Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2017

City of



Johns Creek

GEORGIA

be the exception

CITY OF JOHNS CREEK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017

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Johns Creek
be the exception

February 19, 2018

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, 2017, 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, 2017. 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.

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 83,873 (based upon the U. S. Census Bureau 2016 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 Council/Manager form of government, whereby the Mayor and City Council possesses all of the executive and legislative 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 streets and other infrastructure; road repaving, community development 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 City 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 approximately 2,000 businesses. The largest employers include Alcon, Inc., Emory John's Creek Hospital, and Macy's System & Technology. In general, Johns Creek is largely a bedroom community with 80 percent of its land devoted to residential use. The revenue base has remained fairly stable and the local economy is growing minimally. 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 (both roadways are several miles outside the city limits). Several arterial roadways including State Road 141 and State Road 120 bisect the City and provide a direct route outside the city limits leading to the freeways. Limited regional 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. This policy was not met during the current year due to the inability of Fulton County to complete the billing of property taxes. The property digest completed by the County and submitted to the State was not accepted. A court injunction was issued to allow for the billing to proceed, however; the billing process was extremely delayed due to the need for judicial intervention.

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 millage rate of 4.360 mills, which is consistent with the prior year. A comprehensive framework of financial policies was adopted shortly after the City's incorporation, which provided governance to financial matters.

The City maintained sufficient cash reserves to operate the fiscal year without issuing a tax anticipation note, even with the delays in property tax revenues. Various equipment and vehicles for its public safety departments were purchased and the City continued payments on fire station financing with the County acquired upon incorporation.

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

Relevant Financial Policies

Throughout the year, the Finance department administered the City Council's 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

After more than doubling the City's greenspace in 2016, the City issued $40 million of parks bonds for the development and acquisition of parks and greenspace during fiscal year 2017. With the issuance of these bonds, the City applied for its first credit rating and received Aaa and AAA ratings from Moody's and Standard & Poor's, respectively.

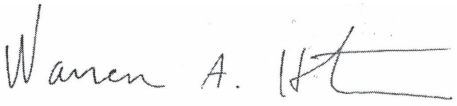
During the year, the City purchased a building to serve as a new City Hall. Funds to purchase and renovate the building required $23.8 million of Certificates of Participation through the Georgia Municipal Association. The renovations are expected to be completed in fiscal year 2018. The new City Hall will be the first time since the City's inception that all City functions are consolidated into a single location, eliminating lease payments.

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 nine 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 and City Council for their unfailing support for maintaining the highest standards of leadership and professionalism in the management of the City's finances.

Respectfully submitted,



Warren Hutmacher
City Manager

OFFICIALS

Mayor and City Council

Michael Bodker

Mayor

City Council

Steve Broadbent	Robert Gray
Corinth Davenport	Yi-Jeng Lin
Stephanie Endres	Leonard Zaprowski

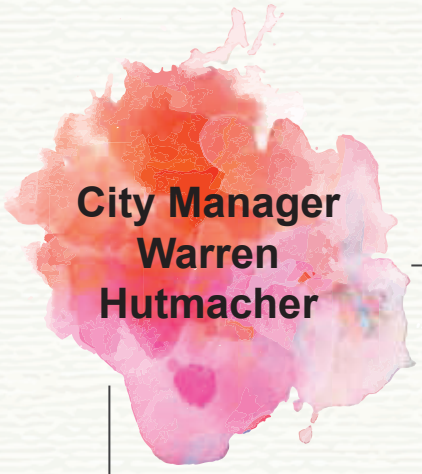
Administration

Warren Hutmacher

City Manager

Eric Taylor	Senior Assistant City Manager
Kimberly Greer	Assistant City Manager
Ed Densmore	Police Chief
Mary Ann Haskins	Human Resource Director
Jeff Breslau	Communications Director
Jeff Hogan	Fire Chief
Joan Jones	City Clerk
Richard Carothers	City Attorney
Toni Jo Howard	Finance Director
Tom Black	Director of Public Works
Sharon Ebert	Director of Community Development

CITY ORGANIZATION



Sr. Asst. City Manager

Asst. City Manager

- Communications
- Community Development — Inspections — Code Enforcement — Permits
- Facilities
- Finance — Accounting — Revenue — Purchasing — Budget
- Fire
- Human Resources
- Information Technology/ GIS
- Municipal Court
- Police
- Public Works [OS & 2 City EEs] — Recreation & Parks [OS & 2 City EE]



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, 2016

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

MAULDIN & JENKINS

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, 2017, 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, 2017, 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 39 and 40 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 19, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Johns Creek, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 19, 2018

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

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal period by $228,003,908, total net position. Of this amount $47,304,857, unrestricted net position, is available to meet the ongoing obligations of the government.
- The City's increase in net position was $22,119,093 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 $86,456,410.
- As of September 30, 2017, the City had total debt outstanding of approximately $70.5 million which includes new general obligation (GO) bonds issued during the year ($40,000,000), certificates of participation issued during the current year ($23,830,000), and notes and contracts payable that were previously outstanding.

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.

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, parks bond fund, T-SPLOST 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 fund and three (3) other major funds noted above. 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 38 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 39 and 40 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 41 and 42 of this report.

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 $228,003,908.

The following table provides a summary of the City's governmental net position for the fiscal year 2016 and 2017:

City of Johns Creek Net Position

	Governmental Activities	
	2017	2016
Assets		
Current assets	$ 111,615,098	$ 48,214,418
Capital assets, net of accumulated depreciation	197,289,160	170,537,362
Total assets	308,904,258	218,751,780
Liabilities		
Current liabilities	10,372,961	6,244,130
Long-term liabilities	70,527,389	6,622,835
Total liabilities	80,900,350	12,866,965
Net position		
Net investment in capital assets	173,455,612	165,092,053
Restricted for capital projects	433	433
Restricted for law enforcement	523,741	507,646
Restricted for public safety facilities	-	39,076
Restricted for trade and tourism	-	102,190
Restricted for transportation enhancements	6,719,265	-
Unrestricted	47,304,857	40,143,417
Total net position	$ 228,003,908	$ 205,884,815

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 ($523,741) represents resources that are restricted for use in law enforcement activities. An additional portion of the City's net position ($6,719,265) represents resources that are restricted for transportation enhancements. The remaining portion of the City's net position represents positive unrestricted net position of $47,304,857 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.

Changes in Net Position. Governmental activities increased the City's net position by $22,119,093 in fiscal year 2017. The following table indicates the changes in net position for governmental activities in fiscal years 2017 and 2016:

	Governmental Activities	
	2017	2016
Revenues		
Program Revenues:		
Charges for services	$ 5,541,722	$ 6,156,087
Operating grants and contributions	23,960	230,011
Capital grants and contributions	16,724,496	1,892,073
General Revenues:		
Property taxes	21,021,736	18,069,974
Sales and use taxes	20,967,919	20,838,545
Hotel/Motel taxes	465,676	501,955
Franchise taxes	4,339,068	4,357,134
Business taxes	7,015,161	6,629,486
Unrestricted investment earnings	212,293	103,841
Miscellaneous revenues	2,219,825	216,193
Total revenues	78,531,856	58,995,299
Expenses		
General government	9,118,649	8,510,238
Judicial	631,225	641,638
Public safety	22,745,330	21,252,829
Public works	17,389,469	15,340,851
Culture and recreation	3,211,240	2,779,614
Community development	2,423,736	2,748,236
Interest on long-term debt	893,114	226,462
Total expenses	56,412,763	51,499,868
Change in net position	22,119,093	7,495,431
Net position, beginning of year	205,884,815	198,389,384
Net position, end of year	$ 228,003,908	$ 205,884,815

Governmental activities. Governmental activities increased the City's net position by $22.1 million in fiscal year 2017. Key elements of this increase are as follows:

Total revenues were $79 million, up 33% from the prior year. The primary reason for the increase in revenues was due to an increase in property tax revenues from growth in the digest as well as the addition of a levy for debt service for the first time of 0.5 mills per $1,000 of assessed value. Additionally, there was an increase in the miscellaneous revenues due to rent related payments from an acquired building. Sales tax revenue increased 1% from the previous year, consistent with improving economic conditions in the region. Business tax revenues increased by 6% which is attributed to new development within the City. Franchise taxes decreased by 0.4% from the previous year which is attributed to weather conditions and fuel surcharges paid by the City's utility providers.

Expenses increased by $4.9 million (10%) over the previous fiscal year. Public safety, the City's largest department, increased approximately $1.5 million; public works increased approximately $2 million due to a road repaving program that commenced in 2015; general government increased approximately $600,000; community development decreased by approximately $320,000 thousand; and culture and recreation increased approximately $430,000 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 $86,456,410. Overall, the City's fund balances increased by $46.8 million from the previous fiscal year which is mostly attributed to issuance of debt. 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 $42.2 million reported in the capital projects and T-SPLOST funds.

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 $5.7 million, while total fund balance was $10.3 million. The unassigned fund balance is significantly lower than expected due to extreme delays in billing for property tax by Fulton County. The delay caused for minimal receipts of property taxes during the fiscal year.

Capital Projects Fund. The capital projects fund increased fund balance by $24,961,343 during fiscal year 2017. The fund recognizes a transfer from general fund for projects that are still in progress each year.

Parks Bond Fund. This fund accounted for the issuance of general obligation bonds in the amount of $40,000,000 during the year. For the current fiscal year, expenditures of the bond proceeds amounted to $8,690,838, leaving $32,883,039 in fund balance for spending on greenspace projects in future periods.

T-SPLOST Fund. This fund accounts for the City's share of a transportation special purpose local option sales tax (T-SPLOST) collected to fund transportation enhancement projects. For the current year, the fund did not have any expenditures as voter approved projects had yet to begin. Fund balance as of September 30, 2017 was $6,719,265.

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 is the main component of this budget realignment:

- $704,119 supplemental appropriation to various general fund departments for FY2016 encumbrance carryovers.

Total revenues in the General Fund were less than final budgeted revenues by approximately $11 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 three (3) 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 $2.1 million. This positive budget variance is mostly attributable to unspent contract services in various departments throughout the City.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of September 30, 2017, amounts to $197,289,160 (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	
	2017	2016
Land	$ 52,801,689	$ 44,396,429
Construction in progress	20,208,902	7,595,639
Buildings	3,918,246	4,051,315
Improvements	7,138,212	6,854,775
Machinery and equipment	2,987,459	2,698,487
Infrastructure	110,234,652	104,940,717
Total	$ 197,289,160	$ 170,537,362

Additional information on the City's capital assets can be found in note 6 on page 31 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of $70,527,389. The outstanding balance includes the following: $40,000,000 for bonds issued in 2017 for parks with $1,340,402 in premiums; $23,830,000 certificates of participation for construction issued in 2017 related to a new City Hall; $3,881,804 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; compensated absences of $928,761; 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, 2017 is $546,422. Additional information on the City's long-term debt can be found in Note 7 on pages 32 through 34 of this report.

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2018 fiscal year.

- Sustainability of existing services – the City has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- 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 $17.3 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, 10700 Abbotts Bridge Road, Suite 190, Johns Creek, Georgia, 30097, or by calling (678) 512-3348.

CITY OF JOHNS CREEK, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government	Component Unit
	Governmental Activities	Convention Visitors Bureau
ASSETS		
Cash and cash equivalents	$ 30,135,316	$ 477,833
Accounts receivable	1,240,656	-
Taxes receivable, net of allowance	25,878,641	-
Due from other governments	4,501,391	-
Restricted cash and cash equivalents	46,380,474	-
Due from primary government	-	28,458
Inventories	99,212	-
Prepaids	3,379,408	-
Capital assets:		
Nondepreciable	73,010,591	-
Depreciable, net of accumulated depreciation	124,278,569	-
Total assets	308,904,258	506,291
LIABILITIES		
Accounts payable	9,121,650	14,057
Accrued liabilities	1,222,853	-
Due to component unit	28,458	-
Compensated absences, due within one year	270,213	-
Compensated absences, due in more than one year	658,548	-
Bonds payable, due within one year	600,000	-
Bonds payable, due in more than one year	40,740,402	-
Notes payable, due within one year	275,215	-
Notes payable, due in more than one year	3,606,589	-
Contracts payable, due within one year	236,063	-
Contracts payable, due in more than one year	310,359	-
Certificates of participation, due in more than one year	23,830,000	-
Total liabilities	80,900,350	14,057
NET POSITION		
Net investment in capital assets	173,455,612	-
Restricted for capital projects	433	-
Restricted for law enforcement	523,741	-
Restricted for transportation enhancements	6,719,265	-
Restricted for trade and tourism	-	492,234
Unrestricted	47,304,857	-
Total net position	$ 228,003,908	$ 492,234

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, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Unit: Convention Visitors Bureau
Primary government:						
Governmental activities:						
General government	$ 9,118,649	$ 1,049,959	$ 1,500	$ -	$ (8,067,190)	$ -
Judicial	631,225	1,469,263	-	-	838,038	-
Public safety	22,745,330	1,809,984	22,460	-	(20,912,886)	-
Public works	17,389,469	555	-	16,724,496	(664,418)	-
Culture and recreation	3,211,240	182,099	-	-	(3,029,141)	-
Community development	2,423,736	1,029,862	-	-	(1,393,874)	-
Interest on long-term debt	893,114	-	-	-	(893,114)	-
Total governmental activities	56,412,763	5,541,722	23,960	16,724,496	(34,122,585)	-
Total primary government	$ 56,412,763	$ 5,541,722	$ 23,960	$ 16,724,496	(34,122,585)	-
Component Unit						
Convention Visitors Bureau	$ 148,214	$ -	$ 434,868	$ -	$ -	$ 286,654
	$ 148,214	$ -	$ 434,868	$ -	$ -	$ 286,654
General revenues:						
Property taxes					$ 21,021,736	$ -
Sales taxes					20,967,919	-
Hotel/Motel taxes					465,676	-
Franchise taxes					4,339,068	-
Business taxes					7,015,161	-
Unrestricted investment earnings					212,293	-
Miscellaneous revenues					2,219,825	-
Total general revenues					56,241,678	-
Change in net position					22,119,093	286,654
Net position, beginning of year					205,884,815	205,580
Net position, end of year					$ 228,003,908	$ 492,234

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

CITY OF JOHNS CREEK, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

ASSETS	General Fund	Capital Projects Fund	Parks Bond Fund	T-SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,199,288	$ 21,425,048	$ -	$ 5,608,487	$ 902,493	$ 30,135,316
Accounts receivable	877,383	-	-	-	363,273	1,240,656
Taxes receivable, net of allowance	23,732,271	-	2,106,535	-	39,835	25,878,641
Intergovernmental receivable	9,676	3,380,937	-	1,110,778	-	4,501,391
Restricted cash and cash equivalents	-	14,030,089	32,350,385	-	-	46,380,474
Inventories	99,212	-	-	-	-	99,212
Due from other funds	11,377	-	-	-	-	11,377
Prepaids	1,005,805	1,695,468	700,945	-	-	3,402,218
Total assets	$ 27,935,012	$ 40,531,542	$ 35,157,865	$ 6,719,265	$ 1,305,601	$ 111,649,285
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 4,025,196	$ 4,060,845	$ 615,394	$ -	$ 420,215	$ 9,121,650
Accrued liabilities	510,737	-	-	-	8,225	518,962
Due to other funds	-	-	-	-	11,377	11,377
Due to component unit	-	-	-	-	28,458	28,458
Total liabilities	4,535,933	4,060,845	615,394	-	468,275	9,680,447
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - property taxes	13,084,012	-	1,659,432	-	-	14,743,444
Unavailable revenues - intergovernmental	-	768,984	-	-	-	768,984
Total deferred inflows of resources	13,084,012	768,984	1,659,432	-	-	15,512,428
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaids	1,005,805	1,695,468	700,945	-	-	3,402,218
Inventories	99,212	-	-	-	-	99,212
Restricted:						
Capital projects	-	14,030,089	32,182,094	-	433	46,212,616
Transportation enhancements	-	-	-	6,719,265	-	6,719,265
Law enforcement	-	-	-	-	523,741	523,741
Committed:						
Neighborhood road resurfacing	3,500,000	-	-	-	-	3,500,000
Tree replacement	-	-	-	-	34,845	34,845
Assigned:						
Capital projects	-	19,976,156	-	-	-	19,976,156
Emergency 911 operations	-	-	-	-	278,307	278,307
Unassigned	5,710,050	-	-	-	-	5,710,050
Total fund balances	10,315,067	35,701,713	32,883,039	6,719,265	837,326	86,456,410
Total liabilities, deferred inflows of resources, and fund balances	$ 27,935,012	$ 40,531,542	$ 35,157,865	$ 6,719,265	$ 1,305,601	
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.						197,289,160
Payments made on long-term borrowings before they are due and payable are reported as prepaid items in the governmental funds. However, in the statement of net position these payments reduce the balance of notes payable.						(22,810)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(71,231,280)
Some revenues are not available to pay current period expenditures and, therefore, are deferred in the funds.						15,512,428
Net position of governmental activities						$ 228,003,908

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, 2017

	General Fund	Capital Projects Fund	Parks Bond Fund	T-SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 7,517,627	$ -	$ 447,103	$ -	$ -	$ 7,964,730
Sales taxes	20,967,919	-	-	-	-	20,967,919
Hotel/Motel taxes	-	-	-	-	465,676	465,676
Franchise taxes	4,339,068	-	-	-	-	4,339,068
Business taxes	7,015,161	-	-	-	-	7,015,161
Licenses and permits	2,068,751	-	-	-	-	2,068,751
Charges for services	310,967	-	-	-	1,701,871	2,012,838
Fines and forfeitures	1,355,245	-	-	-	104,888	1,460,133
Intergovernmental	22,460	8,262,624	-	6,718,353	-	15,003,437
Contributions	1,500	-	-	-	-	1,500
Interest earned	44,176	-	166,461	912	744	212,293
Miscellaneous	507,794	1,711,893	-	-	138	2,219,825
Total revenues	44,150,668	9,974,517	613,564	6,719,265	2,273,317	63,731,331
Expenditures:						
Current:						
General government	8,430,640	-	-	-	-	8,430,640
Judicial	632,610	-	-	-	-	632,610
Public safety	20,095,261	-	-	-	2,035,531	22,130,792
Public works	7,933,836	6,810,613	-	-	-	14,744,449
Culture and recreation	2,245,730	-	-	-	434,869	2,680,599
Community development	2,367,384	-	-	-	56,352	2,423,736
Capital outlay	-	20,397,106	8,690,838	-	-	29,087,944
Debt service:						
Principal	491,661	-	-	-	688,782	1,180,443
Interest	37,951	-	-	-	155,489	193,440
Issuance costs	174,885	-	380,089	-	-	554,974
Total expenditures	42,409,958	27,207,719	9,070,927	-	3,371,023	82,059,627
Excess (deficiency) of revenues over expenditures	1,740,710	(17,233,202)	(8,457,363)	6,719,265	(1,097,706)	(18,328,296)
Other financing sources (uses):						
Issuance of general obligation bonds	-	-	40,000,000	-	-	40,000,000
Original issue premium	-	-	1,340,402	-	-	1,340,402
Issuance of certificates of participation	23,830,000	-	-	-	-	23,830,000
Transfers in	172,073	42,194,545	-	-	1,084,876	43,451,494
Transfers out	(43,279,421)	-	-	-	(172,073)	(43,451,494)
Total other financing sources (uses)	(19,277,348)	42,194,545	41,340,402	-	912,803	65,170,402
Net change in fund balances	(17,536,638)	24,961,343	32,883,039	6,719,265	(184,903)	46,842,106
Fund balances, beginning of year	27,851,705	10,740,370	-	-	1,022,229	39,614,304
Fund balances, end of year	$ 10,315,067	$ 35,701,713	$ 32,883,039	$ 6,719,265	$ 837,326	$ 86,456,410

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, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	46,842,106
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.		25,180,074
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not current financial resources.		1,658,665
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.		(86,941)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		13,141,860
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.		(63,989,959)
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.		(626,712)
Change in net position of governmental activities	$	22,119,093

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, 2017

	Municipal Court Fund
ASSETS	
Cash	$ 161,981
Total assets	$ 161,981
LIABILITIES	
Due to others	$ 161,981
Total liabilities	$ 161,981

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

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 10700 Abbotts Bridge Road, Suite 190, 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major governmental funds:

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

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

The **parks bond fund** is used to account for the proceeds of the General Obligation Bonds, Series 2017, issued by the City and the related capital projects.

The **T-SPLOST fund** is used to account for the proceeds of the transportation special purpose local option sales tax for the various improvement projects as approved by the voter referendum.

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.

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, 2017, and none were recorded.

E. Budgets

Formal budgetary accounting is employed as a management control device for the governmental 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. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended September 30, 2017, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

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

F. 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.

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, 2017, 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.

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. Bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium. Bond issuance costs are reported as expenses in the period in which they are incurred.

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.

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.

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.

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 $71,231,280 difference are as follows:

Notes payable	$ (3,881,804)
Certificates of participation payable	(23,830,000)
Contracts payable	(546,422)
Bonds payable, net of original issue premium	(41,340,402)
Accrued interest payable	(703,891)
Compensated absences	(928,761)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (71,231,280)

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 $25,180,074 difference are as follows:

Capital outlay	$ 29,030,647
Depreciation expense	(3,850,573)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$ 25,180,074

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 $63,989,959 difference are as follows:

Principal repayments of notes payable	$	955,151
Principal repayments of contracts payable		225,292
Issuance of general obligation bonds		(40,000,000)
Original issue bond premium		(1,340,402)
Issuance of certificates of participation		(23,830,000)
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(63,989,959)

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 $626,712 difference are as follows:

Accrued interest payable	$	(699,674)
Compensated absences		72,962
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(626,712)

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.

For the period ended September 30, 2017, expenditures of the Hotel/Motel Tax Fund exceeded their appropriations by $102,189. These excess expenditures were funded by available fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

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

Statement of Net Position:		
Cash and cash equivalents - primary government	$	30,135,316
Restricted cash and cash equivalents - primary government		46,380,474
Cash and cash equivalents - component unit		477,833
Statement of Fiduciary Assets and Liabilities:		
Cash - agency fund		161,981
	$	77,155,604
Cash deposited with financial institutions	$	29,938,109
Fidelity Institutional money market		14,030,089
Local government investment pool - Georgia Fund 1		33,187,406
	$	77,155,604

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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (continued): The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share). 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, 2017, the weighted-average maturity of the pool was 13 days.

The Fidelity Institutional money market mutual fund invests exclusively in short-term cash equivalents and U.S. Treasury securities. As of September 30, 2017, the weighted-average maturity of the fund was 40 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.

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.

The Fidelity Institutional investment is a money market mutual fund and is classified in level 1 of the hierarchy. It is valued using prices quoted in active markets for the exact same money market mutual fund.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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 statues 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, 2017, the City did not have any deposits which were uninsured or under collateralized, as defined by State statutes. The Johns Creek CVB, the City's discretely presented component unit, had deposits at a local financial institution totaling approximately $480,000 that were not properly collateralized. The collateral pledged was deficient by approximately $250,000, 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 property taxes. The County experienced delays in billing during the current year and the tax bills were not mailed until November 15 with a due date of January 15, 2018. In accordance with GASB Statement No. 33, even though the billing date occurred outside of the current fiscal year, these property taxes are levied to fund the City's fiscal year ended September 30, 2017 and thus have been recognized as revenues of the current period. However, as a majority of the collection will occur outside of the 60-day recognition period, the City reports a large deferred inflow of resources for these unavailable revenues in the General Fund and Parks Bond Fund.

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

	General	Capital Projects	Parks Bond	T-SPLOST	Nonmajor Governmental	Total
Receivables:						
Taxes	$ 24,420,903	$ -	$ 2,193,873	$ -	$ 39,835	$ 26,654,611
Accounts	877,383	-	-	-	363,273	1,240,656
Intergovernmental	9,676	3,380,937	-	1,110,778	5,151,557	9,652,948
Total receivables	25,307,962	3,380,937	2,193,873	1,110,778	5,554,665	37,548,215
Less allowance for uncollectible	688,632	-	87,338		5,151,557	5,927,527
Net total receivable	$ 24,619,330	$ 3,380,937	$ 2,106,535	$ 1,110,778	$ 403,108	$ 31,620,688

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 44,396,429	$ 8,405,260	$ -	$ -	$ 52,801,689
Construction in progress	7,595,639	14,021,455	-	(1,408,192)	20,208,902
Total	51,992,068	22,426,715	-	(1,408,192)	73,010,591
Depreciable capital assets:					
Buildings	4,999,465	-	-	-	4,999,465
Improvements	8,767,071	673,484	-	-	9,440,555
Machinery and equipment	13,603,459	1,184,196	(511,693)	-	14,275,962
Infrastructure	126,414,455	6,404,917	-	1,408,192	134,227,564
Total	153,784,450	8,262,597	(511,693)	1,408,192	162,943,546
Less accumulated depreciation:					
Buildings	(948,150)	(133,069)	-	-	(1,081,219)
Improvements	(1,912,296)	(390,047)	-	-	(2,302,343)
Machinery and equipment	(10,904,972)	(808,283)	424,752	-	(11,288,503)
Infrastructure	(21,473,738)	(2,519,174)	-	-	(23,992,912)
Total	(35,239,156)	(3,850,573)	424,752	-	(38,664,977)
Total capital assets being depreciated, net	118,545,294	4,412,024	(86,941)	1,408,192	124,278,569
Governmental activities capital assets, net	$ 170,537,362	$ 26,838,739	$ (86,941)	$ -	$ 197,289,160

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

Governmental activities:	
General government	$ 51,050
Public safety	681,159
Public works	2,587,723
Culture and recreation	530,641
Total depreciation expense - governmental activities	$ 3,850,573

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:

Original Amount	Interest Rate	Maturity	Quarterly Payment
$ 6,160,990	4.065	September 2018	$ 97,790

At September 30, 2017, the outstanding balance on this note is $136,051.

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, 2017, the outstanding balance on this note is $3,745,753.

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

Fiscal year ending September 30,	Principal	Interest	Total
2018	$ 275,215	$ 112,933	$ 388,148
2019	156,702	117,015	273,717
2020	161,968	111,749	273,717
2021	167,412	106,305	273,717
2022	173,038	100,679	273,717
2023-2027	956,426	412,159	1,368,585
2028-2032	1,128,310	240,275	1,368,585
2033-2036	862,733	49,657	912,390
	$ 3,881,804	$ 1,250,772	$ 5,132,576

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,	Principal	Interest	Total
2018	$ 236,063	$ 27,191	$ 263,254
2019	247,694	15,518	263,212
2020	62,665	3,133	65,798
	$ 546,422	$ 45,842	$ 592,264

Certificates of Participation

In September 2017, the Georgia Municipal Association issued Certificates of Participation on behalf of the City in the amount of $23,830,000. The proceeds from the certificates will be used to finance the construction and renovations of the City's new City Hall building. The certificate bears interest at 2.56% with semiannual interest payments beginning on March 1, 2018 and annual principal payments beginning September 1, 2019 until maturity on September 1, 2032.

The City's debt service requirements to maturity on the certificates of participation are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2018	$ -	$ 567,684	$ 567,684
2019	1,435,000	610,048	2,045,048
2020	1,475,000	573,312	2,048,312
2021	1,510,000	535,552	2,045,552
2022	1,550,000	496,896	2,046,896
2023-2027	8,365,000	1,868,672	10,233,672
2028-2032	9,495,000	741,376	10,236,376
	$ 23,830,000	$ 5,393,540	$ 29,223,540

NOTE 7. LONG-TERM DEBT (CONTINUED)

Bonds Payable

In April 2017, the City issued $40,000,000 of General Obligation Bonds (Series 2017) for the purpose of funding construction projects for the City. The bonds were issued at a premium of $1,340,402 and interest rates ranging from 3% to 5%. The interest payments are due semiannually beginning October 1, 2017 and annual principal payments beginning April 1, 2018. The bonds are scheduled to mature on April 1, 2047.

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

Fiscal year ending September 30,	Principal	Interest	Total
2018	$ 600,000	$ 1,447,514	$ 2,047,514
2019	630,000	1,463,138	2,093,138
2020	660,000	1,431,638	2,091,638
2021	700,000	1,398,638	2,098,638
2022	730,000	1,363,638	2,093,638
2023-2027	4,240,000	6,232,187	10,472,187
2028-2032	5,420,000	5,126,188	10,546,188
2033-2037	6,920,000	4,132,475	11,052,475
2038-2042	8,830,000	2,871,425	11,701,425
2043-2047	11,270,000	1,219,298	12,489,298
	$ 40,000,000	$ 26,686,139	$ 66,686,139

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, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable	$ -	$ 40,000,000	$ -	$ 40,000,000	$ 600,000
Bond premiums	-	1,340,402	-	1,340,402	-
Bonds payable, net	-	41,340,402	-	41,340,402	600,000
Notes payable	4,849,398	-	(967,594)	3,881,804	275,215
Certificates of participation	-	23,830,000	-	23,830,000	-
Contracts payable	771,714	-	(225,292)	546,422	236,063
Compensated absences	1,001,723	218,479	(291,441)	928,761	270,213
Total governmental activities long-term liabilities	$ 6,622,835	$ 65,388,881	$ (1,484,327)	$ 70,527,389	$ 1,381,491

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

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from other funds:

Receivable Entity	Payable Entity	Amount
General Fund	Nonmajor governmental funds	$ 11,377

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:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	$ 172,073
Capital Projects Fund	General Fund	42,194,545
Nonmajor governmental funds	General Fund	1,084,876
		$ 43,451,494

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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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 $4.67 million, subject to annual negotiation and appropriation.

The City has entered into contracts for construction and various other professional services. As of September 30, 2017, the balance left to complete these contracts is approximately $2.29 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, 2017, there were 211 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, 2017, the City's contributions to the Plan were $2,274,933. The Plan was established by resolution of the City Council. The Plan, including contribution requirements, may also be amended by resolution of the same.

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, 2017, the City of Johns Creek has collected and remitted $1,701,871 of E911 revenues. Since the inception of ChatComm, the City has contributed $5,151,557 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, 2017. As of June 30, 2017, ChatComm's fiscal year end, the entity had a negative net position of ($11,971,329). Separate financial statements may be obtained from the City of Johns Creek, who has been contracted by ChatComm to serve as the accountants, at 10700 Abbotts Bridge Road, Suite 190, Johns Creek, Georgia 30097.

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, 2017, the City received $465,676 in hotel/motel taxes. Of this amount, $434,869, or 93.4%, was used for the promotion of tourism, conventions, or trade shows.

NOTE 13. 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

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 19,095,000	$ 19,095,000	$ 7,517,627	$ (11,577,373)
Sales taxes	21,080,000	21,080,000	20,967,919	(112,081)
Franchise taxes	4,100,000	4,100,000	4,339,068	239,068
Business taxes	6,297,000	6,297,000	7,015,161	718,161
Licenses and permits	2,367,500	2,367,500	2,068,751	(298,749)
Charges for services	255,000	255,000	310,967	55,967
Fines and forfeitures	1,250,000	1,250,000	1,355,245	105,245
Intergovernmental	-	-	22,460	22,460
Contributions	-	-	1,500	1,500
Interest earned	120,000	120,000	44,176	(75,824)
Miscellaneous	525,000	571,675	507,794	(63,881)
Total revenues	55,089,500	55,136,175	44,150,668	(10,985,507)
Expenditures:				
Current:				
General government:				
City Council	312,825	312,825	259,640	53,185
City Manager	1,370,086	1,370,086	1,329,513	40,573
City Clerk	429,033	429,033	381,036	47,997
Finance	1,329,657	1,261,657	1,027,083	234,574
Legal services	500,000	500,000	345,680	154,320
Information technology	2,046,981	2,046,981	1,870,214	176,767
Facilities and buildings	1,849,346	1,917,346	1,901,088	16,258
Human resources	1,059,643	1,059,643	776,772	282,871
Public information	619,812	619,812	539,614	80,198
Total general government	9,517,383	9,517,383	8,430,640	1,086,743
Judicial:				
Municipal court	675,051	675,051	632,610	42,441
Total judicial	675,051	675,051	632,610	42,441
Public safety:				
Police	10,363,735	10,363,735	9,787,011	576,724
Fire	10,356,679	10,371,099	10,308,250	62,849
Total public safety	20,720,414	20,734,834	20,095,261	639,573
Public works	7,436,479	8,126,178	7,933,836	192,342
Culture and recreation	2,069,789	2,264,789	2,245,730	19,059
Community development	2,674,754	2,479,754	2,367,384	112,370
Debt service:				
Principal	491,666	491,666	491,661	5
Interest	37,956	37,956	37,951	5
Issuance costs	-	174,885	174,885	-
Total debt service	529,622	704,507	704,497	10
Total expenditures	43,623,492	44,502,496	42,409,958	2,092,538
Excess of revenues over expenditures	11,466,008	10,633,679	1,740,710	(8,892,969)

Continued

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing sources (uses):				
Issuance of certificates of participation	$ -	$ 23,831,495	$ 23,830,000	$ (1,495)
Transfers in	167,646	167,646	172,073	4,427
Transfers out	(14,153,491)	(43,279,422)	(43,279,421)	1
Total other financing sources (uses)	(13,985,845)	(19,280,281)	(19,277,348)	2,933
Net change in fund balance	(2,519,837)	(8,646,602)	(17,536,638)	(8,890,036)
Fund balance, beginning of year	27,851,705	27,851,705	27,851,705	-
Fund balance, end of year	$ 25,331,868	$ 19,205,103	$ 10,315,067	$ (8,890,036)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed 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, 2017

ASSETS	Special Revenue Funds					Capital Project 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	Debt Service Fund	
Cash	$ 531,966	$ 335,249	$ -	$ -	$ 34,845	$ 433	$ -	$ 902,493
Taxes receivable	-	-	39,835	-	-	-	-	39,835
Other receivables	-	363,273	-	-	-	-	-	363,273
Prepaid items	-	-	-	-	-	-	-	-
Total assets	$ 531,966	$ 698,522	$ 39,835	$ -	$ 34,845	$ 433	$ -	$ 1,305,601
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ -	$ 420,215	$ -	$ -	$ -	$ -	$ -	$ 420,215
Accrued liabilities	8,225	-	-	-	-	-	-	8,225
Due to other funds	-	-	11,377	-	-	-	-	11,377
Due to component unit	-	-	28,458	-	-	-	-	28,458
Total liabilities	8,225	420,215	39,835	-	-	-	-	468,275
FUND BALANCES								
Restricted:								
Law enforcement	523,741	-	-	-	-	-	-	523,741
Capital projects	-	-	-	-	-	433	-	433
Committed:								
Tree replacement	-	-	-	-	34,845	-	-	34,845
Assigned:								
Emergency 911 operations	-	278,307	-	-	-	-	-	278,307
Total fund balances	523,741	278,307	-	-	34,845	433	-	837,326
Total liabilities and fund balances	$ 531,966	$ 698,522	$ 39,835	$ -	$ 34,845	$ 433	$ -	$ 1,305,601

CITY OF JOHNS CREEK, GEORGIA

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds					Capital Project Fund		
	Confiscated Assets Fund	E-911 Fund	Hotel/Motel Tax Fund	Rental Motor Vehicle Excise Tax Fund	Tree Replacement Fund	CDBG Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES								
Taxes	$ -	$ -	$ 465,676	$ -	$ -	$ -	$ -	$ 465,676
Charges for services	-	1,701,871	-	-	-	-	-	1,701,871
Fines and forfeitures	104,888	-	-	-	-	-	-	104,888
Interest	744	-	-	-	-	-	-	744
Miscellaneous	-	138	-	-	-	-	-	138
Total revenues	105,632	1,702,009	465,676	-	-	-	-	2,273,317
EXPENDITURES								
Current:								
Public safety	89,537	1,945,994	-	-	-	-	-	2,035,531
Culture and recreation	-	-	434,869	-	-	-	-	434,869
Community development	-	-	-	-	56,352	-	-	56,352
Debt service:								
Principal	-	175,803	-	-	-	-	512,979	688,782
Interest	-	3,592	-	-	-	-	151,897	155,489
Total expenditures	89,537	2,125,389	434,869	-	56,352	-	664,876	3,371,023
Excess (deficiency) of revenues over expenditures	16,095	(423,380)	30,807	-	(56,352)	-	(664,876)	(1,097,706)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	420,000	-	-	-	-	664,876	1,084,876
Transfers out	-	-	(132,997)	(39,076)	-	-	-	(172,073)
Total other financing sources (uses)	-	420,000	(132,997)	(39,076)	-	-	664,876	912,803
Net change in fund balances	16,095	(3,380)	(102,190)	(39,076)	(56,352)	-	-	(184,903)
FUND BALANCES, beginning of year	507,646	281,687	102,190	39,076	91,197	433	-	1,022,229
FUND BALANCES, end of year	$ 523,741	$ 278,307	$ -	$ -	$ 34,845	$ 433	$ -	$ 837,326

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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Cash confiscations	$ -	$ 105,000	$ 104,888	$ (112)
Interest	400	750	744	(6)
Total revenues	400	105,750	105,632	(118)
Expenditures:				
Public safety	175,400	280,750	89,537	191,213
Net change in fund balances	(175,000)	(175,000)	16,095	191,095
Fund balances, beginning of year	507,646	507,646	507,646	-
Fund balances, end of year	$ 332,646	$ 332,646	$ 523,741	$ 191,095

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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 1,675,000	$ 1,725,000	$ 1,701,871	$ (23,129)
Miscellaneous	186	186	138	(48)
Total revenues	1,675,186	1,725,186	1,702,009	(23,177)
Expenditures:				
Public safety	1,915,786	1,965,786	1,945,994	19,792
Debt service				
Principal	175,805	175,805	175,803	2
Interest	3,595	3,595	3,592	3
Total expenditures	2,095,186	2,145,186	2,125,389	19,797
Deficiency of revenues over expenditures	(420,000)	(420,000)	(423,380)	(3,380)
Other financing sources:				
Transfers in	420,000	420,000	420,000	-
Net change in fund balances	-	-	(3,380)	(3,380)
Fund balance, beginning of year	281,687	281,687	281,687	-
Fund balance, end of year	$ 281,687	$ 281,687	$ 278,307	$ (3,380)

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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 450,050	$ 465,677	$ 465,676	$ (1)
Interest	50	50	-	(50)
Total revenues	450,100	465,727	465,676	(51)
Expenditures:				
Culture and recreation	321,480	332,680	434,869	(102,189)
Excess of revenues over expenditures	128,620	133,047	30,807	(102,240)
Other financing uses:				
Transfers out	(128,570)	(132,997)	(132,997)	-
Net change in fund balances	50	50	(102,190)	(102,240)
Fund balances, beginning of year	102,190	102,190	102,190	-
Fund balances, end of year	$ 102,240	$ 102,240	$ -	$ (102,240)

CITY OF JOHNS CREEK, GEORGIA

RENTAL MOTOR VEHICLE EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing uses:				
Transfers out	$ (39,076)	$ (39,076)	$ (39,076)	$ -
Total other financing uses	(39,076)	(39,076)	(39,076)	-
Net change in fund balances	(39,076)	(39,076)	(39,076)	-
Fund balances, beginning of year	39,076	39,076	39,076	-
Fund balances, end of year	$ -	$ -	$ -	$ -

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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 7,500	$ 7,500	$ -	$ (7,500)
Expenditures:				
Housing and development	7,500	91,197	56,352	34,845
Net change in fund balances	-	(83,697)	(56,352)	27,345
Fund balances, beginning of year	91,197	91,197	91,197	-
Fund balances, end of year	$ 91,197	$ 7,500	$ 34,845	$ 27,345

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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures:				
Debt service				
Principal	$ 512,979	$ 512,979	$ 512,979	$ -
Interest	151,898	151,898	151,897	1
Total expenditures	664,877	664,877	664,876	1
Other financing sources:				
Transfers in	664,877	664,877	664,876	(1)
Total other financing sources	664,877	664,877	664,876	(1)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF JOHNS CREEK, GEORGIA

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

PROJECT	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PROJECT COMPLETION
TSPLOST TIER 1						
Medlock Bridge Capacity Project from Chattahoochee River to McGinnis Ferry, State Bridge Road Widening from Medlock Bridge to Chattahoochee River, Jones Bridge Widening from Douglas Road to McGinnis Ferry, Jones Bridge Widening from Waters Road to Buice Road and from Buice Road to State Bridge Road, McGinnis Ferry Road Widening From Union Hill Road to Sargent Road, Haynes Bridge Road Widening from Old Alabama Road to Mansell Road, New Location Road in Tech Park	$ 50,286,471	$ 50,286,471	$ -	$ -	$ -	0.000 %
Medlock Bridge at State Bridge Improvements, Bell and Boles Road Operational and Safety Improvements from Medlock Bridge to McGinnis Ferry and from Abbotts Bridge to Bell Barnwell Road at Holcomb Bridge Road Improvements	19,455,270	19,455,270	-	-	-	0.000 %
TSPLOST TIER 2						
Old Alabama Road Widening from Nesbit Ferry to Old Alabama Connector, State Bridge Road Widening from Kimball Bridge to Medlock Bridge	10,085,115	10,085,115	-	-	-	0.000 %
Bridge Improvements	2,222,252	2,222,252	-	-	-	0.000 %
TSPLOST TIER 3						
Resurfacing Program, Medlock Bridge Transit Related Enhancements	1,713,388	1,713,388	-	-	-	0.000 %
Bridge Replacements	362,214	362,214	-	-	-	0.000 %
Nesbit Ferry Corridor Improvements, Findley Road Extension to Lakefield Drive, Old Alabama Widening from Jones Bridge Road to Buice Road	3,426,775	3,426,775	-	-	-	0.000 %
Barnwell Road Corridor Improvements, Connected Vehicle Infrastructure	2,284,517	2,284,517	-	-	-	0.000 %
Sidewalk and Trail Enhancements, Multimodal Transportation Alternatives	4,569,034	4,569,034	-	-	-	0.000 %
TOTAL TSPLOST	$ 94,405,036	$ 94,405,036	$ -	$ -	$ -	

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, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
MUNICIPAL COURT FUND				
Assets:				
Cash	$ 148,585	$ 1,889,872	$ 1,876,476	$ 161,981
Liabilities:				
Due to others	$ 148,585	$ 1,889,872	$ 1,876,476	$ 161,981

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, 2017

ASSETS		
Cash	$	477,833
Due from primary government		28,458
Total assets	$	506,291
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	14,057
Total liabilities		14,057
FUND BALANCE		
Restricted for trade and tourism		492,234
Total liabilities and fund balance	$	506,291

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, 2017

REVENUES	
Intergovernmental	$ 434,868
Total revenues	434,868
EXPENDITURES	
Current:	
Culture and recreation	148,214
Total expenditures	148,214
Net change in fund balance	286,654
FUND BALANCE, beginning of year	205,580
FUND BALANCE, end of year	$ 492,234

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 **53**

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 **55**

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

Debt Capacity **63**

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 **66**

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 **68**

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)

	2017	2016	2015	2014
Primary government:				
Net investment in capital assets	$ 173,455,612	$ 165,092,053	$ 137,184,217	$ 131,880,973
Restricted	7,243,439	649,345	485,632	355,547
Unrestricted	47,304,857	40,143,417	60,719,535	54,348,545
Total primary government net position	$ 228,003,908	$ 205,884,815	$ 198,389,384	$ 186,585,065

2013	2012	2011	2010	2009	2008
$ 125,050,777	$ 123,600,396	$ 111,695,549	$ 111,518,588	$ 112,742,594	$ 110,650,922
284,689	237,891	176,572	52,800	52,800	52,800
47,116,522	43,456,119	35,423,722	28,777,667	23,566,497	22,144,572
$ 172,451,988	$ 167,294,406	$ 147,295,843	$ 140,349,055	$ 136,361,891	$ 132,848,294

CITY OF JOHNS CREEK, GEORGIA

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

	2017		2016	2015	2014
Expenses					
General government	$ 9,118,649		$ 8,510,238	$ 9,883,021	$ 9,173,194
Judicial	631,225		641,638	606,051	571,034
Public safety	22,745,330		21,252,829	21,490,586	21,803,754
Public works	17,389,469		15,340,851	12,822,801	8,588,644
Culture and recreation	3,211,240		2,779,614	3,001,923	2,735,690
Community development	2,423,736		2,748,236	3,177,888	2,783,031
Interest on long-term debt	893,114		226,462	121,786	149,406
Total expenses	$ 56,412,763		$ 51,499,868	$ 51,104,056	$ 45,804,753
Program revenues					
Charges for services:					
General government	$ 1,049,959		$ 1,309,480	$ 1,233,204	$ 1,049,331
Judicial	1,469,263		1,335,746	1,315,373	1,299,083
Public safety	1,809,984		1,965,868	1,925,111	1,834,379
Public works	555		670	1,635	2,650
Culture and recreation	182,099		186,282	152,877	135,646
Community development	1,029,862		1,358,041	1,274,075	852,634
Operating grants and contributions	23,960		230,011	83,200	48,233
Capital grants and contributions	16,724,496	(5)	1,892,073	4,908,666	5,720,390
Total program revenues	$ 22,290,178		$ 8,278,171	$ 10,894,141	$ 10,942,346
Net (expense) revenue	$ (34,122,585)		$ (43,221,697)	$ (40,209,915)	$ (34,862,407)
General Revenues and Other Changes in Net Position					
Taxes					
Property taxes	$ 21,021,736		$ 18,069,974	$ 19,973,121	$ 18,256,432
Sales taxes	20,967,919		20,838,545	20,562,370	19,732,444
Hotel/Motel taxes	465,676		501,955	489,803	437,103
Franchise taxes	4,339,068		4,357,134	4,431,315	4,344,254
Business taxes	7,015,161		6,629,486	6,336,162	6,047,586
Unrestricted intergovernmental revenue	-		-	-	-
Unrestricted investment earnings	212,293		103,841	77,309	51,410
Miscellaneous revenues	2,219,825		216,193	144,154	83,540
Gain on sale of capital assets	-		-	-	42,715
Total	$ 56,241,678		$ 50,717,128	$ 52,014,234	$ 48,995,484
Change in Net Position	$ 22,119,093		$ 7,495,431	$ 11,804,319	$ 14,133,077

(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.
(5) In FY2017, the City saw a significant increase in the amount of grant funding received from the Georgia Department of Transportation as well as the commencement of the collection of Transportation Local Option Sales Tax (T-SPLOST).

2013	2012	2011	2010	2009	2008
$ 9,315,391	$ 8,401,404	$ 8,473,996	$ 10,006,958	$ 10,113,200	$ 10,431,889
581,038	616,764	549,615	421,763	419,015	373,841
24,420,784	19,772,277	19,255,530	19,744,699	16,741,131	15,055,910
9,361,326	8,521,056	8,993,484	10,806,418	11,257,900	10,464,085
2,239,239	2,048,933	1,882,042	1,195,390	1,175,499	1,388,914
2,762,171	3,039,827	2,876,703	4,886,840	5,287,755	5,817,895
177,399	176,884	204,863	313,466	403,244	361,212
$ 48,857,348	$ 42,577,145	$ 42,236,233	$ 47,375,534	$ 45,397,744	$ 43,893,746
$ 1,111,782	$ 1,200,977	$ 1,008,918	$ 783,095	$ 870,650	$ 1,093,164
1,294,633	1,126,259	1,059,290	1,176,913	1,254,994	760,372
1,693,516	1,605,609	1,583,430	1,633,424 (3)	166,613	5,092
300	791	750	150	335	910
120,720	132,249	49,740	41,091	42,698	38,774
911,628	973,739	739,053	613,682	548,965	1,173,960
40,058	15,750	5,250	22,075	4,000	87,500
3,858,776	13,179,713 (4)	1,727,249	2,050,856	1,574,382	1,706,595
$ 9,031,413	$ 18,235,087	$ 6,173,680	$ 6,321,286	$ 4,462,637	$ 4,866,367
$ (39,825,935)	$ (24,342,058)	$ (36,062,553)	$ (41,054,248)	$ (40,935,107)	$ (39,027,379)
$ 17,215,159	$ 16,743,082	$ 16,708,870	$ 19,009,118	$ 19,215,657	$ 18,910,045
17,061,276	17,046,077	16,053,759	15,643,135	14,762,126 (1)	17,372,673
397,450	357,537	374,147	331,707	340,018	413,030
4,283,380	4,359,944	4,262,254	4,271,267	4,340,199	4,003,465
5,770,239	5,646,233	5,360,729	5,142,452	5,104,952	5,513,389
-	-	-	59,219	12,515	2,850,436 (2)
50,380	43,451	39,938	73,409	301,236	519,624
201,113	138,697	209,644	511,105	372,001	49,342
4,520	5,600	-	-	-	-
$ 44,983,517	$ 44,340,621	$ 43,009,341	$ 45,041,412	$ 44,448,704	$ 49,632,004
$ 5,157,582	$ 19,998,563	$ 6,946,788	$ 3,987,164	$ 3,513,597	$ 10,604,625

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
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
2017	21,021,736 (2)	20,967,919	465,676	4,339,068	7,015,161	53,809,560

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

(2) The increase in property tax revenues is noted to be the result of an increase in assessed values as well as due to the levy of a tax for debt service for the first time in 2017.

CITY OF JOHNS CREEK, GEORGIA

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

	2017	2016	2015	2014
General Fund				
Reserved	$ -	$ -	$ -	$ -
Unreserved, designated	-	-	-	-
Unreserved	-	-	-	-
Nonspendable - prepaids	1,005,805	464,583	597,179	121,842
Nonspendable - inventory	99,212	94,055	91,575	92,252
Nonspendable - advances	-	-	-	-
Restricted - capital projects	-	-	52,800	52,800
Committed - land acquisition	-	-	20,000,000	-
Committed - neighborhood road resurfacing	3,500,000	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
Unassigned	5,710,050	18,370,421	20,439,094	46,071,853
Total general fund	$ 10,315,067	$ 27,851,705	$ 51,603,294	$ 48,261,393
All Other Governmental Funds				
Reserved	$ -	$ -	$ -	$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Nonspendable - prepaids	2,396,413	-	-	-
Restricted - capital projects	46,212,616	433	-	-
Restricted - transportation enhancements	6,719,265	-	-	-
Restricted - law enforcement	523,741	507,646	393,323	263,671
Restricted - trade and tourism	-	102,190	-	-
Restricted - public safety facilities	-	39,076	39,076	39,076
Restricted - community development	-	-	-	-
Committed - tree replacement	34,845	91,197	42,592	63,765
Assigned - capital projects	19,976,156	10,740,370	9,101,459	5,869,769
Assigned - emergency 911 operations	278,307	281,687	133,588	-
Unassigned	-	-	-	(34,447)
Total all other governmental funds	$ 76,141,343	$ 11,762,599	$ 9,710,038	$ 6,201,834

NOTE: The City implemented GASB Statement 54 in fiscal year 2011.

2013	2012	2011	2010	2009	2008
$ -	$ -	$ -	$ 106,557	$ 1,353,107	$ 107,532
-	-	-	6,947,880	6,781,675	7,276,239
-	-	-	17,072,485	391,498	11,087,107
222,427	15,447	198,932	-	-	-
77,682	96,709	77,480	-	-	-
-	211,051	-	-	-	-
52,800	52,800	52,800	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,622,646	1,240,000	740,000	-	-	-
39,638,568	33,712,377	27,759,825	-	-	-
$ 41,614,123	$ 35,328,384	$ 28,829,037	$ 24,126,922	$ 8,526,280	$ 18,470,878
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	92,397	(952,258)	2,547
-	-	-	2,776,387	3,118,230	2,461,883
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
196,968	160,916	123,772	-	-	-
-	-	-	-	-	-
34,488	24,175	-	-	-	-
433	-	-	-	-	-
-	-	-	-	-	-
4,017,903	4,910,103	4,072,075	-	-	-
-	-	-	-	-	-
(2,377)	(212,358)	(350,857)	-	-	-
$ 4,247,415	$ 4,882,836	$ 3,844,990	$ 2,868,784	$ 2,165,972	$ 2,464,430

CITY OF JOHNS CREEK, GEORGIA

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

	2017	2016	2015	2014
Revenues				
Property taxes	$ 7,964,730	$ 17,168,132	$ 20,119,245	$ 18,302,306
Sales taxes	20,967,919	20,838,545	20,562,370	19,732,444
Hotel/Motel taxes	465,676	501,955	489,803	437,103
Franchise taxes	4,339,068	4,357,134	4,431,315	4,344,254
Business taxes	7,015,161	6,629,486	6,336,162	6,047,586
Licenses and permits	2,068,751	2,632,050	2,440,523	1,824,439
Charges for services	2,012,838	2,115,856	2,052,521	2,074,645
Fines and forfeitures	1,460,133	1,408,181	1,409,231	1,274,639
Intergovernmental	15,003,437	1,985,625	4,177,374	6,723,622
Contributions	1,500	6,516	156,026	5,295
Interest earned	212,293	103,841	77,309	51,410
Miscellaneous	2,219,825	216,193	144,154	83,540
Total revenues	63,731,331	57,963,514	62,396,033	60,901,283
Expenditures				
Current:				
General government	8,430,640	8,786,537	9,750,292	9,269,141
Judicial	632,610	640,739	607,051	569,611
Public safety	22,130,792	21,194,539	22,838,021	21,201,601
Public works	14,744,449	15,630,086	12,642,238	7,911,390
Culture and recreation	2,680,599	2,316,322	3,265,151	2,368,869
Community development	2,423,736	2,748,236	3,177,888	2,783,031
Capital outlay	29,087,944	27,507,914	6,328,832	7,373,169
Debt service:				
Principal	1,180,443	806,694	633,319	715,677
Interest	193,440	216,137	122,220	149,820
Issuance costs	554,974	-	-	-
Total expenditures	82,059,627	79,847,204	59,365,012	52,342,309
Excess (deficiency) of revenues over expenditures	(18,328,296)	(21,883,690)	3,031,021	8,558,974
Other Financing Sources (Uses)				
Issuance of long term debt	65,170,402	182,719	3,817,281	-
Proceeds from sale of assets	-	1,510	2,236	42,715
Transfers in	43,451,494	36,885,995	9,057,234	5,440,939
Transfers out	(43,451,494)	(36,885,995)	(9,057,234)	(5,440,939)
Total other financing sources (uses)	65,170,402	184,229	3,819,517	42,715
Net change in fund balances	$ 46,842,106	$ (21,699,461)	$ 6,850,538	$ 8,601,689
Debt service as a percentage of noncapital expenditures	2.6%	2.1%	1.6%	2.0%

(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.

2013	2012	2011	2010	2009	2008
$ 17,265,354	$ 16,767,324	$ 16,774,303	$ 31,719,433 (1)	$ 6,606,730 (1)	$ 18,294,082
17,061,276	17,046,077	15,759,593	16,046,051	14,653,376 (2)	17,372,673
397,450	357,537	374,147	331,707	340,018	413,030
4,283,380	4,359,944	4,262,254	4,271,267	4,340,199	4,003,465
5,770,239	5,646,233	5,360,729	5,142,452	5,104,952	5,513,390
1,783,358	1,934,988	1,543,769	1,374,399	1,401,509	2,217,222
2,028,883	1,949,800	1,833,433	1,619,378 (4)	201,613	100,829
1,321,974	1,153,197	1,079,281	1,239,276	1,281,133	754,221
1,898,947	1,299,770	1,222,002	434,069	421,879	2,967,686 (3)
114,581	44,750	5,250	22,075	4,000	104,500
50,380	43,454	39,938	73,409	301,236	519,624
201,113	138,697	209,644	511,105	372,001	49,342
52,176,935	50,741,771	48,464,343	62,784,621	35,028,646	52,310,064
9,030,662	8,262,785	8,376,712	10,065,108	10,013,463	10,530,632
587,530	615,633	543,696	445,991	419,015	373,841
20,984,990	19,366,721	18,651,425	19,574,394	18,878,280	20,545,115
7,965,504	6,954,482	7,868,085	8,702,246	9,171,814	8,390,494
2,017,484	1,790,767	1,729,215	1,000,855	1,002,519	1,215,934
2,762,171	3,039,827	2,876,703	4,886,840	5,287,755	5,817,895
3,092,326	2,145,261	956,583	598,013	-	-
729,591	857,576	1,785,837	1,871,940	1,563,358	257,119
177,795	177,126	227,840	313,466	374,522	361,212
-	-	-	-	-	-
47,348,053	43,210,178	43,016,096	47,458,853	46,710,726	47,492,242
4,828,882	7,531,593	5,448,247	15,325,768	(11,682,080)	4,817,822
816,916	-	224,031	977,686	1,439,024	6,953,729
4,520	5,600	6,043	-	-	-
4,218,916	4,301,228	5,330,174	5,595,094	4,391,491	2,131,172
(4,218,916)	(4,301,228)	(5,330,174)	(5,595,094)	(4,391,491)	(2,131,172)
821,436	5,600	230,074	977,686	1,439,024	6,953,729
$ 5,650,318	$ 7,537,193	$ 5,678,321	$ 16,303,454	$ (10,243,056)	$ 11,771,551
2.1%	2.5%	4.9%	5.1%	4.9%	1.3%

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
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	49,495,249
2017	7,964,730 (4)	20,967,919	465,676	4,339,068	7,015,161	40,752,554

(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.

(4) The decrease in property tax revenues in 2017 is due to delays by Fulton County in completing the billing of property taxes. The property digest completed by the County and submitted to the State was not accepted and thus a court injunction was issued to allow for the billing of taxes to proceed; however, the billing process was extremely delayed due to the need for judicial intervention.

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
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
2017	3,475,951,120	989,785,840	18,300,880	2,070,680	82,250,280

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
$ 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%
28,772,170	471,757,854	4,125,373,116	4.360	10,313,432,790	40%

CITY OF JOHNS CREEK, GEORGIA

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

	Johns Creek		Fulton County			School District				Total Direct &
Calendar Year	Operating Millage	Debt Service Millage	Operating Millage	Debt Service Millage	Total Fulton County Millage	Operating Millage	Debt Service Millage	Total School District Millage	State	Overlapping Rates
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
2017	4.360	0.500	10.380	0.250	10.630	18.546	-	18.546	0.000	33.536

Source: Fulton County Tax Commissioner

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

CITY OF JOHNS CREEK, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS PRIOR

	2017			2008		
Taxpayer	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	$ 64,927,012	1	1.57 %	$ -	-	-
CIBA Vision Corporation	38,497,994	2	0.93	54,498,913	1	1.30 %
Peach Farm Property LLC	27,452,160	3	0.67			
RRE Addison Place Holdings LLC	25,159,300	4	0.61	-	-	-
Chelsa Ridge LLC	24,810,839	5	0.60	-	-	-
PREFCO Twenty Limited Partnership	24,033,720	6	0.58	18,741,199	5	0.45
Aylesbury Farms LLC	20,907,800	7	0.51	13,708,879	9	0.33
GRE Retreat at Johns Creek LLC	20,193,751	8	0.49	-	-	-
Johns Creek LLC	18,617,751	9	0.45	-	-	-
Avonlea on the River LLC	14,812,292	10	0.36	-	-	-
EHCA Dunwoody LLC	-		-	42,353,960	2	1.01
State Farm Mutual Auto Ins. Co.	-		-	25,269,612	3	0.60
National Distributing Co. Inc.	-		-	19,337,911	4	0.46
WLA Bristol Park Apartments LLC	-		-	16,398,240	6	0.39
Robert Properties	-		-	16,237,321	7	0.39
Hendon JDN Creek Village LLC	-		-	15,016,599	8	0.36
Rivergate Farms LLC	-		-	12,600,000	10	0.30
Totals	$ 279,412,619		6.77 %	$ 234,162,634		5.60 %

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
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	16,127,032	16,790,721	99.8
2017	17,300,319	-	-	-	-	-

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					Percentage of Personal Income (1)	Per Capita (1)
	Notes Payable	Contracts Payable	General Obligation Bonds	Certificates of Participation	Total		
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	771,715	-	-	5,621,113	0.15	67.45
2017	3,881,804	546,422	41,340,402	23,830,000	69,598,628	1.82	829.81

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, 2017

	Net General Obligation Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Johns Creek
Overlapping General Obligation Debt:			
Fulton County, Georgia	$ 143,880,673	7.50 %	$ 10,791,050
Fulton County Board of Education	71,840,000	17.29	12,421,136
Total Overlapping Debt	215,720,673		23,212,186
City Direct Debt:			
Notes payable	3,881,804	100.00	3,881,804
Contracts payable	546,422	100.00	546,422
Bonds payable	41,340,402	100.00	41,340,402
Certificates of participation	23,830,000	100.00	23,830,000
Total Direct Debt	69,598,628		69,598,628
Total Direct and Overlapping Debt	$ 285,319,301		$ 92,810,814

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

LEGAL DEBT MARGIN INFORMATION
SEPTEMBER 30, 2017

		2017
Debt limit	$	459,713,097
Total net debt applicable to limit		40,000,000
Legal debt margin	$	499,713,097
Total net debt applicable to the limit as a percentage of debt limit		8.00%

Legal Debt Margin Calculation for Fiscal Year 2017:

Assessed value	$	4,597,130,970
Debt limit (10% of assessed value)		459,713,097
Debt applicable to limit:		
General obligation bonds		40,000,000
Less: Amount set aside for repayment of General obligation debt		-
Total net debt applicable to limit		40,000,000
Legal debt margin	$	419,713,097

NOTE 1: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

NOTE 2: Fiscal year 2017 was the first year in which the City issued general obligation bonds.

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)
2008	70,050	$ 4,622,880	$ 65,994	35	17,331	6.4 %
2009	70,050	4,622,880	65,994	35	16,310	10.1
2010	70,050	4,622,880	65,994	35	20,192	10.2
2011	76,728	3,226,796	42,055	36	18,244	10.6
2012	79,192	3,712,125	46,875	37	19,804	8.1
2013	82,306	3,858,094	46,875	37	20,822	9.7
2014	87,788	3,625,287	43,790	37	20,664	7.3
2015	83,102	3,656,322	43,998	39	16,505	5.2
2016	83,335	3,718,324	44,619	39	21,620	7.8
2017	83,873	3,822,847	45,579	39	20,503	4.3

(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

	2017			2008		
Employer	Employees (1)	Rank	Percentage of Total City Employment (1)	Employees (1)	Rank	Percentage of Total City Employment (1)
State Farm Insurance Company	1,200	1	8.69 %	1,700	1	10.85 %
Alcon, Inc. (2)	1,108	2	8.03	1,577	2	10.07
Emory Johns Creek Hospital	800	3	5.80	487	4	3.11
Macy's Systems & Technology	765	4	5.54	870	3	5.55
Kroger Company	561	5	4.06	459	5	2.93
SAIA, Inc.	385	6	2.79			
Publix	281	7	2.04	300	6	1.90
Nordson Corporation	275	8	1.99	290	7	1.85
Ebix, Inc	190	9	1.38			
World Financial Group Insurance	177	10	1.28	231	9	1.47
Lifetime Fitness	-		-	250	8	1.60
Whole Foods	-		-	211	10	1.35
Totals	5,742		41.60 %	6,375		40.68 %

(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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government (City Manager)	4	5	6	7	7	6	6	6	5	3
Mayor's Office	0	1	1	-	-	-	-	-	-	-
City Clerk	3	3	3	3	3	3	3	1	1	1
Finance Department	10	9	9	10	10	10	9	1	1	1
Human Resources/Support Services	3	4	4	4	6	6	6	1	1	-
Information Technology	6	6	2	2	-	-	-	-	-	-
Facilities	4	3	3	3	3	3	3	1	1	1
Communications/Public Relations	4	4	7	6	6	6	6	-	-	-
Municipal Court	4	4	4	3	3	4	4	1	1	1
Public safety										
Police	81	76	74	70	70	71	70	67	68	64
Fire	88	85	81	75	75	77	79	79	76	6
Public Works	2	2	2	2	2	2	2	-	-	-
Recreation/Parks	2	2	1	1	1	1	1	-	-	-
Total	211	204	197	186	186	189	189	157	154	77

Source: City of Johns Creeks Human Resources Department

Note: Police operations began in FY08 and Fire operations began in FY09.

CITY OF JOHNS CREEK, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police										
Homicide	-	-	-	-	4	-	-	-	-	-
Robbery	11	12	13	8	11	16	14	12	21	5
Assault	227	194	228	220	249	240	205	208	194	83
Burglary	82	126	72	90	139	106	133	163	204	83
Larceny	499	572	464	296	299	283	252	288	303	329
Motor vehicle theft	21	18	7	17	19	16	17	20	27	91
Total calls for service	88,818	91,231	85,866	76,392	78,866	73,532	76,010	64,656	41,725	24,816
Fire										
Fire calls	79	398	649	851	943	912 (1)	115	125	106	-
EMS calls	2,222	4,325	5,768	5,792	5,003	5,223 (1)	2,133	1,389	1,494	-
False alarms	452	567	551	836	908	739 (1)	408	401	408	-
Service calls	573	435	609	305	492	333 (1)	385	352	310	-
Hazardous conditions	138	371	263	109	168	88 (1)	83	81	74	-
Good intent calls	1,484	1,079	238	43	56	137 (1)	1,337	1,218	516	-
Water rescue calls	13	53	13	59	9	- (1)	13	N/A	N/A	N/A
Fire investigations	10	21	9	14		7 (1)	15	8	7	-
Public Works										
Highways & Streets										
Streets resurfaced (miles)	26	34	35	3	7	1	4	6	3	3
Sidewalk installed/replaced (sq. ft.)	63,500	88,605	78,005	103,993	124,595	36,700	7,798	7,890	43,105	14,240
Curb & Gutter install/replaced (linear ft.)	6,411	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 TEN FISCAL YEARS

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police										
Stations	2	2	2	2	2	2	1	1	1	1
Patrol units	53	50	48	44	44	44	44	44	44	32
Other vehicles	20	20	20	20	20	20	20	20	19	19
Fire (1)										
Stations	3	3	3	3	3	3	3	3	3	-
Ladder trucks	2	2	2	2	2	2	2	2	2	2
Fire engines	4	4	4	4	4	4	4	4	4	3
Rescue vehicles	2	2	2	2	2	2	2	2	2	2
Mobile air unit	1	1	1	1	1	1	1	1	1	1
Rescue boat	2	2	2	2	2	2	1	1	1	1
Special Operations Truck	1	1	1	1	1	1	1	-	-	-
Other vehicles	12	12	12	12	12	9	10	10	9	7
Public Works										
Streets (miles)	260	260	260	260	258	261	259	259	259	259
Private roads	71	71	71	71	63	60	60	60	60	60
State routes	18	18	18	18	18	18	18	15	15	-

Source: Various City departments.

(1) Fire Department began operations in October 2008.