

Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2016

City of



Johns Creek

G E O R G I A

be the exception

CITY OF JOHNS CREEK, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Prepared by:
City of Johns Creek Finance Department

Submitted by:
Warren Hutmacher
City Manager

INTRODUCTORY SECTION

CITY OF JOHNS CREEK, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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February 6, 2017

Honorable Michael Bodker, Mayor,
Members of the City Council,
and Citizens of Johns Creek, Georgia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) for the City of Johns Creek, Georgia, for the fiscal year ended September 30, 2016, is submitted herewith. Georgia state law and local ordinances require that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures rests with the City. We believe the report, as presented, is accurate in all material aspects. We also believe it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. Finally, we believe that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin and Jenkins, LLC, has issued an unmodified ("clean") opinion on the City of Johns Creek's financial statements for the fiscal year ended September 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's 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.

City Administration

Profile of the Government

Johns Creek was incorporated on December 1, 2006, becoming Georgia's 9th largest City. Located in North Fulton County, the City of Johns Creek is made up of the four original farming communities of Warsaw, Shakerag, Newton, and Ocee with the Chattahoochee River forming the City's southeast boundary. The City occupies a land area of 32 square miles and serves a population of 83,335 (based upon the U. S. Census Bureau 2015 estimate).

Policy making and legislative authority of the government is vested in the mayor and six council members, who are elected for four year terms on a non-partisan basis. The mayor and council members are elected at large by popular vote. The mayor and council members serve until their successors are qualified and elected. Terms of office begin on January 2nd, immediately following the date of election into office. Elections are held every four years and are conducted by the Fulton County Board of Elections. The mayor appoints, subject to confirmation by the council, a City Manager to carry out the administrative operations of the government. The City is empowered to levy a property tax on both real and personal property located within its boundaries and is able to levy all other taxes granted to municipalities within the State of Georgia.

The City operates under a mayor/manager form of government, whereby the mayor possesses all of the executive powers granted to the government under the constitution and laws of the State of Georgia and the City of Johns Creek charter. The City Manager possesses all of the administrative powers granted to the government under the constitution and laws of the State of Georgia and the City's charter.

Deploying a non-traditional approach to government services, the City contracts with a private partner to perform some of the traditional services performed by a municipal government such as construction and maintenance of highways, streets, and other infrastructure; road repaving, community development management; and parks and recreation management. Other services such as public safety, human resources, finance, communications, facilities, IT, etc. are provided by government City employees. Sanitation services are not provided as a City service. Property owners make their own arrangements with private carriers. Water and sewer services are delivered to residential and commercial properties by Fulton County via intergovernmental agreements.

The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial stability and health of the government. The mayor and council are required to adopt a final budget no later than the close of the fiscal year. The budget is prepared by fund, function, and department. The City Manager may transfer resources within a department (within a fund) as they deem necessary. However, transfers between departments or funds require approval from the City Council.

Local Economy

The City is home to 2,002 businesses. The largest employers include State Farm Insurance's Operation Center, Macy's System & Technology, and ALCON Inc. Other major employers include Federated Systems Group, the Fulton County Board of Education, and Emory Johns Creek Hospital. In general, Johns Creek is largely a bedroom community with 80 percent of its land devoted to residential use. The current economic situation has had an effect on the revenue base; however, trends indicate that the economy is recovering. Both the City's property tax digest and sales tax collections have increased from the prior year.

The City has experienced explosive population growth over the past two decades. Between 1990 and 2000, the number of people living within the area that is now incorporated Johns Creek grew by 232 percent. In the most recent census conducted by the U.S. Census Bureau, over 37 percent of the City's population was between 35 and 55-years-old, while another 37 percent were aged 19 and younger. The census also indicated that City residents are highly educated, with 44 percent holding bachelor's degrees and 22 percent master's degrees – both more than twice the rate for Metro Atlanta overall.

Median household income in 2007 was \$150,592 with an average household income of \$204,404. In 2011, the median income was estimated at \$110,648 and average household income \$124,707. The median home price for 2011 was \$340,300.

The major roadways serving the City are Georgia 400 to the west and Interstate 85 to the east. Several arterial roadways including State Road 141 and State Road 120 bisect the City and provide access to the freeways. Limited bus service is provided through the Georgia Regional Transportation Authority.

Long-Term Financial Planning

As detailed within the following financial statements, the City's policy is to maintain a minimum unassigned General Fund balance equal to 25 percent of operating expenditures and outgoing transfers. 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. The reserve requirements were fulfilled at the end of the fiscal year.

As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, from which services can be provided. As outlined within the legislation creating the government, the City's operating millage rate cap of 4.731 mills is statutorily set and cannot be changed without a referendum. The City Council approved a reduced millage rate of 4.360 mills, which is down from 4.614 this year. A comprehensive framework of financial policies was adopted shortly after the City's incorporation, which provided governance to financial matters.

The City had maintained sufficient cash reserves to operate the fiscal year without issuing a tax anticipation note. The City also purchased various equipment and vehicles for its public safety departments and financed these through a master lease agreement. These instruments are being utilized during the government's start-up phases and are planned to be leveraged over the next several fiscal years to provide a solid financial platform for operations.

The City is expected to continue to develop as an economic hub and preferred location for business and residential investment as the economy continues to recover.

Relevant Financial Policies

Throughout the year, the Finance department administered the City Council approved Financial Management Program, which outlines policy within which the government's finances are maintained. These policies address fund balances, the use of one-time revenues, issuance of debt, purchasing and procurement, cash and investment management, and accounting practices. In totality, these policies formulate the core criteria for which internal evaluations occur. On an annual basis the criteria establishing the Financial Management Program are reviewed in order to maintain relativity to the changing financial needs of the government.

Major Initiatives

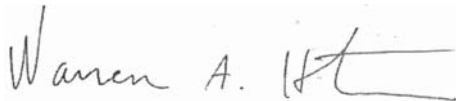
During 2016, the City more than doubled its greenspace to 300 acres. The purchase of Cauley Creek riverfront property and a linear park in Technology Park added significant acreage to the City's park system. The purchases aligned with the top recommendation from the recreation and parks strategic plan to acquire additional land.

Awards and Acknowledgments

We are pleased to present the City's Comprehensive Annual Financial Report (CAFR), and submit the same to the Government Finance Officers Association (GFOA) for consideration in the Certificate of Achievement for Excellence in Financial Reporting program. We believe that our CAFR meets the program's requirements. The City has received the Certificate of achievement for the eight previous years.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Department of Finance. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor, City Council, and City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink that reads "Warren A. Hutmacher". The signature is written in a cursive style with a large initial "W" and a stylized "H".

Warren Hutmacher
City Manager

OFFICIALS

Mayor and City Council

Michael Bodker

Mayor

City Council

Steve Broadbent

Corinth Davenport

Stephanie Endres

Robert Gray

Yi-Jeng Lin

Leonard Zaprowski

Administration

Warren Hutmacher

City Manager

Eric Taylor

Justin Kirouac

Kimberly Greer

Ed Densmore

Mary Ann Haskins

Jeff Breslau

Jeff Hogan

Joan Jones

Richard Carothers

Toni Jo Howard

Tom Black

Sharon Ebert

Senior Assistant City Manager

Assistant City Manager

Assistant City Manager

Police Chief

Human Resource Director

Communications Director

Fire Chief

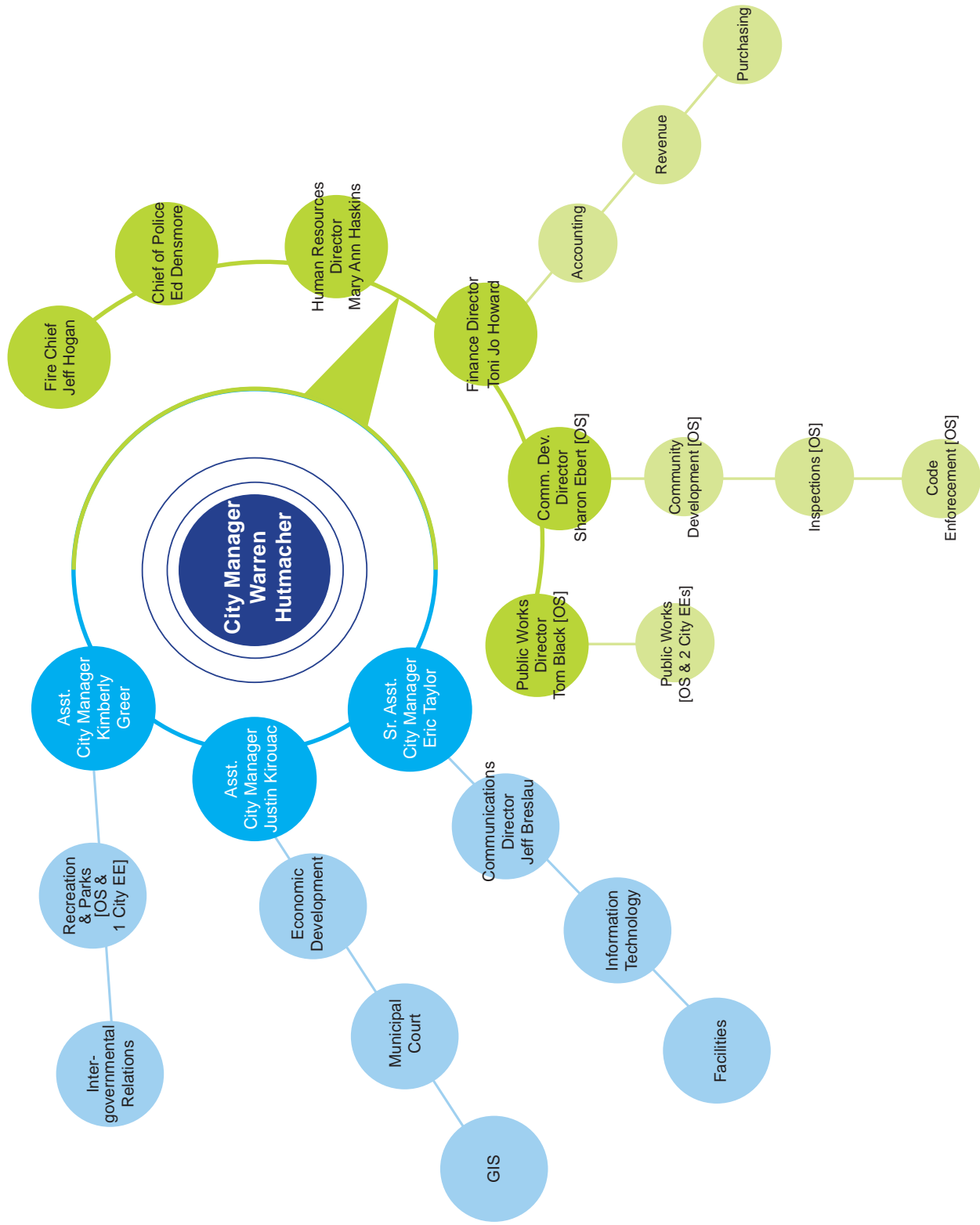
City Clerk

City Attorney

Finance Director

Director of Public Works

Director of Community Development





Government Finance Officers Association

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

Presented to

**City of Johns Creek
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**The Honorable Mayor and Members
of the City Council of the
City of Johns Creek, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Johns Creek, Georgia** (the "City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Johns Creek, Georgia as of September 30, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 4 through 11 and 37 and 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Johns Creek, Georgia's basic financial statements. The combining and individual fund statements and schedules as well as the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information (continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2017 on our consideration of the City of Johns Creek, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 6, 2017

CITY OF JOHNS CREEK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Johns Creek (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal period by \$205,884,815, total net position. Of this amount \$40,143,417, unrestricted net position, is available to meet the ongoing obligations of the government.
- The City's increase in net position was \$7,495,431 during the fiscal period; primarily due to increasing revenues (property taxes and sales tax principally), along with managing expenses and spending less than budgeted.
- As of the close of the current fiscal period, the City's governmental funds reported combined ending fund balances of \$39,614,304.
- As of September 30, 2016 the balance of notes payable outstanding is \$4,849,398. In addition, when the City started the fire department it assumed a fire station from Fulton County along with the obligation to pay the outstanding certificates of participation debt which is \$771,714 at September 30, 2016. The City did not have the need to issue a tax anticipation note during the fiscal year.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two 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 period. 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 12 and 13 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

The City maintains a general fund, a capital projects fund, and seven nonmajor governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and capital project funds, both of which are considered to be major funds. Data from the other seven governmental funds is combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14 through 16 of this report.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 36 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 schedule for the general fund, which can be found on pages 37 and 38 of this report.

The combining 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 39 through 48 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$205,884,815.

The following table provides a summary of the City's governmental net position for the fiscal year 2015 and 2016:

City of Johns Creek Net Position

	Governmental Activities	
	2016	2015
Assets		
Current assets	\$ 48,214,418	\$ 70,351,647
Capital assets, net of accumulated depreciation	170,537,362	143,084,112
Total assets	218,751,780	213,435,759
Liabilities		
Current liabilities	6,244,130	7,703,358
Long-term liabilities	6,622,835	7,343,017
Total liabilities	12,866,965	15,046,375
Net position		
Net investment in capital assets	165,092,053	137,184,217
Restricted for capital projects	433	53,233
Restricted for law enforcement	507,646	393,323
Restricted for public safety facilities	39,076	39,076
Restricted for trade and tourism	102,190	-
Unrestricted	40,143,417	60,719,535
Total net position	\$ 205,884,815	\$ 198,389,384

The largest portion of the City's net position reflects its investment in capital assets (e.g., roadways, sidewalks, culverts, equipment and signals) and park land; 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.

A portion of the City's net position (\$433) represents resources that are restricted for use on capital projects. An additional portion of the City's net position (\$507,646) represents resources that are restricted for use in law enforcement activities. An additional portion of the City's net position (\$39,076) represents resources that are restricted for use in public safety facilities and restricted for trade and tourism (\$102,190). The remaining portion of the City's net position represents positive unrestricted net position of \$40,143,417 that is available to meet the ongoing obligations of the government.

At the end of the current fiscal period, the City reported a positive balance in total net position and in unrestricted net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position. Governmental activities increased the City's net position by \$7,495,431 in fiscal year 2016. The following table indicates the changes in net position for governmental activities in fiscal years 2016 and 2015:

	Governmental Activities	
	2016	2015
Revenues		
Program Revenues:		
Charges for services	\$ 6,156,087	\$ 5,902,275
Operating grants and contributions	230,011	83,200
Capital grants and contributions	1,892,073	4,908,666
General Revenues:		
Property taxes	18,069,974	19,973,121
Sales and use taxes	20,838,545	20,562,370
Hotel/Motel taxes	501,955	489,803
Franchise taxes	4,357,134	4,431,315
Business taxes	6,629,486	6,336,162
Unrestricted investment earnings	103,841	77,309
Miscellaneous revenues	216,193	144,154
Total revenues	58,995,299	62,908,375
Expenses		
General government	8,510,238	9,883,021
Judicial	641,638	606,051
Public safety	21,252,829	21,490,586
Public works	15,340,851	12,822,801
Culture and recreation	2,779,614	3,001,923
Community development	2,748,236	3,177,888
Interest on long-term debt	226,462	121,786
Total expenses	51,499,868	51,104,056
Change in net position	7,495,431	11,804,319
Net position, beginning of year	198,389,384	186,585,065
Net position, end of year	\$ 205,884,815	\$ 198,389,384

Governmental activities. Governmental activities increased the City's net position by \$7.5 million in fiscal year 2016. Key elements of this increase are as follows:

Total revenues were \$59 million, down 6.2% from the prior year. The primary reason for the decrease in revenues was due to a decrease in property tax revenues resulting from a decrease in the City's millage rate from 4.614 to 4.360. Property tax revenues decreased 9.5%. Sales tax revenue increased 1.3% from the previous year, consistent with improving economic conditions in the region. Business tax revenues increased by 4.6% which is attributed to new development within the City. Franchise taxes decreased by 1.7% from the previous year which is attributed to weather conditions and fuel surcharges paid by the City's utility providers.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses increased by \$400,000 (0.8%) over the previous fiscal year. Public safety, the City's largest department, decreased approximately \$238,000; public works increased approximately \$2.5 million due to a road repaving program that commenced in 2015; general government decreased \$1.4 million; community development decreased by approximately \$430,000 thousand; and culture and recreation decreased approximately \$220,000 from the previous year. The other department's increases/decreases were minimal when compared to the previous years. The departments are conscious of the economic situation and have spent only where they felt it was essential to continue offering a high quality level of service.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$39,614,304. The general fund's fund balance decreased by \$23.8 million from the previous fiscal year which is mostly attributed to transfers to the capital projects fund for purchases of land for the City's recreation program. Sales and business tax receipts each increased over the previous year. A large component of the City's governmental funds combined ending fund balance is approximately \$10.7 million reported in the capital projects fund.

General Fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$18.4 million, while total fund balance was \$27.9 million. As a measure of the liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 44.9% of total general fund expenditures while total fund balance represents 68.1% of total expenditures. The total general fund change in fund balance was \$(23,751,589).

Capital Projects Fund. The capital projects fund increased fund balance by \$1,638,911 during fiscal year 2016. The fund recognizes a transfer from general fund for projects that are still in progress each year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Key General Fund Budgetary Highlights

The City's budget utilized a conservative approach based on 5 years historical information and current economic conditions. Emphasis was given to ensuring financial stability and long-term stability while providing revenue enhancement; financial priorities and discipline.

The City employs an annual mid-year budget process in order to re-align appropriations made during the annual budget process with significant unexpected trends. This ensures adjustments facilitating appropriations to be in alignment with expected resources. Differences between the original budget and final amended budget are then resolved via official City Council action.

During the year budget realignments in appropriations were made between the original and final amended budget. The following are the main components of this budget realignment:

- \$2,084,348 supplemental appropriation to various general fund departments for FY2015 encumbrance carryovers.
- \$28,349,165 mid-year budget increase to transfer from the general fund to the capital projects fund for land purchases.

Total revenues in the General Fund were less than final budgeted revenues by approximately \$1.5 million. This budget variance is mostly attributable to late billing by Fulton County of the City's property taxes. This late billing caused the due date for the City's taxes to be one (1) month later than previous years which caused collections not to be completed at year-end and thus an increase in the amount reported by the City as deferred inflows of resources for unavailable property taxes.

Total expenditures in the General Fund were less than final budgeted amounts by approximately \$5.6 million. This positive budget variance is mostly attributable to unspent contingencies budgeted in the police, fire, and public works departments for various items (supplies, equipment, capital outlays, etc).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of September 30, 2016, amounts to \$170,537,362 (net of accumulated depreciation). These assets primarily reflect the infrastructure assets for roadways, sidewalks, culverts and signals, and park land. Increases were attributed to public works projects such as right-of-way acquisition and development, roadway projects, intersection improvements, sidewalks/trails, improvements to the parks systems, and the purchase of public safety vehicles and equipment.

City of Johns Creek Capital Assets (net of depreciation)

	Governmental Activities	
	2016	2015
Land	\$ 44,396,429	\$ 21,190,561
Construction in progress	7,595,639	6,285,316
Buildings	4,051,315	4,184,384
Improvements	6,854,775	6,611,997
Machinery and equipment	2,698,487	2,348,771
Infrastructure	104,940,717	102,463,083
Total	\$ 170,537,362	\$ 143,084,112

Additional information on the City's capital assets can be found in note 6 on page 30 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$5,621,112. The outstanding balance includes the following: \$768,721 for police and fire vehicles, and other public safety furniture and equipment; \$175,803 for equipment purchases made by ChatComm; \$3,904,874 payable to the State Road and Tollway Authority (SRTA) for a Georgia Transportation Infrastructure Bank loan, the proceeds of which were used for road repair and resurfacing projects throughout the City; and the remaining long-term debt includes the balance related to the City's acquisition of the Shakerag Fire station from Fulton County upon the start-up of the fire department where the City assumed the building and the future lease payments, the outstanding balance of which at September 30, 2016 is \$771,714. Additional information on the City's long-term debt can be found in Note 7 on pages 31 and 32 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2017 fiscal year.

- Sustainability of existing services – the City has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Current economic situation, the budget has anticipated that revenues will decrease slightly, and that sales tax and motor vehicle revenues will remain flat. Cost of government – The government is legally mandated to levy a maximum of 4.731 millage rate through the legislation that created the City; however the City Council approved a millage rate in July of 4.360 mills. This millage rate is estimated to generate approximately \$16.9 million in revenue.
- Stabilization of revenue, especially sales tax revenues
- Competitive wages and benefits for City employees
- Vehicle replacement projects for Fire and Police
- Continued improvements to infrastructure, especially focused on streets and roads
- Improvements at various City Parks including pond dredging, foundation repairs, sidewalk connections and upgrades to playground equipment
- Continuation of the solid waste program

The City restricts the use of one-time revenues to reserves, and limits the growth in expenditures from operations to those performance indicators which are designated as inadequate by City Council.

Requests for Information

This financial report is designed to provide a general overview of the City of Johns Creek 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 Johns Creek, 12000 Findley Road, Suite 400, Johns Creek, Georgia, 30097, or by calling (678) 512-3348.

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	Primary Government	Component Unit
	Governmental Activities	Convention Visitors Bureau
ASSETS		
Cash and cash equivalents	\$ 22,340,144	\$ 196,339
Accounts receivable	1,317,532	-
Taxes receivable, net of allowance	22,951,988	-
Due from other governments	1,046,116	-
Due from primary government	-	14,199
Inventories	94,055	-
Prepays	464,583	-
Capital assets:		
Nondepreciable	51,992,068	-
Depreciable, net of accumulated depreciation	118,545,294	-
Total assets	218,751,780	210,538
LIABILITIES		
Accounts payable	5,781,270	4,958
Accrued liabilities	448,661	-
Due to component unit	14,199	-
Compensated absences, due within one year	308,268	-
Compensated absences, due in more than one year	693,455	-
Notes payable, due within one year	688,782	-
Notes payable, due in more than one year	4,160,616	-
Contracts payable, due within one year	225,292	-
Contracts payable, due in more than one year	546,422	-
Total liabilities	12,866,965	4,958
NET POSITION		
Net investment in capital assets	165,092,053	-
Restricted for capital projects	433	-
Restricted for law enforcement	507,646	-
Restricted for public safety facilities	39,076	-
Restricted for trade and tourism	102,190	205,580
Unrestricted	40,143,417	-
Total net position	\$ 205,884,815	\$ 205,580

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

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
					<u>Governmental Activities</u>	<u>Convention Visitors Bureau</u>
Primary government:						
Governmental activities:						
General government	\$ 8,510,238	\$ 1,309,480	\$ 6,516	\$ -	\$ (7,194,242)	\$ -
Judicial	641,638	1,335,746	-	-	694,108	-
Public safety	21,252,829	1,965,868	223,495	-	(19,063,466)	-
Public works	15,340,851	670	-	1,892,073	(13,448,108)	-
Culture and recreation	2,779,614	186,282	-	-	(2,593,332)	-
Community development	2,748,236	1,358,041	-	-	(1,390,195)	-
Interest on long-term debt	226,462	-	-	-	(226,462)	-
Total governmental activities	<u>51,499,868</u>	<u>6,156,087</u>	<u>230,011</u>	<u>1,892,073</u>	<u>(43,221,697)</u>	<u>-</u>
Total primary government	<u>\$ 51,499,868</u>	<u>\$ 6,156,087</u>	<u>\$ 230,011</u>	<u>\$ 1,892,073</u>	<u>(43,221,697)</u>	<u>-</u>
Component Unit						
Convention Visitors Bureau	\$ 136,541	\$ -	\$ 161,327	\$ -	\$ -	\$ 24,786
	<u>\$ 136,541</u>	<u>\$ -</u>	<u>\$ 161,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,786</u>
General revenues:						
Property taxes					\$ 18,069,974	\$ -
Sales taxes					20,838,545	-
Hotel/Motel taxes					501,955	-
Franchise taxes					4,357,134	-
Business taxes					6,629,486	-
Unrestricted investment earnings					103,841	-
Miscellaneous revenues					216,193	-
Total general revenues					<u>50,717,128</u>	<u>-</u>
Change in net position					7,495,431	24,786
Net position, beginning of year					198,389,384	180,794
Net position, end of year					<u>\$ 205,884,815</u>	<u>\$ 205,580</u>

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

CITY OF JOHNS CREEK, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2016

ASSETS	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 8,174,472	\$ 13,069,533	\$ 1,096,139	\$ 22,340,144
Accounts receivable	920,731	-	396,801	1,317,532
Taxes receivable, net of allowance	22,908,742	-	43,246	22,951,988
Intergovernmental receivable	17,036	1,029,080	-	1,046,116
Inventories	94,055	-	-	94,055
Due from other funds	13,801	-	-	13,801
Prepays	464,583	-	-	464,583
Total assets	\$ 32,593,420	\$ 14,098,613	\$ 1,536,186	\$ 48,228,219
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,629,425	\$ 2,674,113	\$ 477,732	\$ 5,781,270
Accrued liabilities	425,852	-	8,225	434,077
Due to other funds	-	-	13,801	13,801
Due to component unit	-	-	14,199	14,199
Total liabilities	3,055,277	2,674,113	513,957	6,243,347
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	1,686,438	-	-	1,686,438
Unavailable revenues - intergovernmental	-	684,130	-	684,130
Total deferred inflows of resources	1,686,438	684,130	-	2,370,568
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepays	464,583	-	-	464,583
Inventories	94,055	-	-	94,055
Restricted:				
Capital projects	-	-	433	433
Law enforcement	-	-	507,646	507,646
Trade and tourism	-	-	102,190	102,190
Public safety facilities	-	-	39,076	39,076
Committed:				
Neighborhood road resurfacing	7,000,000	-	-	7,000,000
Tree replacement	-	-	91,197	91,197
Assigned:				
Vehicle replacement	1,922,646	-	-	1,922,646
Capital projects	-	10,740,370	-	10,740,370
Emergency 911 operations	-	-	281,687	281,687
Unassigned	18,370,421	-	-	18,370,421
Total fund balances	27,851,705	10,740,370	1,022,229	39,614,304
Total liabilities, deferred inflows of resources, and fund balances	\$ 32,593,420	\$ 14,098,613	\$ 1,536,186	
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.				170,537,362
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(6,637,419)
Some revenues are not available to pay current period expenditures and, therefore, are deferred in the funds.				2,370,568
Net position of governmental activities				\$ 205,884,815

The accompanying notes are an integral part of these statements.

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 17,168,132	\$ -	\$ -	\$ 17,168,132
Sales taxes	20,838,545	-	-	20,838,545
Hotel/Motel taxes	-	-	501,955	501,955
Franchise taxes	4,357,134	-	-	4,357,134
Business taxes	6,629,486	-	-	6,629,486
Licenses and permits	2,632,050	-	-	2,632,050
Charges for services	306,858	-	1,808,998	2,115,856
Fines and forfeitures	1,253,281	-	154,900	1,408,181
Intergovernmental	223,495	1,762,130	-	1,985,625
Contributions	6,516	-	-	6,516
Interest earned	103,086	-	755	103,841
Miscellaneous	216,162	-	31	216,193
Total revenues	<u>53,734,745</u>	<u>1,762,130</u>	<u>2,466,639</u>	<u>57,963,514</u>
Expenditures:				
Current:				
General government	8,786,537	-	-	8,786,537
Judicial	640,739	-	-	640,739
Public safety	19,251,476	-	1,943,063	21,194,539
Public works	7,164,166	8,465,920	-	15,630,086
Culture and recreation	2,059,915	-	256,407	2,316,322
Community development	2,748,236	-	-	2,748,236
Capital outlay	-	27,507,914	-	27,507,914
Debt service:				
Principal	190,398	-	616,296	806,694
Interest	47,098	-	169,039	216,137
Total expenditures	<u>40,888,565</u>	<u>35,973,834</u>	<u>2,984,805</u>	<u>79,847,204</u>
Excess (deficiency) of revenues over expenditures	<u>12,846,180</u>	<u>(34,211,704)</u>	<u>(518,166)</u>	<u>(21,883,690)</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	1,510	-	-	1,510
Proceeds from notes payable	-	182,719	-	182,719
Transfers in	143,358	35,667,896	1,074,741	36,885,995
Transfers out	<u>(36,742,637)</u>	<u>-</u>	<u>(143,358)</u>	<u>(36,885,995)</u>
Total other financing sources (uses)	<u>(36,597,769)</u>	<u>35,850,615</u>	<u>931,383</u>	<u>184,229</u>
Net change in fund balances	<u>(23,751,589)</u>	<u>1,638,911</u>	<u>413,217</u>	<u>(21,699,461)</u>
Fund balances, beginning of year	<u>51,603,294</u>	<u>9,101,459</u>	<u>609,012</u>	<u>61,313,765</u>
Fund balances, end of year	<u>\$ 27,851,705</u>	<u>\$ 10,740,370</u>	<u>\$ 1,022,229</u>	<u>\$ 39,614,304</u>

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

CITY OF JOHNS CREEK, 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 SEPTEMBER 30, 2016**

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

Net change in fund balances - total governmental funds \$ (21,699,461)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. 27,480,831

In the statement of activities, the loss on the disposal of capital assets is recorded as general government expense. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed. (27,581)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,031,785

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 represents the net effect of these transactions during the current fiscal year. 623,975

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. 85,882

Change in net position of governmental activities \$ 7,495,431

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

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
SEPTEMBER 30, 2016**

	ASSETS	<u>Municipal Court Fund</u>
Cash		\$ 148,585
Total assets		<u>\$ 148,585</u>
	LIABILITIES	
Due to others		\$ 148,585
Total liabilities		<u>\$ 148,585</u>

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

CITY OF JOHNS CREEK, GEORGIA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Johns Creek, 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 2006, operates under a charter adopted December 1, 2006, as a municipal corporation governed by an elected mayor and a six-member council. The government provides such services as police protection, fire and rescue services, cultural and recreational activities, housing and development and public works.

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

The Johns Creek Convention Visitors Bureau (CVB) has been included as a discretely presented component unit in the accompanying financial statements. The CVB does not have the power to levy taxes or issue bonded debt. A voting majority of the governing body is appointed by City Council. The CVB receives substantially all of its funding from the hotel/motel occupancy taxes assessed by the City. Financial information with regard to the CVB can be obtained from the administrative offices at 12000 Findley Road, Suite 400, Johns Creek, Georgia 30097. Separate financial statements for the CVB are not prepared.

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. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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

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

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

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

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The City reports the following major governmental funds:

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

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

Additionally, the City reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted to expenditures for specific purposes.

The **debt service fund** accounts for the annual principal and interest payments made on the City's notes payable.

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

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 a commitment or an assignment of fund balance since the obligations would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at September 30, 2016, 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 fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund, special revenue funds, and debt service fund, including the Rental Motor Vehicle Excise Tax Fund which formally adopted a \$0 budget for the fiscal year ended September 30, 2016. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended September 30, 2016, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

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

F. Cash and Investments

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

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

G. Receivables

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

Inventories are valued at cost, which approximates market, 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.”

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2016, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the fiscal year in which services are consumed. Prepaid items reported in the governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute “available, spendable resources.”

J. Capital Assets

Capital assets, which include buildings, improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 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 infrastructures that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

Buildings	40 years
Improvements	10-40 years
Machinery and equipment	3-15 years
Infrastructure	50-75 years

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Inflows of Resources

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 fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, both of which arise only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the items, *unavailable revenue – property taxes* and *unavailable revenue – intergovernmental* are only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from both property taxes and grants as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

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

M. Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance and Net Position

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement 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 adoption of a resolution by the City Council. Furthermore, only the City Council has the authority to modify or rescind the commitment and such action is accomplished only by 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. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Pursuant to the fund balance policy adopted by a resolution of the City Council, the Finance Director has been delegated the authority to assign funds for particular purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance and Net Position (Continued)

Fund balances are classified as follows (Continued):

Unassigned – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts when the balances do not meet any of the above criterion. In other funds, the unassigned classification will be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The City intends to maintain a minimum unassigned fund balance in its general fund of 25% of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

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, (3) Unassigned.

Net Position – Net position represent the difference between assets and liabilities 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 are available.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and 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 \$6,637,419 difference are as follows:

Notes payable	\$ (4,849,398)
Contracts payable	(771,714)
Accrued interest payable	(14,584)
Compensated absences	<u>(1,001,723)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (6,637,419)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$27,480,831 difference are as follows:

Capital outlay	\$ 31,179,342
Depreciation expense	<u>(3,698,511)</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>\$ 27,480,831</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of the reconciliation states that “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 represents the net effect of these transactions for the current fiscal year.” The details of this \$623,975 difference are as follows:

Principal repayments of notes payable	\$ 616,296
Principal repayments of contracts payable	190,398
Proceeds from notes payable	<u>(182,719)</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>\$ 623,975</u>

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 \$85,882 difference are as follows:

Accrued interest payable	\$ (10,325)
Compensated absences	<u>96,207</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>\$ 85,882</u>

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Finance Director 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS

Total deposits as of September 30, 2016 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents - primary government	\$ 22,340,144
Cash and cash equivalents - component unit	196,339
Statement of Fiduciary Assets and Liabilities:	
Cash - agency fund	148,585
	<u>\$ 22,685,068</u>
Cash deposited with financial institutions	\$ 18,699,985
Local government investment pool - Georgia Fund 1	3,985,083
	<u>\$ 22,685,068</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 or 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.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAf 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). 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. As of September 30, 2016, the weighted-average maturity of the pool was 35 days.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS (CONTINUED)

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

The 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 the investment in the Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of September 30, 2016, the City did not have any deposits which were uninsured or under collateralized, as defined by State statutes.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1, which is also the lien date. The City contracts with Fulton County to bill and collect City of Johns Creek property taxes. The taxes were levied on September 15 based on the assessed value of property as listed on the previous January 1 and were due on November 15. Property taxes are recorded as receivables and deferred inflows of resources when levied. Revenues are recognized in governmental funds when available.

Receivables at September 30, 2016, 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>Nonmajor Governmental</u>	<u>Total</u>
Receivables:				
Taxes	\$ 22,997,502	\$ -	\$ 43,246	\$ 23,040,748
Accounts	920,731	-	396,801	1,317,532
Intergovernmental	17,036	1,029,080	4,910,771	5,956,887
Total receivables	<u>23,935,269</u>	<u>1,029,080</u>	<u>5,350,818</u>	<u>30,315,167</u>
Less allowance for uncollectible	88,760	-	4,910,771	4,999,531
Net total receivable	<u>\$ 23,846,509</u>	<u>\$ 1,029,080</u>	<u>\$ 440,047</u>	<u>\$ 25,315,636</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2016 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Nondepreciable capital assets					
Land	\$ 21,190,561	\$ 23,205,868	\$ -	\$ -	\$ 44,396,429
Construction in progress	6,285,316	2,072,288	-	(761,965)	7,595,639
Total	<u>27,475,877</u>	<u>25,278,156</u>	<u>-</u>	<u>(761,965)</u>	<u>51,992,068</u>
Depreciable capital assets					
Buildings	4,999,465	-	-	-	4,999,465
Improvements	8,201,595	459,071	-	106,405	8,767,071
Machinery and equipment	12,542,941	1,220,575	(160,057)	-	13,603,459
Infrastructure	121,537,355	4,221,540	-	655,560	126,414,455
Total	<u>147,281,356</u>	<u>5,901,186</u>	<u>(160,057)</u>	<u>761,965</u>	<u>153,784,450</u>
Less accumulated depreciation:					
Buildings	(815,081)	(133,069)	-	-	(948,150)
Improvements	(1,589,598)	(322,698)	-	-	(1,912,296)
Machinery and equipment	(10,194,170)	(843,278)	132,476	-	(10,904,972)
Infrastructure	(19,074,272)	(2,399,466)	-	-	(21,473,738)
Total	<u>(31,673,121)</u>	<u>(3,698,511)</u>	<u>132,476</u>	<u>-</u>	<u>(35,239,156)</u>
Total capital assets being depreciated, net	<u>115,608,235</u>	<u>2,202,675</u>	<u>(27,581)</u>	<u>761,965</u>	<u>118,545,294</u>
Governmental activities capital assets, net	<u>\$ 143,084,112</u>	<u>\$ 27,480,831</u>	<u>\$ (27,581)</u>	<u>\$ -</u>	<u>\$ 170,537,362</u>

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

Governmental activities:	
General government	\$ 78,699
Public safety	692,165
Public works	2,464,355
Culture and recreation	463,292
Total depreciation expense - governmental activities	<u>\$ 3,698,511</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Notes Payable

The City has entered into a notes payable agreement through a financial institution for the purchase of vehicles and equipment for the police and fire departments. The original amount and terms for this note payable is as follows:

<u>Original Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Quarterly Payment</u>
\$ 6,160,990	4.065	September 2018	\$ 97,790

At September 30, 2016, the outstanding balance on this note is \$768,721.

The City has entered into a note payable agreement with the City of Sandy Springs, Georgia for its share of equipment purchases made by the Chattahoochee River 911 Authority (ChatComm). Additional information about this entity can be found in Note 11. A monthly payment of principal and interest in the amount of \$14,954 began in October 2012 and continues until the note matures on September 30, 2017. The note bears interest at 3.75%. At September 30, 2016, the outstanding balance on this note is \$175,803.

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 \$4,000,000 for various road projects throughout the City. Monthly payments of principal and interest commenced in February 2016 in the amount of \$22,810 and will continue until the note matures on January 1, 2036. The note bears interest at 3.31%. As of September 30, 2016, the outstanding balance on this note is \$3,904,874.

The total debt service requirements to maturity for the City's outstanding notes are as follows:

Fiscal year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 688,782	\$ 155,490	\$ 844,272
2018	554,027	131,849	685,876
2019	156,702	117,015	273,717
2020	161,968	111,749	273,717
2021	167,412	106,305	273,717
2022-2026	925,329	443,257	1,368,586
2027-2031	1,091,624	276,962	1,368,586
2032-2036	1,103,554	82,553	1,186,107
	<u>\$ 4,849,398</u>	<u>\$ 1,425,180</u>	<u>\$ 6,274,578</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Contracts Payable

During fiscal year 2009, the City entered into an agreement with Fulton County to assume the debt service for certain certificates of participation in the principal amount of \$1,439,024 with payments beginning May 1, 2009 through November 1, 2019 at an interest rate of 4.90% in return for land and buildings for the fire department.

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

Fiscal year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 225,292	\$ 37,951	\$ 263,243
2018	236,063	27,191	263,254
2019	247,694	15,518	263,212
2020	62,665	3,133	65,798
	<u>\$ 771,714</u>	<u>\$ 83,793</u>	<u>\$ 855,507</u>

Changes in Long-Term Liabilities

The following is a summary of long-term debt and liability activity for the City for its fiscal year ended September 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Notes Payable	\$ 5,282,975	\$ 182,719	\$ (616,296)	\$ 4,849,398	\$ 688,782
Contracts Payable	962,112	-	(190,398)	771,714	225,292
Compensated Absences	1,097,930	241,668	(337,875)	1,001,723	308,268
Governmental activities Long-term liabilities	<u>\$ 7,343,017</u>	<u>\$ 424,387</u>	<u>\$ (1,144,569)</u>	<u>\$ 6,622,835</u>	<u>\$ 1,222,342</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from other funds:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 13,801

The above interfund balance results from the collection of revenues in the nonmajor governmental funds that are owed to the General Fund and are subsequently remitted after year-end.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 143,358
Capital Projects Fund	General Fund	35,667,896
Nonmajor governmental funds	General Fund	1,074,741
		\$ 36,885,995

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

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NOTES TO FINANCIAL STATEMENTS

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments

The City has entered a public/private contractual partnership for outsourced services and operations. Through this contract with a private company, an array of operational services is provided via outsourcing. This contract is an operating contract for which the City is continually monitoring its outsourcing needs as compared to providing services in-house. Currently, this contract is approximately \$4.69 million, subject to annual negotiation and appropriation.

The City has entered into contracts for construction and various other professional services. As of September 30, 2016, the balance left to complete these contracts is approximately \$1.31 million.

Litigation

The City is a defendant in certain legal actions arising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse impact on the financial position of the City.

Grant Contingencies

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

NOTE 10. DEFINED CONTRIBUTION RETIREMENT PLAN

The City of Johns Creek's Profit Sharing Plan is a single employer defined contribution plan established and administered by the City for all full time employees. At September 30, 2016, there were 196 plan members. The City contributes 12% of eligible employees' base salary and matches 100% for each dollar of employee contributions up to 5% of the employee's salary. Employees are not required to contribute to the Plan. Employees are eligible and fully vested after six months of employment. For the fiscal year ending September 30, 2016, the City's contributions to the Plan were \$2,219,234. The Plan was established by resolution of the City Council. The Plan, including contribution requirements, may also be amended by resolution of the same.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURES

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

In October 2008 the cities of Sandy Springs and Johns Creek created the Chattahoochee River 911 Authority (ChatComm), which was created pursuant to the provisions of the Official Code of Georgia Annotated (OCGA) Section 36-75-1, which provides for the organization of a joint public safety and judicial facility authority. ChatComm Board membership includes the City Manager from each participating city, or their designee. ChatComm was created by the two cities contributing a pre-determined capital amount necessary to equip the facility. In accordance with GASB 14: *The Financial Reporting Entity*, ChatComm was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. The cities have also pledged their future E911 revenues to ChatComm to pay for the operation of the emergency 911 answering facility. Additionally, the two cities will be responsible for funding any operating deficits as well as any future capital purchases of ChatComm. For the year ended September 30, 2016, the City of Johns Creek has collected and remitted \$1,760,393 of E911 revenues. Since the inception of ChatComm, the City has contributed \$4,910,771 to cover the capital and operating needs in addition to the E911 revenues remitted. While the E911 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 September 30, 2016. As of June 30, 2016, ChatComm's fiscal year end, the entity had a negative net position of (\$11,536,591). Separate financial statements may be obtained from the City of Johns Creek, who has been contracted by ChatComm to serve as the accountants, at 12000 Findley Road, Suite 400, Johns Creek, Georgia 30097.

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended September 30, 2016, the City received \$501,955 in hotel/motel taxes. Of this amount, \$256,407, or 51.1%, was used for the promotion of tourism, conventions, or trade shows.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. MOTOR VEHICLE EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovation, improvement, 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 September 30, 2016, the City did not collect any motor vehicle excise taxes.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JOHNS CREEK, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 19,305,000	\$ 19,305,000	\$ 17,168,132	\$ (2,136,868)
Sales taxes	20,519,025	20,519,025	20,838,545	319,520
Franchise taxes	4,566,834	4,566,834	4,357,134	(209,700)
Business taxes	6,042,510	6,042,510	6,629,486	586,976
Licenses and permits	2,779,260	2,779,260	2,632,050	(147,210)
Charges for services	227,850	227,850	306,858	79,008
Fines and forfeitures	1,250,000	1,268,000	1,253,281	(14,719)
Intergovernmental	100	195,100	223,495	28,395
Contributions	-	-	6,516	6,516
Interest earned	120,000	120,000	103,086	(16,914)
Miscellaneous	10,000	178,120	216,162	38,042
Total revenues	<u>54,820,579</u>	<u>55,201,699</u>	<u>53,734,745</u>	<u>(1,466,954)</u>
Expenditures:				
Current:				
General government:				
City Council	311,705	324,215	260,801	63,414
City Manager	1,314,320	1,317,077	1,223,029	94,048
City Clerk	597,360	597,360	559,461	37,899
General operations	282,220	207,220	168,143	39,077
Finance	1,279,276	1,319,276	1,114,057	205,219
Legal services	500,000	500,000	324,344	175,656
Information technology	2,353,085	2,445,815	2,077,339	368,476
Facilities and buildings	1,900,355	1,860,604	1,747,786	112,818
Human resources	804,000	719,500	608,721	110,779
Public information	770,695	857,595	702,856	154,739
Total general government	<u>10,113,016</u>	<u>10,148,662</u>	<u>8,786,537</u>	<u>1,362,125</u>
Judicial:				
Municipal court	660,160	678,160	640,739	37,421
Total judicial	<u>660,160</u>	<u>678,160</u>	<u>640,739</u>	<u>37,421</u>
Public safety:				
Police	10,256,280	10,342,758	9,393,291	949,467
Fire	10,650,954	10,629,981	9,858,185	771,796
Total public safety	<u>20,907,234</u>	<u>20,972,739</u>	<u>19,251,476</u>	<u>1,721,263</u>
Public works	<u>7,248,000</u>	<u>9,230,634</u>	<u>7,164,166</u>	<u>2,066,468</u>
Culture and recreation	<u>1,891,185</u>	<u>2,073,733</u>	<u>2,059,915</u>	<u>13,818</u>
Community development	<u>3,158,708</u>	<u>3,158,708</u>	<u>2,748,236</u>	<u>410,472</u>
Debt service:				
Principal	190,405	190,405	190,398	7
Interest	47,105	47,105	47,098	7
Total debt service	<u>237,510</u>	<u>237,510</u>	<u>237,496</u>	<u>14</u>
Total expenditures	<u>44,215,813</u>	<u>46,500,146</u>	<u>40,888,565</u>	<u>5,611,581</u>
Excess of revenues over expenditures	<u>10,604,766</u>	<u>8,701,553</u>	<u>12,846,180</u>	<u>4,144,627</u>

Continued

CITY OF JOHNS CREEK, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses):				
Transfers in	122,500	122,500	143,358	20,858
Transfers out	(10,727,266)	(39,117,323)	(36,742,637)	2,374,686
Proceeds from the sale of capital assets	-	-	1,510	1,510
Total other financing sources (uses)	<u>(10,604,766)</u>	<u>(38,994,823)</u>	<u>(36,597,769)</u>	<u>2,397,054</u>
Net change in fund balance	-	(30,293,270)	(23,751,589)	6,541,681
Fund balance, beginning of year	<u>51,603,294</u>	<u>51,603,294</u>	<u>51,603,294</u>	<u>-</u>
Fund balance, end of year	<u>\$ 51,603,294</u>	<u>\$ 21,310,024</u>	<u>\$ 27,851,705</u>	<u>\$ 6,541,681</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Confiscated Assets Fund – This fund is used to account for the use of confiscated assets by the City's Police Department. These revenues are restricted by State of Georgia law for law enforcement purposes.

E-911 Fund – This fund is used to account for the monthly 911 charge to fund the cost of providing emergency 911 services to the City. Financing is provided through user fees and charges which are restricted by the Official Code of Georgia Annotated (O.C.G.A) 46-5-134.

Hotel/Motel Tax Fund – This fund is used to account for the 7% occupancy tax collected by the City from area hotels and motels. The tax revenues in this fund are restricted by O.C.G.A 48-13-51.

Rental Motor Vehicle Excise Tax Fund – This fund is used to account for the tax collected by the City from area rental car establishments. The tax revenues in this fund are restricted by O.C.G.A 48-13-93.

Tree Replacement 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.

Capital Project Fund

CDBG Fund – This fund is used to account for the expenditures and revenues received from the U.S. Department of Housing and Urban Development for the City's Community Development Block Grant (CDBG) project.

Debt Service Fund

Debt Service Fund – This fund is used to account for the accumulation of resources and payment of principal and interest on the City's outstanding notes payable.

CITY OF JOHNS CREEK, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

ASSETS	Special Revenue Funds					Capital	Debt Service Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	E-911 Fund	Hotel/Motel Tax Fund	Rental	Tree	CDBG Fund		
				Motor Vehicle Excise Tax Fund	Replacement Fund			
Cash	\$ 517,321	\$ 362,618	\$ 85,494	\$ 39,076	\$ 91,197	\$ 433	\$ -	\$ 1,096,139
Taxes receivable	-	-	43,246	-	-	-	-	43,246
Other receivables	-	396,801	-	-	-	-	-	396,801
Total assets	\$ 517,321	\$ 759,419	\$ 128,740	\$ 39,076	\$ 91,197	\$ 433	\$ -	\$ 1,536,186
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ 477,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477,732
Accrued liabilities	8,225	-	-	-	-	-	-	8,225
Due to other funds	1,450	-	12,351	-	-	-	-	13,801
Due to component unit	-	-	14,199	-	-	-	-	14,199
Total liabilities	9,675	477,732	26,550	-	-	-	-	513,957
FUND BALANCES								
Restricted:								
Law enforcement	507,646	-	-	-	-	-	-	507,646
Trade and tourism	-	-	102,190	-	-	-	-	102,190
Public safety facilities	-	-	-	39,076	-	-	-	39,076
Capital projects	-	-	-	-	-	433	-	433
Committed:								
Tree replacement	-	-	-	-	91,197	-	-	91,197
Assigned:								
Emergency 911 operations	-	281,687	-	-	-	-	-	281,687
Total fund balances	507,646	281,687	102,190	39,076	91,197	433	-	1,022,229
Total liabilities and fund balances	\$ 517,321	\$ 759,419	\$ 128,740	\$ 39,076	\$ 91,197	\$ 433	\$ -	\$ 1,536,186

CITY OF JOHNS CREEK, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds					Capital Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	E-911 Fund	Hotel/Motel Tax Fund	Rental Motor Vehicle Excise Tax Fund	Tree Replacement Fund	CDBG Fund		
REVENUES								
Taxes	\$ -	\$ -	\$ 501,955	\$ -	\$ -	\$ -	\$ -	\$ 501,955
Charges for services	-	1,760,393	-	-	48,605	-	-	1,808,998
Fines and forfeitures	154,900	-	-	-	-	-	-	154,900
Interest	755	-	-	-	-	-	-	755
Miscellaneous	-	31	-	-	-	-	-	31
Total revenues	155,655	1,760,424	501,955	-	48,605	-	-	2,466,639
EXPENDITURES								
Current:								
Public safety	41,332	1,901,731	-	-	-	-	-	1,943,063
Culture and recreation	-	-	256,407	-	-	-	-	256,407
Debt service:								
Principal	-	169,389	-	-	-	-	446,907	616,296
Interest	-	10,055	-	-	-	-	158,984	169,039
Total expenditures	41,332	2,081,175	256,407	-	-	-	605,891	2,984,805
Excess (deficiency) of revenues over expenditures	114,323	(320,751)	245,548	-	48,605	-	(605,891)	(518,166)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	468,850	-	-	-	-	605,891	1,074,741
Transfers out	-	-	(143,358)	-	-	-	-	(143,358)
Total other financing sources (uses)	-	468,850	(143,358)	-	-	-	605,891	931,383
Net change in fund balances	114,323	148,099	102,190	-	48,605	-	-	413,217
FUND BALANCES, beginning of year	393,323	133,588	-	39,076	42,592	433	-	609,012
FUND BALANCES, end of year	\$ 507,646	\$ 281,687	\$ 102,190	\$ 39,076	\$ 91,197	\$ 433	\$ -	\$ 1,022,229

CITY OF JOHNS CREEK, GEORGIA

**CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Cash confiscations	\$ 60,000	\$ 135,000	\$ 154,900	\$ 19,900
Interest	400	400	755	355
Total revenues	<u>60,400</u>	<u>135,400</u>	<u>155,655</u>	<u>20,255</u>
Expenditures:				
Public safety	<u>240,250</u>	<u>240,250</u>	<u>41,332</u>	<u>198,918</u>
Excess (deficiency) of revenues over expenditures	(179,850)	(104,850)	114,323	219,173
Other financing sources:				
Transfers in	<u>179,850</u>	<u>104,850</u>	<u>-</u>	<u>(104,850)</u>
Net change in fund balances	-	-	114,323	114,323
Fund balances, beginning of year	<u>393,323</u>	<u>393,323</u>	<u>393,323</u>	<u>-</u>
Fund balances, end of year	<u>\$ 393,323</u>	<u>\$ 393,323</u>	<u>\$ 507,646</u>	<u>\$ 114,323</u>

CITY OF JOHNS CREEK, GEORGIA

**E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,679,740	\$ 1,679,740	\$ 1,760,393	\$ 80,653
Miscellaneous	-	-	31	31
Total revenues	<u>1,679,740</u>	<u>1,679,740</u>	<u>1,760,424</u>	<u>80,684</u>
Expenditures:				
Public safety	1,969,145	1,969,145	1,901,731	67,414
Debt service				
Principal	169,390	169,390	169,389	1
Interest	10,055	10,055	10,055	-
Total expenditures	<u>2,148,590</u>	<u>2,148,590</u>	<u>2,081,175</u>	<u>67,415</u>
Deficiency of revenues over expenditures	(468,850)	(468,850)	(320,751)	148,099
Other financing sources:				
Transfers in	<u>468,850</u>	<u>468,850</u>	<u>468,850</u>	<u>-</u>
Net change in fund balances	-	-	148,099	148,099
Fund balance, beginning of year	<u>133,588</u>	<u>133,588</u>	<u>133,588</u>	<u>-</u>
Fund balance, end of year	<u>\$ 133,588</u>	<u>\$ 133,588</u>	<u>\$ 281,687</u>	<u>\$ 148,099</u>

CITY OF JOHNS CREEK, GEORGIA

**HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 400,000	\$ 400,000	\$ 501,955	\$ 101,955
Expenditures:				
Culture and recreation	277,500	277,500	256,407	21,093
Excess of revenues over expenditures	122,500	122,500	245,548	123,048
Other financing uses:				
Transfers out	(122,500)	(122,500)	(143,358)	(20,858)
Net change in fund balances	-	-	102,190	102,190
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 102,190	\$ 102,190

CITY OF JOHNS CREEK, GEORGIA

**TREE REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 7,500	\$ 47,500	\$ 48,605	\$ 1,105
Expenditures:				
Housing and development	7,500	47,500	-	47,500
Net change in fund balances	-	-	48,605	48,605
Fund balances, beginning of year	42,592	42,592	42,592	-
Fund balances, end of year	<u>\$ 42,592</u>	<u>\$ 42,592</u>	<u>\$ 91,197</u>	<u>\$ 48,605</u>

CITY OF JOHNS CREEK, GEORGIA

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures:				
Debt service				
Principal	\$ 624,782	\$ 505,217	\$ 446,907	\$ 58,310
Interest	39,378	158,943	158,984	(41)
Total expenditures	<u>664,160</u>	<u>664,160</u>	<u>605,891</u>	<u>58,269</u>
Other financing sources:				
Transfers in	<u>664,160</u>	<u>664,160</u>	<u>605,891</u>	<u>(58,269)</u>
Total other financing sources	<u>664,160</u>	<u>664,160</u>	<u>605,891</u>	<u>(58,269)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AGENCY FUND

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

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

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Balance October 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2016</u>
MUNICIPAL COURT FUND				
Assets:				
Cash	<u>\$ 149,306</u>	<u>\$ 1,756,846</u>	<u>\$ 1,757,567</u>	<u>\$ 148,585</u>
Liabilities:				
Due to others	<u>\$ 149,306</u>	<u>\$ 1,756,846</u>	<u>\$ 1,757,567</u>	<u>\$ 148,585</u>

COMPONENT UNIT

Convention Visitors Bureau – To account for the revenue and expenditures of promoting tourism within the City as funded by Hotel/Motel tax revenues.

CITY OF JOHNS CREEK, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - JOHNS CREEK CONVENTION VISITORS BUREAU
SEPTEMBER 30, 2016**

ASSETS

Cash	\$	196,339
Due from primary government		<u>14,199</u>
Total assets	\$	<u><u>210,538</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	<u>4,958</u>
Total liabilities		<u>4,958</u>

FUND BALANCE

Restricted for trade and tourism		<u>205,580</u>
Total liabilities and fund balance	\$	<u><u>210,538</u></u>

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - JOHNS CREEK CONVENTION VISITORS BUREAU
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

REVENUES	
Intergovernmental	\$ 161,327
	<u>161,327</u>
Total revenues	<u>161,327</u>
EXPENDITURES	
Current:	
Culture and recreation	<u>136,541</u>
Total expenditures	<u>136,541</u>
Net change in fund balance	<u>24,786</u>
FUND BALANCE, beginning of year	<u>180,794</u>
FUND BALANCE, end of year	<u><u>\$ 205,580</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Page

Financial Trends..... 49

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 51

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

Debt Capacity 59

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..... 61

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 62

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

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

CITY OF JOHNS CREEK, GEORGIA

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Primary government:				
Net investment in capital assets	\$ 165,092,053	\$ 137,184,217	\$ 131,880,973	\$ 125,050,777
Restricted	649,345	485,632	355,547	284,689
Unrestricted	<u>40,143,417</u>	<u>60,719,535</u>	<u>54,348,545</u>	<u>47,116,522</u>
Total primary government net position	<u>\$ 205,884,815</u>	<u>\$ 198,389,384</u>	<u>\$ 186,585,065</u>	<u>\$ 172,451,988</u>

Note: The City's operations grew during 2008, its first full year of operation. The 2007 period was only 10 months.

2012	2011	2010	2009	2008	2007
\$ 123,600,396	\$ 111,695,549	\$ 111,518,588	\$ 112,742,594	\$ 110,650,922	\$ 112,146,791
237,891	176,572	52,800	52,800	52,800	52,800
43,456,119	35,423,722	28,777,667	23,566,497	22,144,572	10,044,078
<u>\$ 167,294,406</u>	<u>\$ 147,295,843</u>	<u>\$ 140,349,055</u>	<u>\$ 136,361,891</u>	<u>\$ 132,848,294</u>	<u>\$ 122,243,669</u>

CITY OF JOHNS CREEK, GEORGIA

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

	2016	2015	2014	2013
Expenses				
General government	\$ 8,510,238	\$ 9,883,021	\$ 9,173,194	\$ 9,315,391
Judicial	641,638	606,051	571,034	581,038
Public safety	21,252,829	21,490,586	21,803,754	24,420,784
Public works	15,340,851	12,822,801	8,588,644	9,361,326
Culture and recreation	2,779,614	3,001,923	2,735,690	2,239,239
Community development	2,748,236	3,177,888	2,783,031	2,762,171
Interest on long-term debt	226,462	121,786	149,406	177,399
Total expenses	\$ 51,499,868	\$ 51,104,056	\$ 45,804,753	\$ 48,857,348
Program revenues				
Charges for services:				
General government	\$ 1,309,480	\$ 1,233,204	\$ 1,049,331	\$ 1,111,782
Judicial	1,335,746	1,315,373	1,299,083	1,294,633
Public safety	1,965,868	1,925,111	1,834,379	1,693,516
Public works	670	1,635	2,650	300
Culture and recreation	186,282	152,877	135,646	120,720
Community development	1,358,041	1,274,075	852,634	911,628
Operating grants and contributions	230,011	83,200	48,233	40,058
Capital grants and contributions	1,892,073	4,908,666	5,720,390	3,858,776
Total program revenues	\$ 8,278,171	\$ 10,894,141	\$ 10,942,346	\$ 9,031,413
Net (expense) revenue	\$ (43,221,697)	\$ (40,209,915)	\$ (34,862,407)	\$ (39,825,935)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	\$ 18,069,974	\$ 19,973,121	\$ 18,256,432	\$ 17,215,159
Sales taxes	20,838,545	20,562,370	19,732,444	17,061,276
Hotel/Motel taxes	501,955	489,803	437,103	397,450
Franchise taxes	4,357,134	4,431,315	4,344,254	4,283,380
Business taxes	6,629,486	6,336,162	6,047,586	5,770,239
Unrestricted intergovernmental revenue	-	-	-	-
Unrestricted investment earnings	103,841	77,309	51,410	50,380
Miscellaneous revenues	216,193	144,154	83,540	201,113
Gain on sale of capital assets	-	-	42,715	4,520
Special item - donation of infrastructure at incorporation	-	-	-	-
Total	\$ 50,717,128	\$ 52,014,234	\$ 48,995,484	\$ 44,983,517
Change in Net Position	\$ 7,495,431	\$ 11,804,319	\$ 14,133,077	\$ 5,157,582

Note: Fiscal year 2008 was the City's first full year of operations. The 2007 period was only 10 months.

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

- (1) Sales taxes are down due to the recent economic downturn.
- (2) In 2008, the City received a one-time payment from Fulton County.
- (3) FY2010 was the City's first full year of collecting revenues for E911 services.
- (4) In FY2012, the City received approximately \$11.7 million of donated construction and permanent easements from the Georgia Department of Transportation.

	2012	2011	2010	2009	2008	2007
\$	8,401,404	\$ 8,473,996	\$ 10,006,958	\$ 10,113,200	\$ 10,431,889	\$ 7,784,141
	616,764	549,615	421,763	419,015	373,841	189,802
	19,772,277	19,255,530	19,744,699	16,741,131	15,055,910	8,470,837
	8,521,056	8,993,484	10,806,418	11,257,900	10,464,085	8,377,110
	2,048,933	1,882,042	1,195,390	1,175,499	1,388,914	1,093,499
	3,039,827	2,876,703	4,886,840	5,287,755	5,817,895	5,314,229
	176,884	204,863	313,466	403,244	361,212	143,467
	<u>\$ 42,577,145</u>	<u>\$ 42,236,233</u>	<u>\$ 47,375,534</u>	<u>\$ 45,397,744</u>	<u>\$ 43,893,746</u>	<u>\$ 31,373,085</u>
\$	1,200,977	\$ 1,008,918	\$ 783,095	\$ 870,650	\$ 1,093,164	\$ 912,693
	1,126,259	1,059,290	1,176,913	1,254,994	760,372	163,612
	1,605,609	1,583,430	1,633,424 (3)	166,613	5,092	-
	791	750	150	335	910	1,175
	132,249	49,740	41,091	42,698	38,774	19,245
	973,739	739,053	613,682	548,965	1,173,960	1,163,329
	15,750	5,250	22,075	4,000	87,500	15,000
	13,179,713 (4)	1,727,249	2,050,856	1,574,382	1,706,595	289,890
	<u>\$ 18,235,087</u>	<u>\$ 6,173,680</u>	<u>\$ 6,321,286</u>	<u>\$ 4,462,637</u>	<u>\$ 4,866,367</u>	<u>\$ 2,564,944</u>
	<u>\$ (24,342,058)</u>	<u>\$ (36,062,553)</u>	<u>\$ (41,054,248)</u>	<u>\$ (40,935,107)</u>	<u>\$ (39,027,379)</u>	<u>\$ (28,808,141)</u>
\$	16,743,082	\$ 16,708,870	\$ 19,009,118	\$ 19,215,657	\$ 18,910,045	\$ 16,806,870
	17,046,077	16,053,759	15,643,135	14,762,126 (1)	17,372,673	14,824,210
	357,537	374,147	331,707	340,018	413,030	295,001
	4,359,944	4,262,254	4,271,267	4,340,199	4,003,465	2,474,242
	5,646,233	5,360,729	5,142,452	5,104,952	5,513,389	1,613,495
	-	-	59,219	12,515	2,850,436 (2)	-
	43,451	39,938	73,409	301,236	519,624	375,048
	138,697	209,644	511,105	372,001	49,342	15,020
	5,600	-	-	-	-	-
	-	-	-	-	-	114,647,924
	<u>\$ 44,340,621</u>	<u>\$ 43,009,341</u>	<u>\$ 45,041,412</u>	<u>\$ 44,448,704</u>	<u>\$ 49,632,004</u>	<u>\$ 151,051,810</u>
	<u>\$ 19,998,563</u>	<u>\$ 6,946,788</u>	<u>\$ 3,987,164</u>	<u>\$ 3,513,597</u>	<u>\$ 10,604,625</u>	<u>\$ 122,243,669</u>

CITY OF JOHNS CREEK, 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
2007	\$ 16,806,870	\$ 14,824,210	\$ 295,001	\$ 2,474,242	\$ 1,613,495	\$ 36,013,818
2008	18,910,045	17,372,673	413,030	4,003,465	5,513,389	46,212,602
2009	19,215,657	14,762,126 (1)	340,018	4,340,199	5,104,952	43,762,951
2010	19,009,118	15,643,135	331,707	4,271,267	5,142,452	44,397,679
2011	16,708,870	16,053,759	374,147	4,262,254	5,360,729	42,759,759
2012	16,743,082	17,046,077	357,537	4,359,944	5,646,233	44,152,873
2013	17,215,159	17,061,276	397,450	4,283,380	5,770,239	44,727,504
2014	18,256,432	19,732,444	437,103	4,344,254	6,047,586	48,817,819
2015	19,973,121	20,562,370	489,803	4,431,315	6,336,162	51,792,771
2016	18,069,974	20,838,545	501,955	4,357,134	6,629,486	50,397,094

Note: Fiscal year 2008 is the City's first full year of operations. The 2007 period was only 10 months.

(1) Sales taxes decreased from 2008 to 2009 due to the economic downturn that occurred during the period.

CITY OF JOHNS CREEK, GEORGIA

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

	2016	2015	2014	2013
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-
Unreserved	-	-	-	-
Nonspendable - prepaids	464,583	597,179	121,842	222,427
Nonspendable - inventory	94,055	91,575	92,252	77,682
Nonspendable - advances	-	-	-	-
Restricted - capital projects	-	52,800	52,800	52,800
Committed - land acquisition	-	20,000,000	-	-
Committed - neighborhood road resurfacing	7,000,000	7,000,000	-	-
Committed - development of City owned structures	-	1,500,000	-	-
Assigned - vehicle replacement	1,922,646	1,922,646	1,922,646	1,622,646
Unassigned	18,370,421	20,439,094	46,071,853	39,638,568
Total general fund	\$ 27,851,705	\$ 51,603,294	\$ 48,261,393	\$ 41,614,123
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Restricted - capital projects	433	-	-	-
Restricted - law enforcement	507,646	393,323	263,671	196,968
Restricted - trade and tourism	102,190	-	-	-
Restricted - public safety facilities	39,076	39,076	39,076	34,488
Restricted - community development	-	-	-	433
Committed - tree replacement	91,197	42,592	63,765	-
Assigned - capital projects	10,740,370	9,101,459	5,869,769	4,017,903
Assigned - emergency 911 operations	281,687	133,588	-	-
Unassigned	-	-	(34,447)	(2,377)
Total all other governmental funds	\$ 11,762,599	\$ 9,710,038	\$ 6,201,834	\$ 4,247,415

NOTE: (1) The City's operations grew during 2008, its first full year of operation. The 2007 period was only 10 months.
(2) The City implemented GASB Statement 54 in fiscal year 2011.

2012	2011	2010	2009	2008	2007
\$ -	\$ -	\$ 106,557	\$ 1,353,107	\$ 107,532	\$ 215,718
-	-	6,947,880	6,781,675	7,276,239	-
-	-	17,072,485	391,498	11,087,107	6,591,987
15,447	198,932	-	-	-	-
96,709	77,480	-	-	-	-
211,051	-	-	-	-	-
52,800	52,800	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,240,000	740,000	-	-	-	-
33,712,377	27,759,825	-	-	-	-
<u>\$ 35,328,384</u>	<u>\$ 28,829,037</u>	<u>\$ 24,126,922</u>	<u>\$ 8,526,280</u>	<u>\$ 18,470,878</u>	<u>\$ 6,807,705</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,813
-	-	92,397	(952,258)	2,547	1,087
-	-	2,776,387	3,118,230	2,461,883	2,260,152
-	-	-	-	-	-
160,916	123,772	-	-	-	-
-	-	-	-	-	-
24,175	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,910,103	4,072,075	-	-	-	-
-	-	-	-	-	-
(212,358)	(350,857)	-	-	-	-
<u>\$ 4,882,836</u>	<u>\$ 3,844,990</u>	<u>\$ 2,868,784</u>	<u>\$ 2,165,972</u>	<u>\$ 2,464,430</u>	<u>\$ 2,356,052</u>

CITY OF JOHNS CREEK, GEORGIA

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

	2016	2015	2014	2013
Revenues				
Property taxes	\$ 17,168,132	\$ 20,119,245	\$ 18,302,306	\$ 17,265,354
Sales taxes	20,838,545	20,562,370	19,732,444	17,061,276
Hotel/Motel taxes	501,955	489,803	437,103	397,450
Franchise taxes	4,357,134	4,431,315	4,344,254	4,283,380
Business taxes	6,629,486	6,336,162	6,047,586	5,770,239
Licenses and permits	2,632,050	2,440,523	1,824,439	1,783,358
Charges for services	2,115,856	2,052,521	2,074,645	2,028,883
Fines and forfeitures	1,408,181	1,409,231	1,274,639	1,321,974
Intergovernmental	1,985,625	4,177,374	6,723,622	1,898,947
Contributions	6,516	156,026	5,295	114,581
Interest earned	103,841	77,309	51,410	50,380
Miscellaneous	216,193	144,154	83,540	201,113
Total revenues	57,963,514	62,396,033	60,901,283	52,176,935
Expenditures				
Current:				
General government	8,786,537	9,750,292	9,269,141	9,030,662
Judicial	640,739	607,051	569,611	587,530
Public safety	21,194,539	22,838,021	21,201,601	20,984,990
Public works	15,630,086	12,642,238	7,911,390	7,965,504
Culture and recreation	2,316,322	3,265,151	2,368,869	2,017,484
Community development	2,748,236	3,177,888	2,783,031	2,762,171
Capital outlay	27,507,914	6,328,832	7,373,169	3,092,326
Debt service:				
Principal	806,694	633,319	715,677	729,591
Interest	216,137	122,220	149,820	177,795
Total expenditures	79,847,204	59,365,012	52,342,309	47,348,053
Excess (deficiency) of revenues over expenditures	(21,883,690)	3,031,021	8,558,974	4,828,882
Other Financing Sources (Uses)				
Issuance of long term debt	182,719	3,817,281	-	816,916
Proceeds from sale of assets	1,510	2,236	42,715	4,520
Transfers in	36,885,995	9,057,234	5,440,939	4,218,916
Transfers out	(36,885,995)	(9,057,234)	(5,440,939)	(4,218,916)
Total other financing sources (uses)	184,229	3,819,517	42,715	821,436
Net change in fund balances	\$ (21,699,461)	\$ 6,850,538	\$ 8,601,689	\$ 5,650,318
Debt service as a percentage of noncapital expenditures	2.1%	1.6%	2.0%	2.1%

Note: Fiscal year 2008 was the City's first full year of operations. The 2007 period was only 10 months.

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

(1) The decrease in property tax revenues in 2009 and increase in 2010 is due to the 2009 taxes being billed after year-end and recognized as revenues for 2010. 2010 taxes were billed prior to year-end and also recognized as revenues in 2010.

(2) Sales taxes are down due to the recent economic downturn.

(3) In 2008, the City received a one-time payment from Fulton County.

(4) FY2010 was the City's first full year of collecting revenues for E911 services.

	2012	2011	2010	2009	2008	2007
\$	16,767,324	\$ 16,774,303	\$ 31,719,433 (1)	\$ 6,606,730 (1)	\$ 18,294,082	\$ 15,873,749
	17,046,077	15,759,593	16,046,051	14,653,376 (2)	17,372,673	14,824,210
	357,537	374,147	331,707	340,018	413,030	295,001
	4,359,944	4,262,254	4,271,267	4,340,199	4,003,465	2,474,242
	5,646,233	5,360,729	5,142,452	5,104,952	5,513,390	1,613,495
	1,934,988	1,543,769	1,374,399	1,401,509	2,217,222	1,997,800
	1,949,800	1,833,433	1,619,378 (4)	201,613	100,829	98,642
	1,153,197	1,079,281	1,239,276	1,281,133	754,221	163,612
	1,299,770	1,222,002	434,069	421,879	2,967,686 (3)	237,090
	44,750	5,250	22,075	4,000	104,500	67,800
	43,454	39,938	73,409	301,236	519,624	375,048
	138,697	209,644	511,105	372,001	49,342	15,020
	<u>50,741,771</u>	<u>48,464,343</u>	<u>62,784,621</u>	<u>35,028,646</u>	<u>52,310,064</u>	<u>38,035,709</u>
	8,262,785	8,376,712	10,065,108	10,013,463	10,530,632	8,212,727
	615,633	543,696	445,991	419,015	373,841	189,802
	19,366,721	18,651,425	19,574,394	18,878,280	20,545,115	8,470,837
	6,954,482	7,868,085	8,702,246	9,171,814	8,390,494	6,314,112
	1,790,767	1,729,215	1,000,855	1,002,519	1,215,934	920,615
	3,039,827	2,876,703	4,886,840	5,287,755	5,817,895	5,314,229
	2,145,261	956,583	598,013	-	-	-
	857,576	1,785,837	1,871,940	1,563,358	257,119	-
	177,126	227,840	313,466	374,522	361,212	143,467
	<u>43,210,178</u>	<u>43,016,096</u>	<u>47,458,853</u>	<u>46,710,726</u>	<u>47,492,242</u>	<u>29,565,789</u>
	7,531,593	5,448,247	15,325,768	(11,682,080)	4,817,822	8,469,920
	-	224,031	977,686	1,439,024	6,953,729	430,837
	5,600	6,043	-	-	-	263,000
	4,301,228	5,330,174	5,595,094	4,391,491	2,131,172	2,507,695
	(4,301,228)	(5,330,174)	(5,595,094)	(4,391,491)	(2,131,172)	(2,507,695)
	<u>5,600</u>	<u>230,074</u>	<u>977,686</u>	<u>1,439,024</u>	<u>6,953,729</u>	<u>693,837</u>
\$	<u>7,537,193</u>	<u>\$ 5,678,321</u>	<u>\$ 16,303,454</u>	<u>\$ (10,243,056)</u>	<u>\$ 11,771,551</u>	<u>\$ 9,163,757</u>
	2.5%	4.9%	4.9%	4.5%	1.5%	0.5%

CITY OF JOHNS CREEK, 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
2007	\$ 996,312	\$ 9,627,122	\$ 2,349,053	\$ 583,129	\$ 7,779,925	\$ 21,335,541
2008	18,294,082	17,372,673	413,030	4,003,465	5,513,390	45,596,640
2009	6,606,730 (1)	14,653,376 (2)	340,018	4,340,199	5,104,952	31,045,272
2010	31,719,433 (1)	16,046,051	331,707	4,271,267	5,142,452	57,510,909
2011	16,774,303	15,759,593	374,147	4,262,254	5,360,729	42,531,026
2012	16,767,324	17,046,077	357,537	4,359,944	5,646,233	44,177,115
2013	17,265,354	17,061,276	397,450	4,283,380	5,770,239	44,777,699
2014	18,302,306	19,732,444	437,103	4,344,254	6,047,586	48,863,693
2015	20,119,245	20,562,370	489,803	4,431,315	6,336,162	51,938,895
2016	17,168,132 (3)	20,838,545	501,955	4,357,134	6,629,486	49,495,252

Note: Fiscal year 2008 is the City's first full year of operations. The 2007 period was only 10 months.

(1) The decrease in property tax revenues in 2009 and increase in 2010 is due to the 2009 taxes being billed after year-end and recognized as revenues for 2010. 2010 taxes were billed prior to year-end and also recognized as revenues in 2010.

(2) Sales taxes are down due to the recent economic downturn.

(3) The decrease in property tax revenues in 2016 is due to the 2016 taxes being billed approximately 60 days later than usual and thus amounts collected through year-end and up to 60 days after year-end (availability period) were less than in prior years as the late billing extended the due date.

CITY OF JOHNS CREEK, 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	Other (1)	Motor Vehicles
2007	\$ 3,215,735,140	\$ 691,897,960	\$ 30,436,270	\$ 6,102,040	\$ 211,448,560
2008	3,319,338,140	922,281,870	29,536,370	6,372,840	257,655,650
2009	3,288,413,670	864,697,050	22,784,200	6,412,960	267,843,670
2010	3,160,092,600	862,966,660	21,279,610	6,457,520	234,501,440
2011	3,022,831,760	794,933,420	21,056,810	3,157,840	233,172,030
2012	2,972,383,620	754,130,450	19,578,650	3,279,840	246,471,400
2013	2,921,151,930	716,466,010	23,717,770	3,076,560	276,044,730
2014	3,060,767,320	760,031,600	28,456,500	3,019,520	238,200,610
2015	3,333,836,970	879,818,130	27,446,420	2,353,080	172,426,560
2016	3,412,774,790	963,868,280	20,704,090	2,353,080	120,279,250

Source: Fulton County Tax Commissioner

(1) Reflects agricultural and conservation use.

Public Utility	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
\$ -	\$ 365,168,373	\$ 3,790,451,597	4.614	\$ 9,476,128,993	40%
18,865,548	369,540,788	4,184,509,630	4.614	10,461,274,075	40%
23,276,481	386,329,458	4,087,098,573	4.614	10,217,746,433	40%
22,896,714	401,674,528	3,906,520,016	4.614	9,766,300,040	40%
22,796,561	394,616,032	3,703,332,389	4.614	9,258,330,973	40%
24,219,447	389,803,646	3,630,259,761	4.614	9,075,649,403	40%
22,741,412	389,764,914	3,573,433,498	4.614	8,933,583,745	40%
22,242,831	406,614,154	3,706,104,227	4.614	9,265,260,568	40%
25,474,741	468,565,019	3,990,790,882	4.614	9,976,977,205	40%
23,853,604	480,968,386	4,062,905,508	4.360	10,157,263,770	40%

CITY OF JOHNS CREEK, GEORGIA

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

Calendar Year	Johns Creek (1)	Fulton County			School District			State	Total Direct & Overlapping Rates
		Operating Millage	Debt Service Millage	Total Fulton County Millage	Operating Millage	Debt Service Millage	Total School District Millage		
2007	4.614	10.281	-	10.281	16.903	1.188	18.091	0.250	33.236
2008	4.614	10.281	-	10.281	16.403	1.099	17.502	0.250	32.647
2009	4.614	10.281	-	10.281	17.502	-	17.502	0.250	32.647
2010	4.614	10.281	-	10.281	18.502	-	18.502	0.250	33.647
2011	4.614	10.281	0.270	10.551	18.502	-	18.502	0.250	33.917
2012	4.614	10.281	0.270	10.551	18.502	-	18.502	0.200	33.867
2013	4.614	10.211	0.270	10.481	18.502	-	18.502	0.150	33.747
2014	4.614	11.781	0.270	12.051	18.502	-	18.502	0.100	35.267
2015	4.614	10.500	0.250	10.750	18.502	-	18.502	0.050	33.916
2016	4.360	10.450	0.250	10.700	18.483	-	18.483	0.000	33.543

Source: Fulton County Tax Commissioner

(1) M&O rate. No components to display.

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

CITY OF JOHNS CREEK, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS PRIOR**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Development Authority of Fulton County	\$ 45,610,679	1	1.12 %	-	-	-
CIBA Vision Corporation	33,872,530	2	0.83	\$ 62,235,005	1	1.64 %
RRE Addison Place Holdings LLC	28,143,800	3	0.69	-	-	-
Chelsa Ridge LLC	25,746,259	4	0.63	-	-	-
Peach Farm Property LLC	25,555,961	5	0.63	-	-	-
Aylesbury Farms LLC	20,907,800	6	0.51	14,933,999	6	0.39
GRE Retreat at Johns Creek LLC	20,199,360	7	0.50	-	-	-
PREFCO Twenty Limited Partnership	17,385,441	8	0.43	-	-	-
Johns Creek LLC	16,330,470	9	0.40	-	-	-
Abbotts Bridge Realty	14,801,439	10	0.36	-	-	-
EHCA Dunwoody LLC	-	-	-	31,252,490	2	0.82
National Distributing Co. Inc.	-	-	-	19,711,920	3	0.52
State Farm Mutual Auto Ins. Co.	-	-	-	17,284,726	4	0.46
Robert Properties	-	-	-	16,348,370	5	0.43
Bristol Park Apartments LLC	-	-	-	14,755,520	7	0.39
Hendon JDN Creek Village LLC	-	-	-	13,243,990	8	0.35
Federated Systems Group, Inc.	-	-	-	12,797,698	9	0.34
Atlanta Athletic Club	-	-	-	11,403,877	10	0.30
Totals	\$ 248,553,739		6.12 %	\$ 213,967,595		5.64 %

Source: Fulton County Tax Commissioner

CITY OF JOHNS CREEK, GEORGIA

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

Fiscal Period Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 15,744,661	\$ 383,563	2.4 %	\$ 15,342,195	\$ 15,725,758	99.9 %
2008	16,142,319	466,654	2.9	15,661,434	16,128,088	99.9
2009	17,104,875	-	-	17,087,090	17,087,090	99.9
2010	16,309,021	2,753,052	16.9	13,537,922	16,290,974	99.9
2011	15,286,779	3,228,341	21.1	12,039,609	15,267,950	99.9
2012	14,984,738	3,048,566	20.3	11,890,037	14,938,603	99.7
2013	14,828,030	4,469,702	30.1	10,322,877	14,792,579	99.8
2014	15,757,405	1,137,915	7.2	14,577,734	15,715,649	99.7
2015	17,238,724	1,949,940	11.3	15,255,194	17,205,134	99.8
2016	16,820,317	663,689	3.9	-	663,689	3.9

Source: Fulton County Tax Commissioner

CITY OF JOHNS CREEK, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Period Ended September 30,	Governmental Activities		Total	Percentage of Personal Income (1)	Per Capita (1)
	Notes Payable	Contracts Payable			
2007	\$ 430,837	\$ -	\$ 430,837	0.01 %	\$ 6.15
2008	7,127,447	-	7,127,447	0.15	101.75
2009	5,564,089	1,439,024	7,003,113	0.15	99.97
2010	4,669,835	1,439,024	6,108,859	0.13	87.21
2011	3,180,542	1,366,511	4,547,053	0.14	59.26
2012	2,418,335	1,271,142	3,689,477	0.10	46.59
2013	2,603,998	1,172,804	3,776,802	0.10	45.89
2014	1,991,201	1,069,924	3,061,125	0.08	34.87
2015	5,282,975	962,112	6,245,087	0.17	75.15
2016	4,849,398	771,714	5,621,112	0.15	67.45

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 JOHNS CREEK, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF SEPTEMBER 30, 2016

	Net General Obligation Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Johns Creek
Overlapping General Obligation Debt:			
Fulton County, Georgia	\$ 151,141,000	7.50 %	\$ 11,335,575
Fulton County Board of Education	71,840,000	17.29	12,421,136
Total Overlapping Debt	222,981,000		23,756,711
City Direct Debt:			
Notes Payable	4,849,398	100.00	4,849,398
Contracts Payable	771,714	100.00	771,714
Total Direct Debt	5,621,112		5,621,112
 Total Direct and Overlapping Debt	 \$ 228,602,112		 \$ 29,377,823

Source: Assessed value data used to estimate applicable percentages obtained from Fulton County Board of Assessors and debt outstanding obtained from Fulton County.

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

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

CITY OF JOHNS CREEK, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment (2)	Unemployment Rate (3)
2007	70,050 (3) \$	4,622,880	\$ 65,994	35	15,705	4.4 %
2008	70,050 (3)	4,622,880	65,994	35	17,331	6.4
2009	70,050 (3)	4,622,880	65,994	35	16,310	10.1
2010	70,050 (3)	4,622,880	65,994	35	20,192	10.2
2011	76,728 (2)	3,226,796	42,055	36	18,244	10.6
2012	79,192 (1)	3,712,125	46,875	37	19,804	8.1
2013	82,306 (6)	3,858,094	46,875	37	20,822	9.7
2014	87,788 (7)	3,625,287	43,790	37	20,664	7.3
2015	83,102 (8)	3,656,322	43,998	39	16,505	5.2
2016	83,335 (8)	3,718,324	44,619	39	21,620	7.8

(1) Source: U.S. Census Bureau

(2) Source: Fulton County Board of Education

(3) Source: U.S. Bureau of Labor Statistics (note this is the rate for Fulton County as a whole).

CITY OF JOHNS CREEK, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2016			2007		
	Employees (1)	Rank	Percentage of Total City Employment (1)	Employees (1)	Rank	Percentage of Total City Employment (1)
Macy's Systems & Technology	1,321	1	7.07 %	808	3	5.16 %
State Farm Insurance Company	1,200	2	6.43	1,500	1	9.57
Alcon, Inc. (2)	1,096	3	5.87	1,147	2	7.32
Emory Johns Creek Hospital	612	4	3.03	500	4	3.19
Kroger Company	515	5	2.78	390	5	2.49
SAIA, Inc.	380	6	2.03	278	8	1.77
Publix	262	7	1.40	290	7	1.85
County Club of the South	250	8	1.34	-	-	-
Lifetime Fitness	240	9	1.28	-	-	-
Whole Foods	210	10	1.12	316	6	2.02
IP Unity-Glenayre, Ince	-		-	237	9	1.51
World Financial Group Insurance	-		-	237	10	1.51
Totals	<u>6,086</u>		<u>32.35 %</u>	<u>5,703</u>		<u>36.39 %</u>

(1) Source: City of Johns Creek Business Licenses

(2) Formerly known as CIBA Vision Company

CITY OF JOHNS CREEK, GEORGIA

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

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government (City Manager)	5	6	7	7	6	6	6	5	3	4
Mayor's Office	1	1	-	-	-	-	-	-	-	-
City Clerk	3	3	3	3	3	3	1	1	1	1
Finance Department	9	9	10	10	10	9	1	1	1	1
Human Resources/Support Services	4	4	4	6	6	6	1	1	-	-
Information Technology	6	2	2	-	-	-	-	-	-	-
Facilities	3	3	3	3	3	3	1	1	1	-
Communications/Public Relations	4	7	6	6	6	6	-	-	-	-
Municipal Court	4	4	3	3	4	4	1	1	1	1
Public safety										
Police	76	74	70	70	71	70	67	68	64	1
Fire	85	81	75	75	77	79	79	76	6	0
Public Works	2	2	2	2	2	2	-	-	-	-
Recreation/Parks	2	1	1	1	1	1	-	-	-	-
Total	204	197	186	186	189	189	157	154	77	8

Source: City of Johns Creeks Human Resources Department

Note: Fiscal year 2008 is the City's first full year of operations. The 2007 period was only 10 months.
Police operations began in FY08 and Fire operations began in FY09.

CITY OF JOHNS CREEK, GEORGIA

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

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police									
Homicide	-	-	-	4	-	-	-	-	-
Robbery	12	13	8	11	16	14	12	21	5
Assault	194	228	220	249	240	205	208	194	83
Burglary	126	72	90	139	106	133	163	204	83
Larceny	572	464	296	299	283	252	288	303	329
Motor vehicle theft	18	7	17	19	16	17	20	27	91
Total calls for service	91,231	85,866	76,392	78,866	73,532	76,010	64,656	41,725	24,816
Fire									
Fire calls	398	649	851	943	912 (1)	115	125	106	-
EMS calls	4,325	5,768	5,792	5,003	5,223 (1)	2,133	1,389	1,494	-
False alarms	567	551	836	908	739 (1)	408	401	408	-
Service calls	435	609	305	492	333 (1)	385	352	310	-
Hazardous conditions	371	263	109	168	88 (1)	83	81	74	-
Good intent calls	1,079	238	43	56	137 (1)	1,337	1,218	516	-
Water rescue calls	53	13	59	9	- (1)	13	N/A	N/A	N/A
Fire investigations	21	9	14		7 (1)	15	8	7	-
Public Works									
Highways & Streets									
Streets resurfaced (miles)	34	35	3	7	1	4	6	3	3
Sidewalk installed/replaced (sq. ft.)	88,605	78,005	103,993	124,595	36,700	7,798	7,890	43,105	14,240
Curb & Gutter install/replaced (linear ft.)	19,307	17,215	487	325	900	637	675	N/A	N/A

Sources: Various City departments.

Note: Johns Creek Police Department began operations on April 27, 2008.
Johns Creek Fire Department began operations on October 7, 2008.

Information prior to 2008 is not available.

(1) Change in method of counting Fire Department responses from an incident count to total apparatus response count.

CITY OF JOHNS CREEK, GEORGIA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST NINE FISCAL YEARS**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police									
Stations	2	2	2	2	2	1	1	1	1
Patrol units	50	48	44	44	44	44	44	44	32
Other vehicles	20	20	20	20	20	20	20	19	19
Fire (1)									
Stations	3	3	3	3	3	3	3	3	-
Ladder trucks	2	2	2	2	2	2	2	2	2
Fire engines	4	4	4	4	4	4	4	4	3
Rescue vehicles	2	2	2	2	2	2	2	2	2
Mobile air unit	1	1	1	1	1	1	1	1	1
Rescue boat	2	2	2	2	2	1	1	1	1
Special Operations Truck	1	1	1	1	1	1	-	-	-
Other vehicles	12	12	12	12	9	10	10	9	7
Public Works									
Streets (miles)	260	260	260	258	261	259	259	259	259
Private roads	71	71	71	63	60	60	60	60	60
State routes	18	18	18	18	18	18	15	15	-

Source: Various City departments.

(1) Fire Department began operations in October 2008.

Information prior to 2008 is not available.