756 that is available to meet the ongoing obligations of the government. This amount represents 89.88% of current governmental expenses.

The City has current and other assets of \$250,590,926, a decrease of \$7,882,679 or 3.05% over the prior year, which included the use of prior year bond proceeds that had been invested pending progress on capital construction projects. These assets include \$226,385,299 of cash and investments.

The City's capital assets are \$649,284,473, which represents an increase of \$39,675,348 or 6.51%. The increase is primarily infrastructure projects.

Long-term liabilities decreased \$7,704,405 or 3.64% as debt is repaid.

The table below summarizes the City's Net Position for 2025 and 2024.

City of Sandy Springs Net Position				
	<u>Governmental Activities</u>		<u>Dollar</u>	
	<u>2025</u>	<u>2024</u>	<u>Increase</u>	
			<u>(Decrease)</u>	<u>Percent</u>
Assets				
Current assets	\$ 250,590,926	\$ 258,473,605	\$ (7,882,679)	(3.05) %
Capital assets, net of accumulated depreciation	649,284,473	609,609,125	39,675,348	6.51
Total assets	<u>899,875,399</u>	<u>868,082,730</u>	<u>31,792,669</u>	<u>3.66</u>
Deferred charges on bond refunding	<u>12,400,759</u>	<u>13,292,243</u>	<u>(891,484)</u>	<u>(6.71)</u>
Liabilities				
Current liabilities	33,560,195	45,916,821	(12,356,626)	(26.91)
Long-term liabilities	<u>204,107,310</u>	<u>211,811,715</u>	<u>(7,704,405)</u>	<u>(3.64)</u>
Total liabilities	<u>237,667,505</u>	<u>257,728,536</u>	<u>(20,061,031)</u>	<u>(7.78)</u>
Deferred inflows of resources	<u>6,384,355</u>	<u>6,471,880</u>	<u>(87,525)</u>	<u>(1.35)</u>
Net Position				
Net investment in capital assets	444,926,617	416,811,564	28,115,053	6.75
Restricted	92,524,925	87,243,419	5,281,506	6.05
Unrestricted	<u>130,772,756</u>	<u>113,119,574</u>	<u>17,653,182</u>	<u>15.61</u>
Total net position	<u>\$ 668,224,298</u>	<u>\$ 617,174,557</u>	<u>\$ 51,049,741</u>	<u>8.27 %</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental activities: Governmental activities are those that have a direct impact on its citizens such as public safety, zoning, recreation, and parks and road improvements. The table below reflects changes in net position for 2025 and 2024.

City of Sandy Springs Changes in Net Position

	Governmental Activities		Dollar Increase (Decrease)	Percent
	2025	2024		
Revenues				
Program revenues:				
Charges for services	\$ 20,849,175	\$ 16,518,009	\$ 4,331,166	26.22 %
Operating grants and contributions	453,000	30,428	422,572	100.00
Capital grants and contributions	34,209,073	44,790,756	(10,581,683)	(23.62)
General revenues:				
Property taxes	54,826,164	51,608,371	3,217,793	6.24
Sales and use taxes	38,210,569	37,674,223	536,346	1.42
Hotel/motel taxes	5,340,699	5,437,668	(96,969)	(1.78)
Franchise taxes	10,724,253	9,847,227	877,026	8.91
Business taxes	11,159,048	10,264,411	894,637	8.72
Insurance premium taxes	10,310,436	9,585,852	724,584	7.56
Unrestricted investment earnings	9,679,262	10,361,787	(682,525)	(6.59)
Gain on sale of capital assets	29,589	-	29,589	-
Miscellaneous revenues	752,032	1,092,938	(340,906)	(31.19)
Total revenues	<u>196,543,300</u>	<u>197,211,670</u>	<u>(668,370)</u>	<u>(0.34)</u>
Expenses				
General government	30,294,134	30,110,102	184,032	0.61
Judicial	1,440,576	1,166,282	274,294	23.52
Public safety	59,146,138	51,733,690	7,412,448	14.33
Public works	25,614,900	29,546,223	(3,931,323)	(13.31)
Culture and recreation	17,227,196	16,670,974	556,222	3.34
Housing and development	6,454,134	6,332,142	121,992	1.93
Interest on long-term debt	5,316,481	4,617,960	698,521	15.13
Total expenses	<u>145,493,559</u>	<u>140,177,373</u>	<u>5,316,186</u>	<u>3.79</u>
Change in net position	51,049,741	57,034,297	<u>\$ (5,984,556)</u>	(10.49) %
Restatement - change in accounting principle	-	(3,623,601)		
Net position, beginning of year, as restated	<u>617,174,557</u>	<u>560,140,260</u>		
Net position, end of year	<u>\$ 668,224,298</u>	<u>\$ 617,174,557</u>		

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Revenues: Service charges include fines and forfeitures, E911 telephone service charges, impact fees, and licenses and permits. Revenues increased by \$4,331,166, or 26.22%, mainly due to an increase in funds generated from housing and development activities. In contrast, capital grants and contributions saw a decline of \$10,581,683, or 23.62%, due to the full utilization of one-time funding sources, including the American Rescue Plan Act (ARPA) funds and the Georgia Homestead Tax Relief Grant, which were exhausted and no longer available for the current reporting period. The decrease in capital-related revenues highlights the impact of relying on non-recurring government grants and underscores a return to baseline levels absent these temporary revenue streams. Property taxes increased \$3,217,793 or 6.24% as assessed property values have increased. Sales and use taxes increased \$536,346 as the economy continues to improve driven by favorable conditions in the retail and hotel/motel taxes decreased \$96,969 (1.78%) as travel continued to fluctuate between on-site and hybrid conferences. Franchise taxes increased by 8.91%, business taxes increased by 8.72% and insurance premium taxes increased 7.56%. Unrestricted investment earnings decreased by \$682,525, or 6.59%, as interest rates decreased.

Expenses: General government expenses increased by .61%. Judicial expenses increased by 23.52%, while housing and development expenses rose by 1.93% due to shifting market conditions that require competitive salary increases. Culture and recreation expenses increased 3.34% as we continued to increase headcount to better serve the needs of the Performing Arts Center and improve the parks in the City. Public Safety expenses rose by \$7,412,448, or 14.33%, primarily due to increased salary expenditures driven by market competition for public safety personnel. Additional factors contributing to this growth include higher employee benefit costs, emergency response expenditures during the hurricane season, and the initiation of new leases for essential public safety equipment within the fiscal period. The overall increase reflects both the challenges of attracting and retaining qualified staff and managing unforeseen operational demands, particularly in a year marked by heightened emergency activity. Public Works expenses decreased \$3,931,323 or 13.31% because of the decrease in expenditures for the pavement management program. Interest on long-term debt increased \$698,521 or 15.13% because of refinancing and payment 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, 2025**

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. 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 2025 and 2024.

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

	Governmental Funds		Dollar	
	2025	2024	Increase	Percent
			(Decrease)	
Revenues:				
Taxes				
Property taxes	\$ 54,685,678	\$ 51,710,305	\$ 2,975,373	5.75 %
Sales taxes	38,210,569	37,674,223	536,346	1.42
Hotel/Motel taxes	5,340,699	5,437,668	(96,969)	(1.78)
Franchise taxes	10,724,253	9,847,227	877,026	8.91
Business taxes	11,159,048	10,264,411	894,637	8.72
Insurance premium taxes	10,310,436	9,585,852	724,584	7.56
Licenses and permits	4,515,311	3,297,805	1,217,506	36.92
Intergovernmental revenues	34,240,477	44,323,968	(10,083,491)	(22.75)
Charges for services	13,286,952	10,639,548	2,647,404	24.88
Fines and forfeitures	2,940,117	2,492,563	447,554	17.96
Interest income	9,679,262	10,361,787	(682,525)	(6.59)
Other	1,311,827	1,211,459	100,368	8.28
Total revenues	196,404,629	196,846,816	(442,187)	(0.22)
Expenditures:				
General government	24,115,335	22,681,727	1,433,608	6.32
Judicial	1,435,039	1,144,530	290,509	25.38
Public safety	56,619,655	49,084,623	7,535,032	15.35
Public works	20,178,623	24,042,949	(3,864,326)	(16.07)
Culture and recreation	14,892,902	14,720,301	172,601	1.17
Housing and development	6,400,124	6,193,256	206,868	3.34
Capital outlay	56,378,036	84,466,484	(28,088,448)	(33.25)
Debt service	16,432,697	15,864,511	568,186	3.58
Total expenditures	196,452,411	218,198,381	(21,745,970)	(9.97)
Excess (Deficiency) of revenues over expenditures	(47,782)	(21,351,565)	21,303,783	(99.78)
Other financing sources (uses)				
Issuance of financed purchase	2,666,863	-	2,666,863	100.00
Issuance of lease liability	613,468	1,801,749	(1,188,281)	(65.95)
Net change in fund balance	3,232,549	(19,549,816)	22,782,365	(116.53)
Fund balance, beginning of year	221,374,837	240,924,653	(19,549,816)	(8.11)
Fund balance, end of year	\$ 224,607,386	\$ 221,374,837	\$ 3,232,549	1.46 %

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As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$224,607,386, an increase of \$3,232,549, resulting from a reduction of expenditures for completed capital construction projects. Of this balance, \$3,996,093 is considered non-spendable as these items are not expected to be converted to cash; \$86,872,463 is restricted by law or contractual agreement; \$321,492 is committed by resolution of the City Council; \$65,920,480 has been assigned by management for infrastructure projects; \$30,169,598 has been assigned to cover budgeted expenditures in excess of revenues for fiscal year 2026; \$499,186 has been assigned for tree replacement; \$2,223,083 has been assigned for future allowable federal program expenditures; and \$34,604,991 is considered unassigned and can be used to meet the near term operating needs of the City.

Total governmental revenues increased \$4,967,517 or 3.45%. Property taxes increased \$2,975,373 or 5.75% as property values have increased. Sales taxes have increased \$536,346 or 1.42% as the general economy continues to improve. Licenses and permits have increased \$1,217,506 or 36.92% because of the growth in construction activity which has led to an increase in building permits directly impacting revenue. Intergovernmental revenues have decreased by \$10,083,491 or 22.75% primarily because of the usage of ARPA funds in FY2024. Charges for services increased \$21,777 or .34% as revenues from the performing arts center have been favorable. Interest income decreased \$682,525 as interest rates declined during the fiscal year.

Total governmental expenditures have decreased \$21,745,970 or 9.97% due to the completion of the police headquarters and municipal court complex, including the use of \$12,935,679 in ARPA funds. The increase in general government expenditure of \$1,433,608 or 6.32% is primarily attributable to ongoing market demands of higher project costs and the competitive salary market, including increased costs in employee benefits. The decrease in Public Works expenditures of \$3,864,326 or 16.07% is a combination of an increase of \$2,124,841 in salaries and health benefits and a decrease in expenditures for several capital projects including: \$2,572,602 in the utility relocation project (CC006) in FY2024; and the pavement management program decrease of \$4,980,440 in FY2025, as the work funded in FY2025 did not begin until after July 2025 (FY2026). Culture and recreational expenditures increased \$172,601 or 1.17% because of the Performing Arts Center continuing to make a strong return post Covid-19 pandemic.

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 \$67,577,764, a decrease of \$1,442,514 or 2.09%. As a measure of the liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance on June 30, 2025, was \$34,605,008 and represents 29.29% of total General Fund expenditures. The following table compares revenues and expenditures for the General Fund for fiscal years 2025 and 2024.

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

	General Fund		Dollar	
	2025	2024	Increase (Decrease)	Percent
Revenues:				
Property taxes	\$ 54,685,678	\$ 51,710,305	\$ 2,975,373	5.75 %
Sales taxes	38,210,569	37,674,223	536,346	1.42
Franchise taxes	10,724,253	9,847,227	877,026	8.91
Business taxes	11,043,025	10,160,633	882,392	8.68
Insurance premium tax	10,310,436	9,585,852	724,584	7.56
Licenses and permits	4,515,311	3,297,805	1,217,506	36.92
Intergovernmental revenues	446,366	2,148,865	(1,702,499)	(79.23)
Charges for services	6,374,311	6,352,534	21,777	0.34
Fines and forfeitures	2,552,737	2,169,859	382,878	17.65
Interest earned	9,316,475	9,932,795	(616,320)	(6.20)
Other	856,778	1,188,324	(331,546)	(27.90)
Total revenues	<u>149,035,939</u>	<u>144,068,422</u>	<u>4,967,517</u>	<u>3.45</u>
Expenditures:				
General government	23,852,138	22,544,790	1,307,348	5.80
Judicial	1,435,039	1,144,530	290,509	25.38
Public safety	52,200,585	44,796,463	7,404,122	16.53
Public works	18,113,631	15,988,790	2,124,841	13.29
Culture and recreation	12,654,163	12,320,302	333,861	2.71
Housing and development	6,393,100	6,077,461	315,639	5.19
Debt service:				
Principal	3,347,832	2,748,221	599,611	21.82
Interest	116,543	143,198	(26,655)	(18.61)
Total expenditures	<u>118,113,031</u>	<u>105,763,755</u>	<u>12,349,276</u>	<u>11.68</u>
Excess (deficiency) of revenues over expenditures	30,922,908	38,304,667	(7,381,759)	(19.27)
Issuance of lease liability	613,468	1,801,749	(1,188,281)	100.00
Issuance of financed purchase	1,564,163			
Transfers in	4,137,508	3,793,780	343,728	9.06
Transfers out	<u>(38,680,561)</u>	<u>(38,764,942)</u>	<u>84,381</u>	<u>(0.22)</u>
Net change in fund balance	(1,442,514)	5,135,254	(6,577,768)	(128.09)
Fund balance, beginning of year	<u>69,020,278</u>	<u>63,885,024</u>	<u>5,135,254</u>	<u>8.04</u>
Fund balance, end of year	<u>\$ 67,577,764</u>	<u>\$ 69,020,278</u>	<u>\$ (1,442,514)</u>	<u>(2.09) %</u>

Total General Fund revenues have increased \$4,967,517 or 3.45%. Property taxes have increased \$2,975,373 or 5.75% as property values and the tax digest have increased. Franchise taxes increased \$877,026 or 8.91%. Sales taxes have increased \$536,346 or 1.42%, as the retail economy continued to see robust consumer spending during this fiscal year. Business taxes increased by 8.68% and insurance premium taxes increased modestly by 7.56%. Charges for services increased \$21,777 or .34% as the performing arts center continues to increase its programs during a less restricted period. Interest revenues have decreased \$616,320 or 6.20% as interest rates have dropped. Intergovernmental revenues decreased \$1,702,499 or 79.23% as the one-time Georgia Homestead Tax Relief Grant for \$1,406,980 was received in

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FY2024. Licenses and permits increased \$1,217,506 or 36.92% in building permit revenues for FY2025 due primarily to a combination of higher construction activity and an increase in redevelopment of mixed-use and commercial properties.

Total General Fund expenditures increased \$12,349,276 or 11.68%. The increase is largely attributed to the management of the competitive hiring market, increase in healthcare costs and the ongoing 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 \$27,011,778 and \$26,489,082 for fiscal 2025 and 2024, respectively. Revenues for 2025 and 2024 were \$5,539,965 and \$4,416,606, respectively, an increase of \$1,123,359. These revenues are primarily related to federal and state transportation grants and are based upon availability.

Expenditures for 2025 and 2024 were \$16,550,119 and \$35,638,903, respectively, a decrease of \$19,088,784 as more capital projects are completed.

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 through transfers from the General Fund. Transfers for 2025 and 2024 were \$13,376,133 and \$27,558,996, respectively, and related to the debt payments within the General Fund.

Total expenditures excluding debt service for 2025 and 2024 were \$17,348,166 and \$39,996,172, respectively. Debt service expenditures for 2025 and 2024 were \$12,626,133 and \$12,623,318, respectively. Expenditures are primarily related to the repayment of debt service for the City Springs facility as well as construction of new 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 2025 were \$28,137,885 and 2024 were \$24,354,005 an increase of \$3,783,880. Expenditures for 2025 and 2024 were \$24,395,476 and \$17,826,401, respectively, an increase of \$6,569,075 as more TSPLOST projects progress toward completion.

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on pages 55 and 56. For fiscal year 2025, the City had an overall budget variance reduction of \$30,051,475.

Total revenues were \$20,059,319, better than budgeted. Property taxes reflect a favorable budget variance of \$5,465,678 as budgeted tax revenues are based on prior year collections as the tax digest continues to grow. Sales taxes were \$6,710,569, better than budgeted as the local spending continues to improve at a faster rate than projected. Franchise taxes were \$1,549,253 or 16.89% better than budgeted and is primarily related to electric franchise fees which were better than projected due to warmer weather conditions and growth in the electric utilities within the City. Insurance premium taxes were \$1,310,436 better than the budget because of increases in premiums throughout the insurance market. Interest earned was \$1,316,475 better than budgeted because of higher interest rates on the City's investments. All other

**CITY OF SANDY SPRINGS, GEORGIA
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revenue categories reflect modest variances as the City continues to use very conservative revenue estimates as a general budgeting philosophy.

Total expenditures were \$7,736,953 less than approved budgeted expenditures. All expenditure categories reflect favorable year-over-year expenditure variances, except public safety and debt service which are attributable to GASB-87 leases, as the City continues to use very conservative budget models.

Capital Asset and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$649,284,473 (net of accumulated depreciation and amortization). This represents an increase of \$39,675,348 or 6.51% over the prior year. The increase is primarily driven by the PFA (Public Safety projects) and public works projects. Additional information on the City's capital assets can be found in Note 7 on page 42 of this report.

City of Sandy Springs Capital Assets (net of depreciation and amortization)

	Governmental Activities		Dollar	
	2025	2024	Increase	Percent
			(Decrease)	
Land	\$ 77,583,457	\$ 77,578,357	\$ 5,100	0.01 %
Construction in progress	146,449,942	145,843,213	606,729	0.42
Buildings	142,692,566	132,523,112	10,169,454	7.67
Improvements	97,263,065	80,041,393	17,221,672	21.52
Machinery and equipment	20,002,674	17,054,670	2,948,004	17.29
Infrastructure	164,502,185	154,968,647	9,533,538	6.15
Right-to-use lease assets	790,584	1,599,733	(809,149)	(50.58)
	<u>\$ 649,284,473</u>	<u>\$ 609,609,125</u>	<u>\$ 39,675,348</u>	<u>6.51 %</u>

Long-Term Debt: At the end of fiscal year 2025 and 2024, the City had total debt outstanding of \$217,576,582 and \$226,804,539, 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 8 on pages 43 through 49 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's fiscal year 2026 budget was developed in the context of a moderating but stable economic environment. National economic growth is projected to slow to 1.6% in calendar year 2025, while Georgia's economy is expected to outperform at 2.4% growth, supported by continued strength in economic development, favorable demographics, and robust transportation and logistics sectors. Inflation has stabilized at approximately 3.0%, down from pandemic-era highs, though it is not expected to decline further in the near term. The Federal Reserve has begun reducing interest rates, with additional cuts anticipated through 2026, which should provide modest relief for capital financing costs.

All of these factors were considered in preparing the City's budget for the 2026 fiscal year:

- **Sustainability of Existing Services** – The City utilizes a philosophy of budgetary evaluation which reviews service delivery needs against long-term organizational goals, reassessed annually by the City Council. This philosophy is reinforced through the budget process with a multi-year financial outlook that evaluates government priorities, realigns and diversifies revenue structures, and provides data-driven decision making for continued financial success.

**CITY OF SANDY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

- **Cost of Government** – The City's operating millage rate of 4.731 mills is statutorily set and cannot be changed without a voter referendum. As part of the City's financial strategic plan, the government is committed to maintaining a consistent millage rate for property taxes to facilitate the stable provision of city services while leveraging digest growth.
- **Infrastructure Improvements** – The City provided substantial capital funding to continue addressing the existing infrastructure backlog. Funding was allocated for the road repaving program, intersection improvements, parks facilities, buildings, machinery and equipment, sidewalks, culverts, traffic signals, and stormwater management systems.
- **Economic Impact** – Since incorporation the City's has followed a conservative budgeting philosophy by underestimating anticipated revenues and overestimating expenditures. This budgetary philosophy continues to serve us well as economic conditions are expected to continue through calendar years 2025 and 2026, including persistent inflation in the 3.0% range, moderate but positive economic growth, and continued competitive pressure on compensation and benefits.
- **One-Time Revenue Restriction** – The City restricts the use of one-time revenues to capital projects, ensuring operational sustainability and fiscal resilience.
- **Workforce Investment** – Competitive salary adjustments and comprehensive compensation reviews remain priorities to attract and retain qualified personnel in a tight labor market characterized by unemployment near full-employment levels.

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, 2025

	Primary Government	Component Units	
	Governmental Activities	Sandy Springs Hospitality & Tourism	Development Authority
ASSETS			
Cash and cash equivalents	\$ 226,385,299	\$ 1,847,680	\$ 103,045
Taxes receivable, net of allowances	4,585,374	-	-
Accounts receivable, net of allowances	3,597,290	10,705	-
Due from other governments, net of allowances	7,470,627	-	-
Lease receivable, due within one year	17,664	-	-
Lease receivable, due in more than one year	4,965,544	-	-
Accrued interest receivable	80,528	-	-
Due from primary government	-	294,634	-
Restricted:			
Cash and cash equivalents	249	-	-
Inventories	46,468	-	-
Prepaid items	3,441,883	55,933	-
Capital assets:			
Nondepreciable	224,033,399	-	-
Depreciable, net of accumulated depreciation and amortization	425,251,074	436,592	-
Total assets	899,875,399	2,645,544	103,045
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on bond refunding	12,400,759	-	-
Total deferred outflows of resources	12,400,759	-	-
LIABILITIES			
Accounts payable	16,544,760	235,571	-
Accrued liabilities	3,093,015	-	-
Due to component unit	294,634	-	-
Unearned revenue	158,514	-	-
Compensated absences, due within one year	4,056,670	-	-
Financed purchases, due within one year	790,398	-	-
Bonds payable, due within one year	7,975,000	-	-
Note payable, due within one year	508,292	-	-
Lease liability, due within one year	138,912	92,433	-
Compensated absences, due in more than one year	4,056,670	-	-
Financed purchases, due in more than one year	2,529,552	-	-
Bonds payable, due in more than one year	194,932,629	-	-
Note payable, due in more than one year	2,162,471	-	-
Lease liability, due in more than one year	425,988	366,086	-
Total liabilities	237,667,505	694,090	-
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement receipts	1,550,000	-	-
Lease arrangements	4,834,355	-	-
Total deferred inflows of resources	6,384,355	-	-
NET POSITION			
Net investment in capital assets	444,926,617	(21,927)	-
Restricted:			
Infrastructure improvements	91,166,207	-	-
Public safety projects	1,358,718	-	-
Tourism	-	1,973,381	-
Development	-	-	103,045
Unrestricted	130,772,756	-	-
Total net position	\$ 668,224,298	\$ 1,951,454	\$ 103,045

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, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 30,294,134	\$ 857,923	\$ -	\$ -
Judicial	1,440,576	2,552,737	-	-
Public safety	59,146,138	4,109,719	-	271,621
Public works	25,614,900	2,487,871	453,000	32,320,316
Culture and recreation	17,227,196	6,339,986	-	1,265,814
Housing and development	6,454,134	4,500,939	-	351,322
Interest on long-term debt	5,316,481	-	-	-
Total governmental activities	<u>145,493,559</u>	<u>20,849,175</u>	<u>453,000</u>	<u>34,209,073</u>
Total primary government	<u>\$ 145,493,559</u>	<u>\$ 20,849,175</u>	<u>\$ 453,000</u>	<u>\$ 34,209,073</u>
Component Units				
Sandy Springs Hospitality & Tourism	\$ 2,232,781	\$ -	\$ 1,716,501	\$ -
Development Authority	424,878	-	421,874	-
Total component units	<u>\$ 2,657,659</u>	<u>\$ -</u>	<u>\$ 2,138,375</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Franchise taxes				
Excise taxes				
Business taxes				
Insurance premium tax				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous revenues				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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
\$ (29,436,211)	\$ -	\$ -
1,112,161	-	-
(54,764,798)	-	-
9,646,287	-	-
(9,621,396)	-	-
(1,601,873)	-	-
(5,316,481)	-	-
(89,982,311)	-	-
(89,982,311)	-	-
-	(516,280)	-
-	-	(3,004)
-	(516,280)	(3,004)
54,826,164	-	-
38,210,569	-	-
5,340,699	-	-
10,724,253	-	-
116,023	-	-
11,043,025	-	-
10,310,436	-	-
9,679,262	-	-
29,589	-	-
752,032	20,104	-
141,032,052	20,104	-
51,049,741	(496,176)	(3,004)
617,174,557	2,447,630	106,049
\$ 668,224,298	\$ 1,951,454	\$ 103,045

CITY OF SANDY SPRINGS, GEORGIA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

ASSETS	General Fund	Capital Projects Fund	TSPLOST Fund	Public Facilities Authority	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 68,413,238	\$ 58,773,940	\$ 78,528,707	\$ 6,966,546	\$ 13,702,868	\$ 226,385,299
Taxes receivable, net of allowances	4,093,156	-	-	-	492,218	4,585,374
Other receivables, net of allowances	1,455,732	9,753	-	-	581,805	2,047,290
Intergovernmental receivables, net of allowances	24,491	1,545,000	5,271,799	-	629,337	7,470,627
Lease receivable, due within one year	17,664	-	-	-	-	17,664
Lease receivable, due in more than one year	4,965,544	-	-	-	-	4,965,544
Restricted:						
Cash and cash equivalents	-	-	-	249	-	249
Due from other funds	916,251	1,770,377	-	-	-	2,686,628
Inventory	46,468	-	-	-	-	46,468
Prepaid items	2,607,837	1,192,918	-	-	17	3,800,772
Total assets	\$ 82,540,381	\$ 63,291,988	\$ 83,800,506	\$ 6,966,795	\$ 15,406,245	\$ 252,005,915
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 7,582,295	\$ 1,791,154	\$ 5,208,940	\$ 1,305,568	\$ 656,803	\$ 16,544,760
Accrued liabilities	2,232,470	48,663	-	-	-	2,281,133
Due to other funds	-	-	-	-	2,686,628	2,686,628
Due to component unit	-	-	-	-	294,634	294,634
Unearned revenue	158,514	-	-	-	-	158,514
Total liabilities	9,973,279	1,839,817	5,208,940	1,305,568	3,638,065	21,965,669
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	154,983	-	-	-	-	154,983
Unavailable revenue - intergovernmental	-	-	-	-	443,522	443,522
Lease arrangements	4,834,355	-	-	-	-	4,834,355
Total deferred inflow of resources	4,989,338	-	-	-	443,522	5,432,860
FUND BALANCES						
Fund balances:						
Nonspendable:						
Inventory	46,468	-	-	-	-	46,468
Prepaid items	2,607,837	1,192,918	-	-	17	3,800,772
Leases	148,853	-	-	-	-	148,853
Restricted:						
Public safety projects	-	-	-	-	915,196	915,196
Infrastructure improvements	-	-	78,591,566	-	7,365,701	85,957,267
Committed:						
Tree replacement	-	-	-	-	321,492	321,492
Assigned:						
Capital projects	-	60,259,253	-	5,661,227	-	65,920,480
Tree replacement	-	-	-	-	499,186	499,186
Federal programs	-	-	-	-	2,223,083	2,223,083
2026 fiscal year appropriations of fund balance	30,169,598	-	-	-	-	30,169,598
Unassigned	34,605,008	-	-	-	(17)	34,604,991
Total fund balances	67,577,764	61,452,171	78,591,566	5,661,227	11,324,658	224,607,386
Total liabilities, deferred inflows of resources, and fund balances	\$ 82,540,381	\$ 63,291,988	\$ 83,800,506	\$ 6,966,795	\$ 15,406,245	
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.						649,284,473
Accrued interest receivable related to leases is not a current financial resource, and therefore, is not reported in the funds.						80,528
Payments made on long-term borrowings before they are due and payable are reported as prepaid items in the governmental funds. However, in the statement of net position these payments reduce the balance of financed purchases payable.						(358,889)
Prepaid principal						(358,889)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.						(205,987,705)
Some revenues are not available in the current period, and therefore, are not reported in the funds.						598,505
Net position of governmental activities						\$ 668,224,298

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, 2025

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	TSPLOST Fund	Public Facilities Authority		
Revenues:						
Property taxes	\$ 54,685,678	\$ -	\$ -	\$ -	\$ -	\$ 54,685,678
Sales taxes	38,210,569	-	-	-	-	38,210,569
Hotel/Motel taxes	-	-	-	-	5,340,699	5,340,699
Auto excise taxes	-	-	-	-	116,023	116,023
Franchise taxes	10,724,253	-	-	-	-	10,724,253
Business taxes	11,043,025	-	-	-	-	11,043,025
Insurance premium tax	10,310,436	-	-	-	-	10,310,436
Licenses and permits	4,515,311	-	-	-	-	4,515,311
Intergovernmental	446,366	5,001,879	28,137,885	-	654,347	34,240,477
Charges for services	6,374,311	83,037	-	-	6,829,604	13,286,952
Fines and forfeitures	2,552,737	-	-	-	387,380	2,940,117
Interest earned	9,316,475	-	-	8	362,779	9,679,262
Contributions	-	453,000	-	-	-	453,000
Miscellaneous	856,778	2,049	-	-	-	858,827
Total revenues	149,035,939	5,539,965	28,137,885	8	13,690,832	196,404,629
Expenditures:						
Current:						
General government	23,852,138	263,197	-	-	-	24,115,335
Judicial	1,435,039	-	-	-	-	1,435,039
Public safety	52,200,585	309,317	-	-	4,109,753	56,619,655
Public works	18,113,631	2,064,992	-	-	-	20,178,623
Culture and recreation	12,654,163	405,833	-	-	1,832,906	14,892,902
Housing and development	6,393,100	-	-	-	7,024	6,400,124
Capital outlay	-	13,506,780	24,395,476	17,348,166	1,127,614	56,378,036
Debt service:						
Principal	3,347,832	-	-	7,690,000	287,000	11,324,832
Interest	116,543	-	-	4,936,133	55,189	5,107,865
Total expenditures	118,113,031	16,550,119	24,395,476	29,974,299	7,419,486	196,452,411
Excess (deficiency) of revenues over expenditures	30,922,908	(11,010,154)	3,742,409	(29,974,291)	6,271,346	(47,782)
Other financing sources (uses):						
Issuance of lease liability	613,468	-	-	-	-	613,468
Issuance of financed purchase	1,564,163	1,102,700	-	-	-	2,666,863
Transfers in	4,137,508	27,011,778	-	13,376,133	63,028	44,588,447
Transfers out	(38,680,561)	-	-	(397,286)	(5,510,600)	(44,588,447)
Total other financing sources (uses)	(32,365,422)	28,114,478	-	12,978,847	(5,447,572)	3,280,331
Net change in fund balances	(1,442,514)	17,104,324	3,742,409	(16,995,444)	823,774	3,232,549
Fund balances, beginning of year	69,020,278	44,347,847	74,849,157	22,656,671	10,500,884	221,374,837
Fund balances, end of year	\$ 67,577,764	\$ 61,452,171	\$ 78,591,566	\$ 5,661,227	\$ 11,324,658	\$ 224,607,386

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, 2025

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

Net change in fund balances - total governmental funds	\$ 3,232,549
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.	39,888,421
The effect of disposals of capital assets is to decrease net position.	(213,073)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	112,578
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.	8,044,501
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.	(15,235)
Change in net position - governmental activities	\$ <u>51,049,741</u>

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

CITY OF SANDY SPRINGS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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 noncurrent assets and noncurrent 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.

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. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

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

The City reports the following major governmental funds:

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

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

The **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, 2025, 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, 2025, 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 Fitch'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, 2025, 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 and a building. 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, 2025 will be recognized as a revenue and increase net position over the remaining life of the contract. As of June 30, 2025, the present value of the service concession arrangement was \$1,550,000 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, regular holidays, and floating holidays (collectively PTO). Sick pay is accumulated and in accordance with GASB Statement No. 101 and an estimate for the time to be used during employment has been accrued. A liability for the estimated sick leave as earned PTO has been accrued 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 Balance

Fund balance at the governmental fund financial reporting level is classified as “fund balance.” Fund balance 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 Balance (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 \$205,987,705 difference are as follows:

Financed purchases	\$ (3,319,950)
Bonds payable, including premiums and discounts	(202,907,629)
Deferred charges on refunding	12,400,759
Notes payable	(2,670,763)
Lease liabilities	(564,900)
Compensated absences (i.e., vacation, sick)	(8,113,340)
Accrued interest	<u>(811,882)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (205,987,705)</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 \$39,888,421 difference are as follows:

Capital outlay	\$ 59,777,001
Depreciation expense	(18,436,374)
Amortization expense - lease assets	<u>(1,452,206)</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>\$ 39,888,421</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 \$15,235 difference are as follows:

Compensated absences (i.e., vacation, sick)	\$ 196,877
Prepaid interest	(74,454)
Accrued interest - debt	51,682
Amortization of bond premium	702,144
Amortization of deferred charges on refunding	<u>(891,484)</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><u>\$ (15,235)</u></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 \$8,044,501 difference are as follows:

Principal retirements	\$ 11,324,832
Issuance of lease liability	(613,468)
Issuance of financed purchase	<u>(2,666,863)</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><u>\$ 8,044,501</u></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 \$112,578 difference are as follows:

Accrued interest receivable - leases	\$ 3,496
Unavailable revenue - taxes	140,486
Unavailable revenue - intergovernmental	<u>(31,404)</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><u>\$ 112,578</u></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, 2025:

General Fund:	
Public Safety - Fire department	\$ 94,049
Public Safety - E911	209,003
Debt Service - Principal	1,164,681
Debt Service - Interest	54,765
Confiscated Assets Fund	95,522
E911 Fund	132,123
Hotel/Motel Fund	29,150
	<u>\$ 1,779,293</u>

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

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NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2025 are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 226,385,299
Restricted cash and cash equivalents	249
	<u>\$ 226,385,548</u>
Cash deposited with financial institutions	\$ 110,717,753
Cash deposited with Georgia Fund 1	115,667,795
	<u>\$ 226,385,548</u>

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

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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, 2025, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Georgia Fund 1	0.14	AAAf/S1	\$ 115,667,795

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, 2025, 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, 2025, 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, 2025, 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	\$ 9,437,418	\$ 1,545,000	\$ 5,271,799	\$ 629,337
Taxes	4,295,809	-	-	492,218
Leases	4,983,208	-	-	-
Other	1,455,732	9,753	-	581,805
Total receivables	20,172,167	1,554,753	5,271,799	1,703,360
Less allowance for uncollectible	9,615,580	-	-	-
Net total receivable	<u>\$ 10,556,587</u>	<u>\$ 1,554,753</u>	<u>\$ 5,271,799</u>	<u>\$ 1,703,360</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 \$16,406 in interest revenue related to the lease. As of June 30, 2025, the City's receivable for lease payments was \$401,332. 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 \$368,339 as of June 30, 2025.

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 \$132,023 in interest revenue related to the lease. As of June 30, 2025, 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 \$4,466,016 as of June 30, 2025. Also, the City has accrued interest receivable associated with the lease with a balance of \$80,528 as of June 30, 2025.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease receivable - Land	\$ 416,804	\$ -	\$ (15,472)	\$ 401,332	\$ 17,664
Lease receivable - Building	<u>4,581,876</u>	<u>-</u>	<u>-</u>	<u>4,581,876</u>	<u>-</u>
	<u>\$ 4,998,680</u>	<u>\$ -</u>	<u>\$ (15,472)</u>	<u>\$ 4,983,208</u>	<u>\$ 17,664</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASE RECEIVABLE (CONTINUED)

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 17,664	\$ 147,755	\$ 165,419
2027	18,384	160,217	178,601
2028	19,133	159,468	178,601
2029	19,912	158,689	178,601
2030	22,407	157,863	180,270
2031-2035	137,668	832,079	969,747
2036-2040	166,164	878,576	1,044,740
2041-2045	-	949,366	949,366
2046-2050	-	1,044,166	1,044,166
2051-2055	-	1,148,667	1,148,667
2056-2060	-	1,263,607	1,263,607
2061-2065	-	1,389,936	1,389,936
2066-2070	-	1,528,919	1,528,919
2071-2075	-	1,681,812	1,681,812
2076-2080	-	1,849,993	1,849,993
2081-2085	-	2,034,992	2,034,992
2086-2090	-	2,238,491	2,238,491
2091-2095	-	2,462,340	2,462,340
2096-2100	-	2,708,574	2,708,574
2101-2105	-	2,979,432	2,979,432
2106-2110	1,372,061	3,277,375	4,649,436
2111-2115	3,209,815	3,605,112	6,814,927
Total	<u>\$ 4,983,208</u>	<u>\$ 32,657,429</u>	<u>\$ 37,640,637</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	\$ 77,578,357	\$ 5,100	\$ -	\$ -	\$ 77,583,457
Construction in progress	145,843,213	47,528,752	(183,483)	(46,738,540)	146,449,942
Total	<u>223,421,570</u>	<u>47,533,852</u>	<u>(183,483)</u>	<u>(46,738,540)</u>	<u>224,033,399</u>
Capital assets, being depreciated/amortized:					
Buildings	158,282,979	627,038	-	14,054,428	172,964,445
Improvements	101,102,180	1,050,504	-	19,477,563	121,630,247
Machinery and equipment	59,186,927	7,720,989	(770,398)	59,575	66,197,093
Infrastructure	247,718,425	2,201,561	(248,574)	13,146,974	262,818,386
Right-to-use lease asset - Buildings	2,052,389	-	-	-	2,052,389
Right-to-use lease asset - Equipment	1,736,791	643,057	-	-	2,379,848
Total	<u>570,079,691</u>	<u>12,243,149</u>	<u>(1,018,972)</u>	<u>46,738,540</u>	<u>628,042,408</u>
Less accumulated depreciation/amortization for:					
Buildings	(25,759,867)	(4,512,012)	-	-	(30,271,879)
Improvements	(21,060,787)	(3,306,395)	-	-	(24,367,182)
Machinery and equipment	(42,132,257)	(4,802,970)	770,398	-	(46,164,829)
Infrastructure	(92,749,778)	(5,814,997)	218,984	-	(98,345,791)
Right-to-use lease asset - Buildings	(1,081,028)	(961,028)	-	-	(2,042,056)
Right-to-use lease asset - Equipment	(1,108,419)	(491,178)	-	-	(1,599,597)
Total	<u>(183,892,136)</u>	<u>(19,888,580)</u>	<u>989,382</u>	<u>-</u>	<u>(202,791,334)</u>
Total capital assets being depreciated/amortized, net	<u>386,187,555</u>	<u>(7,645,431)</u>	<u>(29,590)</u>	<u>46,738,540</u>	<u>425,251,074</u>
Governmental activities capital assets, net	<u>\$ 609,609,125</u>	<u>\$ 39,888,421</u>	<u>\$ (213,073)</u>	<u>\$ -</u>	<u>\$ 649,284,473</u>

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

Governmental activities:	
General government	\$ 6,991,813
Judicial	8,096
Public safety	3,903,578
Public works	6,154,438
Culture and recreation	2,756,119
Housing and development	74,536
Total depreciation/amortization expense - governmental activities	<u>\$ 19,888,580</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 207,355,000	\$ -	\$ (7,690,000)	\$ 199,665,000	\$ 7,975,000
Plus: Premiums	3,944,773	-	(702,144)	3,242,629	-
Total bonds payable	211,299,773	-	(8,392,144)	202,907,629	7,975,000
Financed purchases from direct borrowings	2,398,822	2,666,863	(1,745,735)	3,319,950	790,398
Notes payable from direct borrowings	3,175,415	-	(504,652)	2,670,763	508,292
Lease liability	1,620,312	613,468	(1,668,880)	564,900	138,912
Compensated absences*	8,310,217	-	(196,877)	8,113,340	4,056,670
Governmental activity Long-term liabilities	<u>\$ 226,804,539</u>	<u>\$ 3,280,331</u>	<u>\$ (12,508,288)</u>	<u>\$ 217,576,582</u>	<u>\$ 13,469,272</u>

*The change in compensated absence liability is reported as a net change.

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

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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 matured in 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.

During May 2025, 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 \$1,102,700. Annual payments of \$393,346 began in May 2025 and will continue through May 2027.

During June 2025, the City entered into an agreement to finance the purchase of radio equipment. The equipment has an original cost of \$1,564,163. Annual payments of \$358,889 began in July 2025 and will continue through July 2029.

The debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 790,398	\$ 47,432	\$ 837,830
2027	1,108,930	87,789	1,196,719
2028	751,025	52,349	803,374
2029	327,016	31,873	358,889
2030	342,581	16,307	358,888
	<u>\$ 3,319,950</u>	<u>\$ 235,750</u>	<u>\$ 3,555,700</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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 semiannual 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.

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 semiannually 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, 2025.

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 semiannually on May 1 and November 1 beginning in May of 2021 through the maturity date of May 1, 2040.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 7,975,000	\$ 4,659,882	\$ 12,634,882
2027	8,295,000	4,355,378	12,650,378
2028	8,475,000	4,217,748	12,692,748
2029	8,675,000	4,032,072	12,707,072
2030	8,880,000	3,826,452	12,706,452
2031-2035	47,295,000	16,348,438	63,643,438
2036-2040	52,230,000	11,654,738	63,884,738
2041-2045	40,260,000	6,379,318	46,639,318
2046-2047	17,580,000	1,355,016	18,935,016
Total	<u>\$ 199,665,000</u>	<u>\$ 56,829,042</u>	<u>\$ 256,494,042</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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,	Principal	Interest	Total
2026	\$ 221,292	\$ 14,038	\$ 235,330
2027	224,993	10,336	235,329
2028	228,757	6,573	235,330
2029	232,583	2,746	235,329
2030	39,138	81	39,219
Total	<u>\$ 946,763</u>	<u>\$ 33,774</u>	<u>\$ 980,537</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 semiannually 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,	Principal	Interest	Total
2026	\$ 287,000	\$ 47,431	\$ 334,431
2027	287,000	39,398	326,398
2028	287,000	31,175	318,175
2029	287,000	22,774	309,774
2030	287,000	13,920	300,920
2031	289,000	4,675	293,675
Total	<u>\$ 1,724,000</u>	<u>\$ 159,373</u>	<u>\$ 1,883,373</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Leases

City as a Lessee

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, 2025, the value of the lease liability was \$11,256. 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 one year and the value of the right-to-use asset as of the end of the current fiscal year was \$250,640 and had accumulated amortization of \$240,307.

In July 2023, the City entered into a lease agreement as lessee for the use of 7840 Roswell Road Building 300 for a term of two (2) years. The initial lease liability was recorded in the amount of \$520,400. The lease liability was paid in full as of June 30, 2025.

In July 2023, the City entered into a lease agreement as lessee for the use of 7840 Roswell Road Building 400 for a term of two (2) years. The initial lease liability was recorded in the amount of \$648,397. The lease liability was paid in full as of June 30, 2025.

In July 2023, the City entered into a lease agreement as lessee for the use of 7840 Roswell Road Suites 501 and 510 for a term of two (2) years. The initial lease liability was recorded in the amount of \$632,952. The lease liability was paid in full as of June 30, 2025.

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. The lease liability was paid in full as of June 30, 2025. However, the agreement has one year remaining and the City will amortize the right-to-use asset for the remaining period.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Leases (Continued)

City as a Lessee (continued)

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, 2025, the value of the lease liability is \$64,783. 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 three years and the value of the right-to-use asset as of June 30, 2025 of \$176,227 with accumulated amortization of \$112,100.

In July 2024, the City entered into a lease agreement as lessee for the use of defibrillator equipment for a term of six (6) years. The initial lease liability was recorded in the amount of \$613,468. As of June 30, 2025, the value of the lease liability is \$488,861. The City is required to make annual fixed payments of \$124,607. The lease has an interest rate of 8.67%. The equipment has a useful life equal to the remaining lease term of three years and the value of the right-to-use asset as of June 30, 2025 of \$643,057 with accumulated amortization of \$100,329. The City traded in defibrillator equipment as a part of the lease and therefore as a result, the right-to-use asset value is greater than the initial lease liability.

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 138,912	\$ 43,791	\$ 182,703
2027	108,706	35,405	144,111
2028	97,100	27,507	124,607
2029	105,518	19,089	124,607
2030	114,664	9,941	124,605
Total	<u>\$ 564,900</u>	<u>\$ 135,733</u>	<u>\$ 700,633</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 916,251
Capital Projects Fund	Nonmajor governmental funds	1,770,377
		<u>\$ 2,686,628</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.

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	\$ 294,634

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 3,740,222
Capital Projects Fund	General Fund	25,241,400
Capital Projects Fund	Nonmajor Governmental Funds	1,770,378
Public Facilities Authority Fund	General Fund	13,376,133
General Fund	Public Facilities Authority Fund	397,286
Nonmajor Governmental Funds	General Fund	63,028
		<u>\$ 44,588,447</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) move funds from the General Fund to the Public Facilities Authority Fund for debt service and fire station #4 renovations, and (4) move funds from the Public Facilities Authority Fund to the General Fund for excess funds not used for fire station #5.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

In addition to the liabilities enumerated in the statement of net position, at June 30, 2025, the City has contractual commitments on uncompleted contracts of \$44,929,456.

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.

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

The City of Sandy Springs' Profit Sharing Plan is a single employer defined contribution plan established and administered by the City of Sandy Springs for all full time employees. At June 30, 2025, there were 488 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, 2025, the City's contribution to the Plan, which was also the City's pension expense, was \$5,332,139 and employees contributed \$2,090,243.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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, 2025, the City of Sandy Springs has collected and remitted \$3,632,123 of E911 revenues. Since the inception of ChattComm, the City of Sandy Springs has contributed approximately \$9,412,927 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, 2025. At June 30, 2025, ChattComm had a negative net position of (\$9,892,433). 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 12. 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, 2025, the City of Sandy Springs contributed \$929,704 to the Authority. Separate financial statements may be obtained from the City of Alpharetta, who has been contracted by the Authority to serve as the accountants, at 2 Park Plaza, Alpharetta, Georgia 30009.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2025, the City received \$5,340,699 in hotel/motel taxes. Of this amount, \$3,815,396, or 71.4%, was used for the promotion of tourism, conventions, or trade shows.

NOTE 14. 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, 2025, the City received \$116,023 in motor vehicle excise taxes. Of this amount, \$116,023, or 100%, was used for these purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. 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.

NOTE 16. SUBSEQUENT EVENT

In September 2025, the Sandy Springs Public Facilities Authority issued Series 2025 Revenue Bonds of \$48,810,000 for the purpose of various fire and safety projects. Principal payments are due annually beginning May 1, 2026 until final maturity at May 1, 2055.

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	\$ 49,220,000	\$ 49,220,000	\$ 54,685,678	\$ 5,465,678
Sales taxes	31,500,000	31,500,000	38,210,569	6,710,569
Franchise taxes	9,175,000	9,175,000	10,724,253	1,549,253
Business taxes	10,065,000	10,065,000	11,043,025	978,025
Insurance premium tax	9,000,000	9,000,000	10,310,436	1,310,436
Licenses and permits	2,523,500	2,523,500	4,515,311	1,991,811
Intergovernmental	386,000	386,000	446,366	60,366
Charges for services	6,267,620	6,267,620	6,374,311	106,691
Fines and forfeitures	2,000,000	2,000,000	2,552,737	552,737
Interest earned	8,000,000	8,000,000	9,316,475	1,316,475
Miscellaneous	839,500	839,500	856,778	17,278
Total revenues	128,976,620	128,976,620	149,035,939	20,059,319
Expenditures:				
Current:				
General government:				
Mayor and council	309,260	309,260	300,440	8,820
City manager	1,690,610	1,629,870	1,328,221	301,649
General operations	7,868,438	7,604,355	6,690,668	913,687
Legal services	1,497,700	1,504,813	1,409,088	95,725
Human resources	1,031,900	1,031,900	863,225	168,675
Facilities and buildings	8,325,090	8,150,090	6,529,954	1,620,136
City clerk	654,600	654,600	558,909	95,691
Data processing/MIS	4,339,200	4,352,200	3,943,431	408,769
Public information	2,527,710	2,530,610	2,228,202	302,408
Total general government	28,244,508	27,767,698	23,852,138	3,915,560
Judicial	1,767,600	1,767,600	1,435,039	332,561
Public safety:				
Police department	31,213,100	31,373,100	31,120,483	252,617
Fire department	18,731,700	18,779,700	18,873,749	(94,049)
E911	1,997,350	1,997,350	2,206,353	(209,003)
Total public safety	51,942,150	52,150,150	52,200,585	(50,435)
Public works:				
Public works	16,442,929	16,499,529	15,345,174	1,154,355
Sanitation and wastewater	371,610	4,273,419	2,524,975	1,748,444
Storm drainage	133,180	481,371	243,482	237,889
Total public works	16,947,719	21,254,319	18,113,631	3,140,688
Culture and recreation:				
Recreation	4,767,945	4,886,645	4,287,876	598,769
Special facilities	8,708,812	8,708,812	8,366,287	342,525
Total culture and recreation	13,476,757	13,595,457	12,654,163	941,294

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, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
Housing and development:				
Building/inspection/code enforcement	\$ 6,390,950	\$ 6,417,431	\$ 6,158,549	\$ 258,882
Economic development	652,400	652,400	234,551	417,849
Total housing and development	<u>7,043,350</u>	<u>7,069,831</u>	<u>6,393,100</u>	<u>676,731</u>
Debt service:				
Principal	2,231,151	2,183,151	3,347,832	(1,164,681)
Interest	61,778	61,778	116,543	(54,765)
Total debt service	<u>2,292,929</u>	<u>2,244,929</u>	<u>3,464,375</u>	<u>(1,219,446)</u>
 Total expenditures	 <u>121,715,013</u>	 <u>125,849,984</u>	 <u>118,113,031</u>	 <u>7,736,953</u>
 Excess of revenues over expenditures	 7,261,607	 3,126,636	 30,922,908	 27,796,272
Other financing sources (uses):				
Issuance of lease liability	-	-	613,468	613,468
Issuance of financed purchase	-	-	1,564,163	1,564,163
Transfers in	(587,350)	4,059,936	4,137,508	77,572
Transfers out	<u>(38,302,533)</u>	<u>(38,680,561)</u>	<u>(38,680,561)</u>	<u>-</u>
Total other financing sources (uses)	<u>(38,889,883)</u>	<u>(34,620,625)</u>	<u>(32,365,422)</u>	<u>2,255,203</u>
 Net change in fund balances	 (31,628,276)	 (31,493,989)	 (1,442,514)	 30,051,475
 Fund balance, beginning of year	 <u>69,020,278</u>	 <u>69,020,278</u>	 <u>69,020,278</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 37,392,002</u>	 <u>\$ 37,526,289</u>	 <u>\$ 67,577,764</u>	 <u>\$ 30,051,475</u>

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

NONMAJOR GOVERNMENTAL FUNDS

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

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, 2025

ASSETS	Special Revenue Funds				
	Confiscated Assets Fund	Opioid Settlement Fund	E911 Fund	Tree Fund	Federal Grants Fund
Cash	\$ 868,880	\$ 206,006	\$ -	\$ 1,511,654	\$ -
Taxes receivable	-	-	-	-	-
Intergovernmental receivable	-	475,468	-	-	122,394
Other receivable	-	-	581,805	-	-
Prepaid items	-	-	-	-	17
Total assets	<u>\$ 868,880</u>	<u>\$ 681,474</u>	<u>\$ 581,805</u>	<u>\$ 1,511,654</u>	<u>\$ 122,411</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 9,191	\$ -	\$ 581,805	\$ -	\$ 19,835
Due to other funds	182,445	-	-	690,976	102,576
Due to component unit	-	-	-	-	-
Total liabilities	<u>191,636</u>	<u>-</u>	<u>581,805</u>	<u>690,976</u>	<u>122,411</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - intergovernmental	-	443,522	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>443,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	-	-	-	-	17
Restricted:					
Public safety projects	677,244	237,952	-	-	-
Infrastructure improvements	-	-	-	-	-
Committed:					
Tree replacement	-	-	-	321,492	-
Assigned:					
Tree replacement	-	-	-	499,186	-
Federal programs	-	-	-	-	-
Unassigned	-	-	-	-	(17)
Total fund balances	<u>677,244</u>	<u>237,952</u>	<u>-</u>	<u>820,678</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 868,880</u>	<u>\$ 681,474</u>	<u>\$ 581,805</u>	<u>\$ 1,511,654</u>	<u>\$ 122,411</u>

Special Revenue Funds					
CDBG Fund	Hotel/ Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	Total Nonmajor Governmental Funds	
\$ 2,235,356	\$ 433,646	\$ -	\$ 8,447,326	\$ 13,702,868	
-	483,075	9,143	-	492,218	
31,475	-	-	-	629,337	
-	-	-	-	581,805	
-	-	-	-	17	
<u>\$ 2,266,831</u>	<u>\$ 916,721</u>	<u>\$ 9,143</u>	<u>\$ 8,447,326</u>	<u>\$ 15,406,245</u>	
\$ 43,748	\$ -	\$ -	\$ 2,224	\$ 656,803	
-	622,087	9,143	1,079,401	2,686,628	
-	294,634	-	-	294,634	
<u>43,748</u>	<u>916,721</u>	<u>9,143</u>	<u>1,081,625</u>	<u>3,638,065</u>	
-	-	-	-	443,522	
-	-	-	-	443,522	
-	-	-	-	17	
-	-	-	-	915,196	
-	-	-	7,365,701	7,365,701	
-	-	-	-	321,492	
-	-	-	-	499,186	
2,223,083	-	-	-	2,223,083	
-	-	-	-	(17)	
<u>2,223,083</u>	<u>-</u>	<u>-</u>	<u>7,365,701</u>	<u>11,324,658</u>	
<u>\$ 2,266,831</u>	<u>\$ 916,721</u>	<u>\$ 9,143</u>	<u>\$ 8,447,326</u>	<u>\$ 15,406,245</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, 2025

	Special Revenue Funds				
	Confiscated Assets Fund	Opioid Settlement Fund	E911 Fund	Tree Fund	Federal Grants Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	271,621
Charges for services	-	-	3,632,123	792,647	-
Fines and forfeitures	334,534	52,846	-	-	-
Interest income	-	-	-	-	-
Total revenues	334,534	52,846	3,632,123	792,647	271,621
EXPENDITURES					
Current:					
Public safety	200,522	2,459	3,632,123	-	274,649
Culture and recreation	-	-	-	116,406	-
Housing and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	200,522	2,459	3,632,123	116,406	274,649
Excess (deficiency) of revenues over expenditures	134,012	50,387	-	676,241	(3,028)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	60,000	3,028
Transfers out	-	-	-	(690,976)	-
Total other financing sources (uses)	-	-	-	(630,976)	3,028
Net change in fund balances	134,012	50,387	-	45,265	-
FUND BALANCES, beginning of year	543,232	187,565	-	775,413	-
FUND BALANCES, end of year	\$ 677,244	\$ 237,952	\$ -	\$ 820,678	\$ -

Special Revenue Funds				Total Nonmajor Governmental Funds
CDBG Fund	Hotel/ Motel Fund	Auto Excise Tax Fund	Impact Fees Fund	
\$ -	\$ 5,340,699	\$ 116,023	\$ -	\$ 5,456,722
382,726	-	-	-	654,347
-	-	-	2,404,834	6,829,604
-	-	-	-	387,380
110,512	-	-	252,267	362,779
493,238	5,340,699	116,023	2,657,101	13,690,832
-	-	-	-	4,109,753
-	1,716,500	-	-	1,832,906
-	-	-	7,024	7,024
1,127,614	-	-	-	1,127,614
287,000	-	-	-	287,000
55,189	-	-	-	55,189
1,469,803	1,716,500	-	7,024	7,419,486
(976,565)	3,624,199	116,023	2,650,077	6,271,346
-	-	-	-	63,028
-	(3,624,199)	(116,023)	(1,079,402)	(5,510,600)
-	(3,624,199)	(116,023)	(1,079,402)	(5,447,572)
(976,565)	-	-	1,570,675	823,774
3,199,648	-	-	5,795,026	10,500,884
\$ 2,223,083	\$ -	\$ -	\$ 7,365,701	\$ 11,324,658

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	\$ 105,000	\$ 105,000	\$ 334,534	\$ 229,534
Total revenues	105,000	105,000	334,534	229,534
Expenditures:				
Public safety	105,000	105,000	200,522	(95,522)
Total expenditures	105,000	105,000	200,522	(95,522)
Net change in fund balances	-	-	134,012	134,012
Fund balances, beginning of year	543,232	543,232	543,232	-
Fund balances, end of year	<u>\$ 543,232</u>	<u>\$ 543,232</u>	<u>\$ 677,244</u>	<u>\$ 134,012</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, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 150,000	\$ 150,000	\$ 52,846	\$ (97,154)
Total revenues	150,000	150,000	52,846	(97,154)
Expenditures:				
Public safety	150,000	150,000	2,459	147,541
Total expenditures	150,000	150,000	2,459	147,541
Net change in fund balances	-	-	50,387	50,387
Fund balances, beginning of year	187,565	187,565	187,565	-
Fund balances, end of year	<u>\$ 187,565</u>	<u>\$ 187,565</u>	<u>\$ 237,952</u>	<u>\$ 50,387</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, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 3,500,000	\$ 3,500,000	\$ 3,632,123	\$ 132,123
Total revenues	3,500,000	3,500,000	3,632,123	132,123
Expenditures:				
Public safety	3,500,000	3,500,000	3,632,123	(132,123)
Total expenditures	3,500,000	3,500,000	3,632,123	(132,123)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	\$ 150,000	\$ 150,000	\$ 792,647	\$ 642,647
Total revenues	150,000	150,000	792,647	642,647
Expenditures:				
Culture and recreation	155,189	119,189	116,406	2,783
Total expenditures	155,189	119,189	116,406	2,783
Excess (deficiency) of revenues over expenditures	(5,189)	30,811	676,241	645,430
Other financing sources (uses):				
Transfers in	60,000	60,000	60,000	-
Transfers out	(590,000)	(817,244)	(690,976)	126,268
Total other financing sources (uses)	(530,000)	(757,244)	(630,976)	126,268
Net change in fund balances	(535,189)	(726,433)	45,265	771,698
Fund balances, beginning of year	775,413	775,413	775,413	-
Fund balances, end of year	<u>\$ 240,224</u>	<u>\$ 48,980</u>	<u>\$ 820,678</u>	<u>\$ 771,698</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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 442,380	\$ 461,758	\$ 271,621	\$ (190,137)
Total revenues	442,380	461,758	271,621	(190,137)
Expenditures:				
Public safety	434,880	457,286	274,649	182,637
Total expenditures	434,880	457,286	274,649	182,637
Excess (deficiency) of revenues over expenditures	7,500	4,472	(3,028)	(7,500)
Other financing sources:				
Transfers in	-	3,028	3,028	-
Total other financing sources	-	3,028	3,028	-
Net change in fund balances	7,500	7,500	-	(7,500)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ (7,500)</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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 658,889	\$ 653,068	\$ 382,726	\$ (270,342)
Interest income	-	-	110,512	110,512
Total revenues	658,889	653,068	493,238	(159,830)
Expenditures:				
Capital outlay	3,188,700	3,182,879	1,127,614	2,055,265
Debt service:				
Principal	287,000	287,000	287,000	-
Interest	55,189	55,189	55,189	-
Total expenditures	3,530,889	3,525,068	1,469,803	2,055,265
Net change in fund balances	(2,872,000)	(2,872,000)	(976,565)	1,895,435
Fund balances, beginning of year	3,199,648	3,199,648	3,199,648	-
Fund balances, end of year	<u>\$ 327,648</u>	<u>\$ 327,648</u>	<u>\$ 2,223,083</u>	<u>\$ 1,895,435</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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	\$ 5,250,000	\$ 5,250,000	\$ 5,340,699	\$ 90,699
Total revenues	5,250,000	5,250,000	5,340,699	90,699
Expenditures:				
Culture and recreation	1,687,350	1,687,350	1,716,500	(29,150)
Total expenditures	1,687,350	1,687,350	1,716,500	(29,150)
Excess of revenues over expenditures	3,562,650	3,562,650	3,624,199	61,549
Other financing uses:				
Transfers out	(3,562,650)	(3,562,650)	(3,624,199)	(61,549)
Total other financing uses	(3,562,650)	(3,562,650)	(3,624,199)	(61,549)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF SANDY SPRINGS, GEORGIA

AUTO EXCISE TAX FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 100,000	\$ 100,000	\$ 116,023	\$ 16,023
Total revenues	100,000	100,000	116,023	16,023
Excess of revenues over expenditures	100,000	100,000	116,023	16,023
Other financing uses:				
Transfers out	(100,000)	(100,000)	(116,023)	(16,023)
Total other financing uses	(100,000)	(100,000)	(116,023)	(16,023)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	\$ 30,000	\$ 30,000	\$ 2,404,834	\$ 2,374,834
Interest income	-	-	252,267	252,267
Total revenues	30,000	30,000	2,657,101	2,627,101
Expenditures:				
Housing and development	10,000	10,000	7,024	2,976
Total expenditures	10,000	10,000	7,024	2,976
Excess of revenues over expenditures	20,000	20,000	2,650,077	2,630,077
Other financing uses:				
Transfers out	(20,000)	(5,476,245)	(1,079,402)	4,396,843
Total other financing uses	(20,000)	(5,476,245)	(1,079,402)	4,396,843
Net change in fund balances	-	(5,456,245)	1,570,675	7,026,920
Fund balances, beginning of year	5,795,026	5,795,026	5,795,026	-
Fund balances, end of year	<u>\$ 5,795,026</u>	<u>\$ 338,781</u>	<u>\$ 7,365,701</u>	<u>\$ 7,026,920</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, 2025

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Traffic Efficiency Improvements	\$ 18,000,000	\$ 22,029,353	\$ 18,561,591	\$ 2,834,249	\$ 21,395,840	97.1 %
Perimeter Transit Last Mile Connectivity, Sidewalk Program, Mt. Vernon Highway Multiuse Path	28,500,000	30,631,184	18,378,031	3,884,232	22,262,263	72.68 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements, Hammond Drive, Phase 1 Efficiency Improvements	41,649,009	42,930,761	27,046,304	6,832,939	33,879,243	78.92 %
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)	-	-	-	0.00 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements	350,991	- (1)	-	-	-	0.00 %
Johnson Ferry Road/Mt. Vernon Highway Efficiency Improvements	2,704,716	- (1)	-	-	-	0.00 %
TSPLOST TIER 3						
Roadway Maintenance and Paving	15,617,086	- (1)	-	-	-	0.00 %
TOTAL TSPLOST	\$ 119,321,802	\$ 95,591,298	\$ 63,985,926	\$ 13,551,420	\$ 77,537,346	
Plus expenditures of grant funds:						
Last Mile Connectivity - PeachtreeDun Bike/Ped Trail				77,006		
Mount Vernon Multiuse Path				225,885		
Total 2016 TSPLOST Expenditures				\$ 13,854,311		

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, 2025

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Operations and Safety Improvements	\$ 18,325,000	\$ 15,615,000	\$ 673,867	\$ 329,138	\$ 1,003,005	6.42 %
Pedestrian and Bike Improvements	21,779,153	24,486,153	2,074,968	3,704,413	5,779,381	23.60 %
Bridges	6,160,000	6,163,000	3,299,715	75,538	3,375,253	54.77 %
Congestion Relief	38,500,000	38,500,000	4,714,315	2,954,756	7,669,071	19.92 %
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	\$ 10,762,865	\$ 7,063,845	\$ 17,826,710	
Plus expenditures of grant funds:						
Operations and Safety Improvements - Roswell Road North Boulevard				628,809		
Pedestrian and Bike Improvements - SR 400 Multi-Use Trail				2,764,470		
Pedestrian and Bike Improvements - Glenridge Hammond/Wellington				84,041		
Total 2021 TSPLOST Expenditures				\$ 10,541,165		

COMPONENT UNITS

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

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

CITY OF SANDY SPRINGS, GEORGIA

BALANCE SHEET COMPONENT UNIT - SANDY SPRINGS HOSPITALITY & TOURISM JUNE 30, 2025

ASSETS

Cash	\$ 1,847,680
Accounts receivable	10,705
Due from primary government	294,634
Prepaid items	<u>55,933</u>
Total assets	<u>\$ 2,208,952</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	<u>\$ 235,571</u>
Total liabilities	<u>235,571</u>

FUND BALANCE

Nonspendable - prepaid items	55,933
Restricted for tourism	<u>1,917,448</u>
Total fund balance	<u>1,973,381</u>
Total liabilities and fund balance	<u>\$ 2,208,952</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, 2025

REVENUES

Intergovernmental	\$ 1,716,501
Miscellaneous	<u>20,104</u>
Total revenues	<u>1,736,605</u>

EXPENDITURES

Current:	
Housing and development	<u>2,661,746</u>

Debt service:

Principal	50,838
Interest	<u>7,627</u>
Total debt service	<u>58,465</u>

Total expenditures	2,720,211
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Other financing sources:

Issuance of lease liability	<u>509,357</u>
Total other financing sources	<u>509,357</u>

Net change in fund balance	(474,249)
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FUND BALANCE, beginning of year	<u>2,447,630</u>
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FUND BALANCE, end of year	<u><u>\$ 1,973,381</u></u>
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CITY OF SANDY SPRINGS, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DEVELOPMENT AUTHORITY
JUNE 30, 2025

ASSETS

Cash	\$ 103,045
	<u>103,045</u>
Total assets	<u>\$ 103,045</u>

FUND BALANCE

Restricted for development	\$ 103,045
	<u>103,045</u>
Total fund balance	<u>\$ 103,045</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, 2025

REVENUES

Charges for services	\$ 421,874
	<u>421,874</u>
Total revenues	<u>421,874</u>

EXPENDITURES

Current:	
Community development	<u>424,878</u>
Total expenditures	<u>424,878</u>
Net change in fund balance	(3,004)

FUND BALANCE, beginning of year	<u>106,049</u>
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FUND BALANCE, end of year	<u><u>\$ 103,045</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..... 76

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 86

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

Debt Capacity 91

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..... 94

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 97

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)

	2025	2024	2023	2022	2021
Primary government:					
Net investment in capital assets	\$ 444,926,617	\$ 416,811,564	\$ 367,043,192	\$ 330,327,766	\$ 316,301,742
Restricted	92,524,925	87,243,419	77,731,725	67,925,213	59,747,342
Unrestricted	130,772,756	113,119,574	118,988,944	118,853,158	108,859,047
Total primary government net position	<u>\$ 668,224,298</u>	<u>\$ 617,174,557</u>	<u>\$ 563,763,861</u>	<u>\$ 517,106,137</u>	<u>\$ 484,908,131</u>

2020	2019	2018	2017	2016
\$ 318,342,207	\$ 297,446,240	\$ 276,338,164	\$ 253,053,379	\$ 243,216,434
48,435,304	44,985,095	61,044,391	8,476,972	5,755,644
91,630,708	81,376,670	52,871,010	87,470,740	84,692,787
<u>\$ 458,408,219</u>	<u>\$ 423,808,005</u>	<u>\$ 390,253,565</u>	<u>\$ 349,001,091</u>	<u>\$ 333,664,865</u>

CITY OF SANDY SPRINGS, GEORGIA

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

	2025	2024	2023	2022	2021
Expenses					
General government	\$ 30,294,134	\$ 30,110,102	\$ 25,345,872	\$ 23,440,173	\$ 23,490,759
Judicial	1,440,576	1,166,282	1,251,216	940,350	1,215,519
Public safety	59,146,138	51,733,690	52,073,063	51,837,529	43,481,583
Public works	25,614,900	29,546,223	27,618,045	30,916,105 (4)	27,268,850
Health and welfare	-	-	8,111	-	1,006,918 (3)
Culture and recreation	17,227,196	16,670,974	13,432,564	10,689,505	12,178,080
Housing and development	6,454,134	6,332,142	5,456,446	4,711,685	4,954,816
Interest on long-term debt	5,316,481	4,617,960	5,408,365	5,668,978	5,993,692
Total expenses	<u>\$ 145,493,559</u>	<u>\$ 140,177,373</u>	<u>\$ 130,593,682</u>	<u>\$ 128,204,325</u>	<u>\$ 119,590,217</u>
Program revenues					
Charges for services:					
General government	\$ 857,923	\$ 893,759	\$ 908,920	\$ 886,045	\$ 869,166
Judicial	2,552,737	2,169,859	2,561,652	2,460,443	2,537,398
Public safety	4,109,719	4,201,923	4,490,395	3,879,072	3,907,187
Public works	2,487,871	194,718	1,629,312	1,124,649	676,095
Culture and recreation	6,339,986	6,299,507	4,293,019	2,915,506	771,329
Housing and development	4,500,939	2,758,243	3,743,496	4,289,195	2,138,784
Operating grants and contributions	453,000	30,428	-	4,750,388	4,567,629 (2)
Capital grants and contributions	34,209,073	44,790,756	30,911,118 (6)	22,897,495	24,503,340
Total program revenues	<u>\$ 55,511,248</u>	<u>\$ 61,339,193</u>	<u>\$ 48,537,912</u>	<u>\$ 43,202,793</u>	<u>\$ 39,970,928</u>
Net (expense)/revenue	<u>\$ (89,982,311)</u>	<u>\$ (78,838,180)</u>	<u>\$ (82,055,770)</u>	<u>\$ (85,001,532)</u>	<u>\$ (79,619,289)</u>
General Revenues and Other Changes in Net Position					
Taxes					
Property taxes	\$ 54,826,164	\$ 51,608,371	\$ 50,504,655	\$ 48,843,037	\$ 46,896,331
Sales taxes	38,210,569	37,674,223	37,161,097	35,415,246 (5)	29,163,162
Other taxes	37,534,436	35,135,158	34,378,520	31,589,920	29,345,381
Unrestricted investment earnings	9,679,262	10,361,787 (8)	5,340,674 (7)	420,041	124,317
Miscellaneous revenues	752,032	1,092,938	1,328,548	931,294	590,010
Gain on sale of capital assets	29,589	-	-	-	-
Total	<u>\$ 141,032,052</u>	<u>\$ 135,872,477</u>	<u>\$ 128,713,494</u>	<u>\$ 117,199,538</u>	<u>\$ 106,119,201</u>
Change in Net Position	<u>\$ 51,049,741</u>	<u>\$ 57,034,297</u>	<u>\$ 46,657,724</u>	<u>\$ 32,198,006</u>	<u>\$ 26,499,912</u>

Notes:

- (1) - In 2018, the City increased impact fees and there were several new projects and developments.
- (2) - In 2021, the City received COVID-19 relief funding from the Coronavirus Relief Fund.
- (3) - In 2021, the City experienced significant costs associated with community health initiatives responding to the COVID -19 pandemic.
- (4) - In 2022, the City experienced a significant increase in non-depreciable road resurfacing projects.
- (5) - In 2022, the City experienced an increase in sales tax revenue resulting from businesses re-opening following the pandemic.
- (6) - In 2023 and 2024, the City's TSPLOST projects had increased activity.
- (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) - In 2024, the City continued to see increased interest earnings on their Georgia Fund 1 deposits after a full year at a 5.2% interest rate.

2020	2019	2018	2017	2016
\$ 22,032,642	\$ 20,570,073	\$ 14,774,462	\$ 12,198,772	\$ 11,497,805
1,350,747	1,500,223	1,621,822	1,530,501	1,480,915
40,247,937	40,621,132	37,471,210	35,514,365	34,184,497
21,716,386	17,614,378	22,343,592	18,888,072	16,052,761
-	-	-	-	-
8,668,399	11,784,629	12,125,056	8,545,292	15,500,207
4,525,417	6,249,077	5,750,697	5,872,460	5,294,454
6,275,574	6,489,771	6,317,627	6,421,029	4,541,961
<u>\$ 104,817,102</u>	<u>\$ 104,829,283</u>	<u>\$ 100,404,466</u>	<u>\$ 88,970,491</u>	<u>\$ 88,552,600</u>
\$ 853,600	\$ 1,721,471	\$ 871,594	\$ 839,593	\$ 788,373
2,203,624	2,543,046	2,650,421	2,611,790	2,850,289
4,207,705	4,127,827	3,653,718	3,585,456	3,486,436
915,039	1,598,758 (1)	7,040,817	3,004,014	1,403,124
1,318,119	1,480,729	644,594	682,874	779,550
2,210,204	2,130,066	4,019,473	4,441,424	3,157,280
76,200	1,933	151,259	5,625	3,091
22,994,707	22,994,063	22,775,443	2,665,236	3,292,060
<u>\$ 34,779,198</u>	<u>\$ 36,597,893</u>	<u>\$ 41,807,319</u>	<u>\$ 17,836,012</u>	<u>\$ 15,760,203</u>
<u>\$ (70,037,904)</u>	<u>\$ (68,231,390)</u>	<u>\$ (58,597,147)</u>	<u>\$ (71,134,479)</u>	<u>\$ (72,792,397)</u>
\$ 42,913,155	\$ 38,192,028	\$ 34,803,725	\$ 33,556,314	\$ 33,240,654
27,790,829	28,981,123	27,474,424	29,989,575	25,812,125
29,938,267	32,009,808	31,285,973	30,980,394	30,749,432
1,521,138	1,852,629	912,960	1,091,867	489,424
2,474,729	750,242	2,811,263	790,598	614,813
-	-	2,561,276	850,242	-
<u>\$ 104,638,118</u>	<u>\$ 101,785,830</u>	<u>\$ 99,849,621</u>	<u>\$ 97,258,990</u>	<u>\$ 90,906,448</u>
<u>\$ 34,600,214</u>	<u>\$ 33,554,440</u>	<u>\$ 41,252,474</u>	<u>\$ 26,124,511</u>	<u>\$ 18,114,051</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
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
2024	51,608,371	37,674,223	5,437,668	9,847,227	19,850,263	124,417,752
2025	54,826,164	38,210,569	5,340,699	10,724,253	21,469,484	130,571,169

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

	2025	2024	2023	2022	2021
General Fund					
Nonspendable - Prepaids	\$ 2,607,837	\$ 1,610,969	\$ 1,801,345	\$ 1,607,727	\$ 1,072,666
Nonspendable - Inventory	46,468	19,235	34,275	30,740	20,536
Nonspendable - Leases	148,853	89,300	27,671	-	-
Assigned - Stormwater projects	-	-	-	-	-
Appropriations of fund balance for next fiscal year's budget	30,169,598	31,590,865	22,685,951	20,929,552	1,212,505
Unassigned	34,605,008	35,709,909	39,335,782	37,076,382	67,349,843
Total general fund	<u>\$ 67,577,764</u>	<u>\$ 69,020,278</u>	<u>\$ 63,885,024</u>	<u>\$ 59,644,401</u>	<u>\$ 69,655,550</u>
All Other Governmental Funds					
Nonspendable - Prepaids	\$ 1,192,935	\$ -	\$ 2,155,218	\$ 56,795	\$ -
Restricted:					
Public safety	915,196	730,797	1,061,637	770,527	729,990
Recreation	-	-	-	-	-
Infrastructure improvements	85,957,267	80,644,183	74,887,761	63,748,456	53,160,980
Housing and development	-	364,516	226,134	1,186,914	2,850,892
Debt service	-	-	-	-	-
Capital projects	-	22,656,671	46,310,908	42,105,140	49,715,577 (b)
Committed:					
Tree replacement	321,492	266,744	722,082	1,192,805	736,838
Recreation	-	-	-	-	-
Assigned:					
Capital projects	65,920,480	44,347,847	48,332,088	50,986,121	37,900,230
Recreation	-	-	-	-	-
Community development	-	-	-	-	-
Public safety projects	-	-	-	49,500	-
Tree replacement	499,186	508,669	508,669	63,199	-
Federal programs	2,223,083	2,835,132	2,835,132	1,754,041	-
Unassigned	(17)	-	-	-	-
Total all other governmental funds	<u>\$ 157,029,622</u>	<u>\$ 152,354,559</u>	<u>\$ 177,039,629</u>	<u>\$ 161,913,498</u>	<u>\$ 145,094,507</u>

(a) In 2018, the City TSPLOST program began.

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

2020	2019	2018	2017	2016
\$ 332,096	\$ 111,045	\$ 308,894	\$ 835,278	\$ 133,121
26,590	32,944	-	-	-
-	-	-	-	-
1,225,000	1,750,000	3,058,310	2,993,250	2,551,567
2,567,605	17,866,830	14,526,344	16,775,312	12,758,427
45,710,692	26,616,192	25,373,013	21,894,817	22,341,887
<u>\$ 49,861,983</u>	<u>\$ 46,377,011</u>	<u>\$ 43,266,561</u>	<u>\$ 42,498,657</u>	<u>\$ 37,785,002</u>
\$ -	\$ -	\$ -	\$ -	\$ -
699,370	274,645	454,191	367,997	243,874
-	-	100,522	31,278	121,603
40,782,753	36,126,144 (a)	27,106,782 (a)	8,077,697	2,989,421
2,928,130	2,804,178	-	-	-
-	-	-	-	3,657,953
5,413,633	4,179,490	25,388,237	55,340,593	145,089,744
661,527	480,219	284,427	250,357	-
-	-	285,325	-	-
43,182,939	35,111,789	11,812,923	31,805,684	31,887,995
983,812	2,225,000	-	-	-
-	-	-	-	41,678
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 94,652,164</u>	<u>\$ 81,201,465</u>	<u>\$ 65,432,407</u>	<u>\$ 95,873,606</u>	<u>\$ 184,032,268</u>

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

	2025	2024	2023	2022	2021
Revenues					
Taxes	\$ 130,430,683	\$ 124,519,686	\$ 122,045,988	\$ 115,819,815	\$ 105,706,312
Licenses and permits	4,515,311	3,297,805	4,244,618	4,310,020	2,769,757
Intergovernmental	34,240,477	44,323,968 (7)	30,912,079	27,458,676	29,065,918 (2)
Charges for services	13,286,952	10,639,548	10,216,989	8,283,089	5,078,542
Fines and forfeitures	2,940,117	2,492,563	2,993,320	2,789,934	2,879,793
Contributions	453,000	30,428	-	183,959	1,200
Interest earned	9,679,262	10,361,787 (8)	5,340,674 (5)	420,041	124,317
Miscellaneous	858,827	1,181,031	1,500,415	1,103,161	761,877
Total revenues	<u>196,404,629</u>	<u>196,846,816</u>	<u>177,254,083</u>	<u>160,368,695</u>	<u>146,387,716</u>
Expenditures					
Current:					
General government	24,115,335	22,681,727	19,201,570	17,287,366	17,785,070
Judicial	1,435,039	1,144,530	1,235,075	928,723	1,207,231
Public safety	56,619,655	49,084,623 (7)	51,391,351	51,701,275	57,696,164 (3)
Public works	20,178,623	24,042,949	24,519,273	26,935,911	32,377,554
Health and welfare	-	-	8,111	-	1,006,918
Culture and recreation	14,892,902	14,720,301	11,635,498	9,277,909	9,577,701
Housing and development	6,400,124	6,193,256	5,424,482	4,702,822	4,912,573
Capital outlay	56,378,036	84,466,484	30,407,756	27,527,393 (4)	-
Debt service:					
Principal	11,324,832	10,545,221	10,208,538	9,362,914	5,793,811
Interest	5,107,865	5,319,290	5,592,466	5,836,540	6,752,795
Costs of issuance	-	-	-	-	2,498,907
Total expenditures	<u>196,452,411</u>	<u>218,198,381</u>	<u>159,624,120</u>	<u>153,560,853</u>	<u>139,608,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,782)</u>	<u>(21,351,565)</u>	<u>17,629,963</u>	<u>6,807,842</u>	<u>6,778,992</u>
Other Financing Sources (Uses)					
Issuance of long term debt	-	-	-	-	60,498,907
Proceeds from sale of capital assets	-	-	-	-	-
Proceeds from financed purchases	2,666,863	-	-	-	2,958,011
Proceeds from lease liability	613,468	1,801,749	1,736,791	-	-
Transfers in	44,588,447	57,841,858	50,937,673	53,700,120	44,037,504
Transfers out	<u>(44,588,447)</u>	<u>(57,841,858)</u>	<u>(50,937,673)</u>	<u>(53,700,120)</u>	<u>(44,037,504)</u>
Total other financing sources (uses)	<u>3,280,331</u>	<u>1,801,749</u>	<u>1,736,791</u>	<u>-</u>	<u>63,456,918</u>
Net change in fund balances	<u>\$ 3,232,549</u>	<u>\$ (19,549,816)</u>	<u>\$ 19,366,754</u>	<u>\$ 6,807,842</u>	<u>\$ 70,235,910</u>
Debt service as a percentage of noncapital expenditures	12.0%	12.3%	12.9% (6)	12.8%	11.5%

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

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

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

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

(5) 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%.

(6) 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.

(7) In 2024, the City recognized \$12.9 million in ARPA revenue and expenditures for a Public Safety building.

(8) In 2024, the City continued to see increased interest earnings on their Georgia Fund 1 deposits after a full year at a 5.2% interest rate.

2020	2019	2018	2017	2016
\$ 100,517,135	\$ 99,174,113	\$ 93,780,228	\$ 94,499,719	\$ 89,787,515
2,823,665	2,977,714	4,984,317	5,284,871	4,069,503
22,911,157	22,830,155	22,775,443	2,380,642	3,887,278
5,678,785	7,532,520	11,016,993	6,914,186	5,288,144
3,033,974	2,919,796	2,879,306	2,966,094	3,107,404
76,200	1,933	151,259	328,994	3,091
1,684,604	1,936,622	912,960	1,091,867	489,424
2,646,596	922,109	714,941	790,598	614,813
139,372,116	138,294,962	137,215,447	114,256,971	107,247,172
20,692,633	18,336,795	21,743,685	18,482,980	15,900,684
1,342,742	1,492,453	1,619,227	1,531,040	1,477,948
41,065,976	42,329,360	36,932,141	34,853,005	33,733,508
33,310,882	31,428,914	30,090,874	26,117,779	27,296,011
-	-	-	-	-
10,461,625	16,105,238	65,731,006 (1)	102,723,830	67,514,805
4,399,163	6,206,702	5,713,276	6,441,126	5,357,955
-	-	-	-	-
3,915,241	4,632,679	3,581,612	4,016,664	791,182
7,248,183	7,379,407	7,335,973	7,470,230	3,810,937
-	81,915	-	-	914,011
122,436,445	127,993,463	172,747,794	201,636,654	156,797,041
16,935,671	10,301,499	(35,532,347)	(87,379,683)	(49,549,869)
-	2,872,000	-	388,305	182,196,838
-	1,418,406	5,859,052	3,546,371	33,061
-	4,287,603	-	-	-
-	-	-	-	-
35,645,853	32,954,060	37,190,638	30,672,451	52,802,746
(35,645,853)	(32,954,060)	(37,190,638)	(30,672,451)	(52,802,746)
-	8,578,009	5,859,052	3,934,676	182,229,899
\$ 16,935,671	\$ 18,879,508	\$ (29,673,295)	\$ (83,445,007)	\$ 132,680,030
12.0%	13.0%	11.3%	13.5%	6.8%

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
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
2024	51,710,305	37,674,223	5,437,668	9,847,227	19,850,263	124,519,686
2025	54,685,678	38,210,569	5,340,699	10,724,253	21,469,484	130,430,683

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)
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
2023	7,174,352,500	4,743,643,060	13,237,520 (2)	104,200	17,251,270	101,267,342
2024	7,732,576,360	4,753,108,280	10,622,000	106,200	14,897,730	88,777,485

Source: Fulton County Tax Commissioner

(1) Reflects conservation use.

(2) Amount not provided by Fulton County, amount reflects the 2022 amount.

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
\$	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%
	1,444,805,822	10,597,818,630	4.731	26,494,546,575	40%
	1,608,771,929	10,991,316,126	4.731	27,478,290,315	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 and Overlapping Rates
	Sandy Springs (1)	Fulton County	Operating Millage	Debt Service Millage	Total School District Millage	State	
2015	4.731	10.750	18.502	-	18.502	0.050	34.033
2016	4.731	10.700	18.483	-	18.483	0.000	33.914
2017	4.731	10.630	18.546	-	18.546	0.000	33.907
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	9.540	17.590	-	17.590	0.000	31.861
2022	4.731	9.070	17.240	-	17.240	0.000	31.041
2023	4.731	8.888	17.140	-	17.140	0.000	30.759
2024	4.731	9.040	17.080	-	17.080	0.000	30.851

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, 2025

Taxpayer	2025			2016		
	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	\$ 192,724,109	1	1.82 %	\$ 93,571,702	1	1.32 %
City of Sandy Springs Development Authority	98,151,981	2	0.93			
Georgia Power Company	71,871,704	3	0.68	48,399,529	4	0.68
Cousins Northpark 500/600, LLC	56,849,360	4	0.54	72,890,271	3	1.03
SPUS8 CCC, LP	54,452,399	5	0.51			
REJV Concourse Atlanta, LLC	49,419,759	6	0.47			
BMF IV GA Edgewater, LLC	39,012,520	7	0.37			
JMC T2, LLC	38,772,000	8	0.37			
Concourse Owner V/VI, LLC	38,183,479	9	0.36	78,186,001	2	1.11
CMF Apartments Owner, LLC	37,899,279	10	0.36			
FULCOPROP 56, LLC						
Highwoods DLF 97 26 DFL 99 32				38,026,519	5	0.54
Cousins Northpark Owner 400, LLC				35,175,360	6	0.50
BT Property, LLC				32,503,631	7	0.46
NR Perimeter Property Owner, LLC				31,279,880	8	0.44
Piedmont 1155 PCW, LLC				31,078,759	9	0.44
Gateway Hammond, LLC				30,931,520	10	0.44
Totals	\$ 677,336,590		6.39 %	\$ 492,043,172		6.96 %

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		Collections in Subsequent Years	Total Collections to Date					
			Fiscal Year of the Levy			Percentage of Levy	Percentage of Levy				
			Amount	Percentage of Levy							
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		279,546		31,918,090	99.93	
2018		32,925,336		32,533,102	98.8		387,123		32,920,225	99.98	
2019		36,117,676		35,807,887	99.1		292,133		36,100,020	99.95	
2020		39,557,447		39,337,612	99.4		210,846		39,548,458	99.98	
2021		41,123,937		40,908,215	99.5		216,409		41,124,624	100.00	
2022		42,792,126		42,552,344	99.4		213,544		42,765,888	99.94	
2023		45,739,458		44,891,921	98.1		108,588		45,000,509	98.38	
2024		46,630,757		46,441,904	99.6		233,885		46,675,789	100.00	
2025		49,652,769		49,438,622	99.6		-		49,438,622	99.57	

Source: Fulton County Tax Commissioner

CITY OF SANDY SPRINGS, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Period Ended June 30,	Governmental Activities					Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable	Notes Payable	Financed Purchases Payable	Lease Liability	Total		
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	2.98	1,634.68
2020	164,918,678	4,871,797	3,175,473	-	172,965,948	3.21	1,561.36
2021	235,849,709	4,668,119	5,538,351	-	246,056,179	3.13	1,589.80
2022	227,770,985	4,174,034	4,517,255	1,753,360	238,215,634	4.12	2,223.45
2023	219,600,682	3,676,485	3,470,984	2,075,433	228,823,584	3.23	2,067.73
2024	211,299,773	3,175,415	2,398,822	1,620,312	218,494,322	3.16	2,037.79
2025	202,907,629	2,670,763	3,319,950	564,900	209,463,242	2.85	1,938.04

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 TEN 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	0.97%	\$ 1,661
2017	175,738,334	-	175,738,334	0.88%	1,663
2018	172,229,890	-	172,229,890	0.78%	1,614
2019	168,635,288	-	168,635,288	0.75%	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
2024	211,299,773	-	211,299,773	0.80%	1,971
2025	202,907,629	-	202,907,629	0.74%	1,877

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

(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, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping general obligation debt:			
Fulton County	\$ 209,490,000 (2)	11.489 %	\$ 24,068,556
Total overlapping debt	<u>209,490,000</u>		<u>24,068,556</u>
City direct debt:			
Bonds payable	202,907,629	100	202,907,629
Notes payable	2,670,763	100	2,670,763
Financed purchases	3,319,950	100	3,319,950
Lease liability	564,900	100	564,900
Total direct debt	<u>209,463,242</u>		<u>209,463,242</u>
Total direct and overlapping debt	<u>\$ 418,953,242</u>		<u>\$ 233,531,798</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 12/31/2024 Fulton County Annual Comprehensive Financial Report.

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)
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
2024	107,221	6,873,617	64,107	37.4	2.8
2025	108,080	7,352,358	68,027	37.1	3.0

(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	2025			2016		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
United Parcel Service General	2,798	1	4.4%	1,869	3	2.76%
Optomi, LLC	2,000	2	3.1%			
Cox Enterprises, Inc.	1,484	3	2.3%	826	7	1.22%
Cox Communications	1,343	4	2.1%	2,432	2	3.60%
Intercontinental Exchange, Inc.	1,319	5	2.1%	800	8	1.18%
Inspire Brands, Inc. & Subsidiaries	1,211	6	1.9%			
Independent Physicians Resource, Inc.	1,185	7	1.8%			
Newell Brands, Inc.	980	8	1.5%			
Safe-Guard Products International, LLC	867	9	1.4%			
Cisco Systems, Inc.	821	10	1.3%	1,415	5	2.09%
IBM Corporation				3,924	1	5.80%
Airwatch, LLC				1,416	4	2.09%
Oracle America, Inc.				1,040	6	1.54%
Walden Security				775	9	1.15%
WorldPay U.S.				721	10	1.07%
Totals	14,008		21.8%	15,218		22.5%

(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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government	91	83	83	80	65	71.5	72.5	52.5	52.25	50.25
Judicial	10	11	11	10	8	11	11	12	12	12
Public safety										
Police										
Officers ⁽¹⁾	154	167	162	169	142.5	153	148.5	142	137	133
Civilians	30	23	23	17	20.5	21	25	37	21.5	22
Fire										
Firefighters ⁽¹⁾	114	121	121	117	110	109.5	113	113	109	115
Civilians	6	4	4	5	5.5	5.5	5	7	4.5	1
Emergency management	1	1	1	1	1	1				
Public works										
Highways and streets	47	46	46	44	38	42	37	34	32	32
Culture and recreation ⁽²⁾	105	92	98	38	63.5	103	77.5	12	11	11
Housing and development	45	46	45	45	33	39	36	40	38.9	38.9
Total	603	594	594	526	487	556.5	525.5	449.75	418.15	415.15

Source: City of Sandy Springs Human Resources Department

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

(2) Consists of R&P and Performing Arts Center FT & PT positions

CITY OF SANDY SPRINGS, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government										
Ordinances approved	17	24	33	26	31	21	31	30	35	38
Court cases	13,191	12,985	13,942	15,184 (2)	18,434	20,267	18,024	18,529	19,550	18,323
Grants managed	32	17	11	13	8	6	14	9	12	13
Police										
Calls for service	102,512	98,028	102,864	100,111	113,838	135,868	129,057	111,374	121,704	93,201
Part 1 crimes reported ¹	1,840	1,843	1,952	1,802	1,814	1,963	2,205	2,312	2,744	2,727
Traffic citations issued	19,833	18,648	19,902	19,293	12,654	17,835	13,059	35,979	23,936	24,125
Fire										
Incident responses	11,714	12,950	13,199	14,368	14,138	13,875	11,812	12,049	13,251	10,853
Average response time	7.20 min	7.49 min	7.46 min	6.24 min	7.15 min	7.04 min	7.02 min	7.01 min	7	7
Fire safety programs conducted	69	293	238	143	48	551	633	285	622	369
Inspections conducted	7,235	7,463	5,214	7,297	7,316	5,511	5,336	6,981	5,617	4,448
Highways and streets										
Traffic signals timed	133	132	132	131	132	132	136	136	132	130
Average days to repair pothole	3-days	3-days	3-days	3-days	1-2 days	1-2 days	1-2 days	1-3 days	1-3 days	1-3 days
Community development										
Stormwater plans reviewed	128	115	99	80	57	80	91	85	87	68
New building permits issued	3,597	3,304	3,266	4,064	2,083	2,033	2,025	2,418	2,197	2,127
Culture and recreation										
Park acres maintained	296	296	295	295	276	272	272	272	272	220
Park and facilities	30	30	28	27	27	26	26	26	17	17
Annual program registrants	89,240	103,049	112,632	89,229	60,157	73,832	115,071	94,996	50,206	52,268

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Stations (1)	1	1	1	1	1	1	1	1	1	1
Patrol units	230	221	230	226	226	220	210	205	191	191
Patrol zones	9	9	9	9	9	9	9	9	8	8
Fire stations										
Leased (1)	-	-	-	-	-	-	1	1	1	1
Owned	5	5	5	5	4	4	3	3	3	3
Public works										
Streets (miles)	301.89	301.89	301.89	302.41	302.41	302	302	302	302	360
Traffic signals	133	132	132	132	132	132	136	136	132	126
Culture and recreation										
Park acreage	296	296	295	295	272	272	272	272	272	220
Recreational facilities	30	30	28	27	26	26	26	26	17	17

Source: Various City departments.

(1) Reflects building lease.

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