

Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2015

City of



Johns Creek

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CITY OF JOHNS CREEK, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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, 2015

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March 21, 2016

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, 2015, 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, 2015. The independent auditor's report is located at the front of the financial section of this report.

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

City Administration

Profile of the Government

Johns Creek was incorporated on December 01, 2006, becoming Georgia's 10th largest City. Located in northern 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 83,102 (based upon the U. S. Census Bureau 2014 estimate).

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

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

Deploying a non-traditional approach to government services, the City contracts with a private partner to perform most of the traditional services performed by a municipal government. Through this public/private partnership, the City provides a full range of services, including the construction and maintenance of highways, streets, and other infrastructure; land development management, and recreational and cultural activities. 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 City of Johns Creek Police Department began service the end of April 2008 and the Fire Department began service early October 2008, prior to that the Public safety functions of Police and Fire were provided by Fulton County via an intergovernmental agreement.

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

Local Economy

The City is home to some 2,002 businesses. Large employers include the State Farm Insurance's Operation Center, Macy's System & Technology, and ALCON Inc. Other major employers include Federated Systems Group, the Fulton County Board of Education, and Emory Johns Creek Hospital. By and large, however, Johns Creek is largely a bedroom community with 80 percent of its land devoted to residential uses. The current economic situation has had an effect on the revenue base; however, trends indicate that the economy is recovering. Both the City's property tax digest and sales tax collections have increased approximately 4% from the prior year. Additionally, building permit revenue and business occupation license revenue have increased approximately 5% and 4% from the prior year, respectively.

Johns Creek has experienced explosive population growth over the past two decades. Between 1990 and 2000, the number of people living in the area that is now the City grew by 232 percent. The 2014 census estimate puts the City's population at 83,102 and that number is projected to grow to more than 94,300 by 2030, a 15 percent increase. Over 37 percent of the population was between 35 and 55 years old in 2010 (the most recent census conducted), while another 37 percent were age 19 and younger. 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 to be \$110,648 and average household income \$124,707. The median home price for 2011 was \$340,300.

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

Long-Term Financial Planning

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

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

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

The City is expected to continue developing as an economic hub and preferred location for business and residential investment as the economy continues to recover. The City has seen development picking up during the past year. The City issued 215 permits for new single family structure construction during the fiscal year. The City anticipates that new construction and growth will remain sporadic at this level for the upcoming three to five years.

Relevant Financial Policies

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

Major Initiatives

Transportation and Infrastructure

Johns Creek unofficially dubbed 2015 the "Year of Public Works" and the accomplishments of the past twelve months validate the moniker. Throughout 2015, the city continued to invest heavily in infrastructure projects with important road widening, intersection improvements, road repaving and sidewalk enhancements. Additionally, the city has continued to successfully leverage state and federal funds to provide a substantially greater impact to Johns Creek's transportation network. Public works commenced neighborhood resurfacing projects with 34 subdivisions and an aggregate 35.47 linear miles of streets paved. Public works completed the four lane section of Old Alabama from Nesbit Ferry Road to Jones Bridge Road. This project also included improvements at Haynes Bridge and Jones Bridge Road. Combined, the improvements have made significant improvements in travel time along Old Alabama.

The City expanded the Traffic Control Center (TCC) at City Hall to include upgraded video management software allowing for additional operators to manage the traffic system at the same time and respond more quickly with necessary adjustments affecting traffic. The upgrade also incorporated uninterruptible power supplies on the city's traffic signals allowing the signals to operate for additional time in case of power failure, as well as conditioning the power to protect the sensitive electronics in the signal cabinet. The City additionally implemented adaptive signal control as an upgrade to the traffic responsive system on Medlock Bridge Road, allowing the traffic signals to adjust their timing based on real-time traffic conditions.

Johns Creek also entered into a cost-free partnership with Waze to further augment the technological toolkit for traffic relief.

Recreation & Parks

Johns Creek initiated a Recreation & Parks Strategic Plan to set a prioritized list of recommended improvements for the growth of our recreation and parks system over the course of the next 10 years. The plan will address land acquisition for new parks, improvements to existing parks and operational strategies. The City acquired land on Morton Road to be developed as a neighborhood-serving pocket park in an area currently underserved by parks. The Recreation and Parks department also replaced playground equipment at Shakerag Park, including a shade structure providing shade on the main areas of the equipment during the hot summer months.

Public Safety Departments

The Fire Department's efforts lowered the city's ISO rating from a 4/10 to a 2, resulting in approximately \$6 million of savings for the citizens of Johns Creek. JCFD also launched a new river rescue boat, allowing greater safety and rescue capability resulting in 16 river rescues. Johns Creek negotiated a new Public Safety Radio Tower site outside of the city limits that will provide first responders with improved capability to communicate with each other. The tower will cover the current public safety communications gap that exists in Johns Creek northeast, primarily in the Shakerag area, providing improved protection for citizens, public safety personnel, and school children.

Johns Creek Police Department (JCPD) expanded the Social Media Program to include the development of JCPD4Me App, allowing greater communication between the police and community. JCPD also realigned officers to create Community Response Team, (CRT) to focus on current concerns/trends in the City

Municipal Court

Johns Creek Chief Judge Don Schaefer and the Municipal Court received a Special Recognition Award from the Georgia Council of Municipal Judges for his work on the City's Solicitor Teen Officer Parent. (STOP) program – a teen driver intervention program.

Community Planning and Economic Development Efforts

Johns Creek implemented a new massage ordinance designed to ensure proper licensing and operations, resulting in the closure of nine establishments. The City also initiated a Strategic Economic Development Plan to shape and guide future policy direction of economic development and fosters a successful business climate within the city. Additionally, the City initiated "The District" master planning process that updates the Technology Park master plan to transform a suburban office park into a walkable central business district and vibrant town center.

Communications and Community Relations

The Communications and Community Relations departments upgraded the City website to keep pace with the public's desire for direct communications with City Hall and related municipal services. This update will allow easier access to information regarding upcoming events, traffic improvement and road repaving projects, public notices, zoning cases, purchasing and bids, and other highly requested city services. The new design, which is based on current industry best practices in online communications, is expected for launch in December 2015.

Information Technology

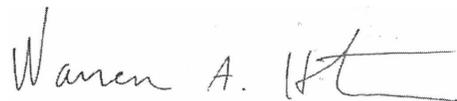
Through the combined efforts of the GIS and IT departments, the City launched the national award winning JC Now App, which allows mobile notifications of emergency, traffic conditions, and other information. In an effort to increase transparency, IT implemented the Granicus video streaming system, which allows real-time and archived viewing of public meetings. Finally, City Hall launched an IT strategic study plan to fully assess the city's technology needs and priorities.

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 seven previous years.

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

Justin Kirouac

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

Dinetta Smith

Accounting Manager

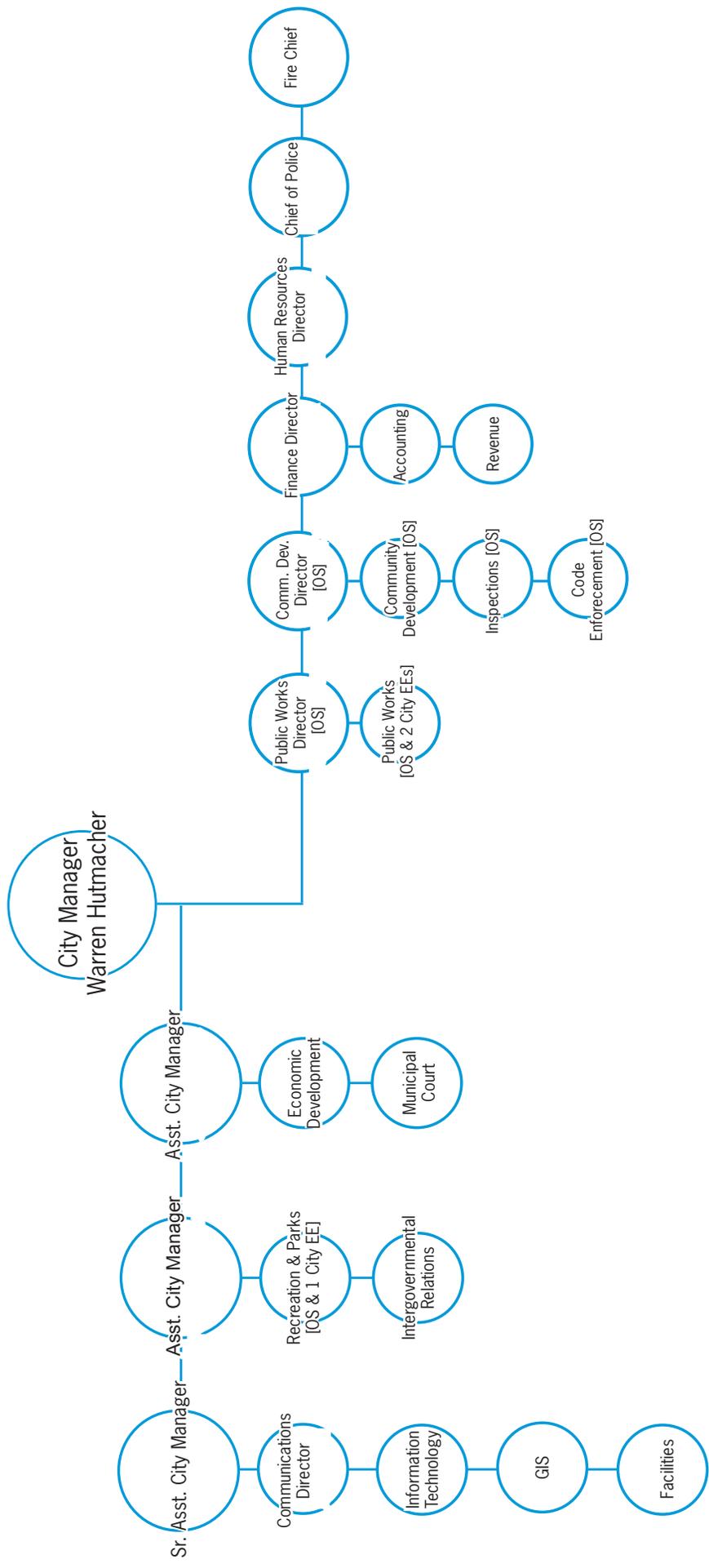
Tom Black

Director of Public Works

Sharon Ebert

Director of Community Development

City Organization



OS = Outsourced
 EE = City Employee



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

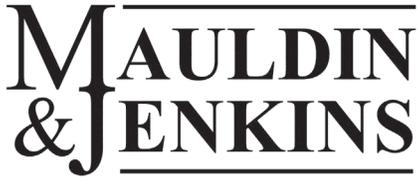
**City of Johns Creek
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Johns Creek, Georgia (the "City"), as of and for the year ended September 30, 2015, 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, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Information (continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2016 on our consideration of the City of Johns Creek, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 21, 2016

CITY OF JOHNS CREEK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Johns Creek (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. 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 \$198,389,384, total net position. Of this amount \$60,719,535, unrestricted net position, is available to meet the ongoing obligations of the government.
- The City's increase in net position was \$11,804,319 during the fiscal period; primarily due to investment in the infrastructure, 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 \$61,313,765.
- As of September 30, 2015 the balance of notes payable outstanding is \$5,282,975. In addition, when the City started the fire department it assumed a fire station from Fulton County along with the obligation to pay the outstanding certificates of participation debt which is \$962,112 at September 30, 2015. The City did not have the need to issue a tax anticipation note during the fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedule for the general fund, which can be found on pages 37 and 38 of this report.

The combining statements and schedules, referred to earlier, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 39 through 48 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$198,389,384.

The following table provides a summary of the City's governmental net position for the fiscal year 2014 and 2015:

City of Johns Creek Net Position

	Governmental Activities	
	2015	2014
Assets		
Current assets	\$ 70,351,647	\$ 61,371,560
Capital assets, net of accumulated depreciation	143,084,112	134,433,742
Total assets	213,435,759	195,805,302
Liabilities		
Current liabilities	7,703,358	5,131,085
Long-term liabilities	7,343,017	4,089,152
Total liabilities	15,046,375	9,220,237
Net position		
Net investment in capital assets	137,184,217	131,880,973
Restricted for capital projects	53,233	52,800
Restricted for law enforcement	393,323	263,671
Restricted for public safety facilities	39,076	39,076
Unrestricted	60,719,535	54,348,545
Total net position	\$ 198,389,384	\$ 186,585,065

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 (\$53,233) represents resources that are restricted for use on capital projects. An additional portion of the City's net position (\$393,323) represents resources that are restricted for use in law enforcement activities. An additional portion of the City's net position (\$39,076) represents resources that are restricted for use in public safety facilities. The remaining portion of the City's net position represents positive unrestricted net position of \$60,719,535 that is available to meet the ongoing obligations of the government.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position. Governmental activities increased the City's net position by \$11,804,319 in fiscal year 2015. The following table indicates the changes in net position for governmental activities in fiscal years 2014 and 2015:

	Governmental Activities	
	2015	2014
Revenues		
Program Revenues:		
Charges for services	\$ 5,902,275	\$ 5,173,723
Operating grants and contributions	83,200	48,233
Capital grants and contributions	4,908,666	5,720,390
General Revenues:		
Property taxes	19,973,121	18,256,432
Sales and use taxes	20,562,370	19,732,444
Hotel/Motel taxes	489,803	437,103
Franchise taxes	4,431,315	4,344,254
Business taxes	6,336,162	6,047,586
Unrestricted investment earnings	77,309	51,410
Miscellaneous revenues	144,154	83,540
Gain on sale of capital assets	-	42,715
Total revenues	62,908,375	59,937,830
Expenses		
General government	9,883,021	9,173,194
Judicial	606,051	571,034
Public safety	21,490,586	21,803,754
Public works	12,822,801	8,588,644
Culture and recreation	3,001,923	2,735,690
Community development	3,177,888	2,783,031
Interest on long-term debt	121,786	149,406
Total expenses	51,104,056	45,804,753
Change in net position	11,804,319	14,133,077
Net position, beginning of year	186,585,065	172,451,988
Net position, end of year	\$ 198,389,384	\$ 186,585,065

Governmental activities. Governmental activities increased the City's net position by \$11.8 million in fiscal year 2015. Key elements of this increase are as follows:

Total revenues were \$63 million, up 5.0% from the prior year. Property taxes increased by 9.4%, reflecting an increase in the 2015 tax digest valuations. Sales tax revenue increased 4.2% from the previous year, consistent with improving economic conditions in the region. Business tax revenues increased by 4.8% which is attributed to new development within the City. Franchise taxes increased by 2.0% from the previous year which is attributed to weather conditions and fuel surcharges paid by the City's utility providers.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses increased by \$5.30 million (11.6%) over the previous fiscal year. Public safety, the City's largest department, decreased approximately \$313,000; public works increased approximately \$4.2 million due to a road repaving program that commenced in 2015; general government increased \$710,000; and community development increased by approximately \$395,000 thousand 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 \$61,313,765. The general fund's fund balance increased by \$3.3 million from the previous fiscal year which is attributed to revenue growth. Property, 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 \$9.1 million reported in the capital projects fund.

General Fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$20.4 million, while total fund balance was \$51.6 million. As a measure of the liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 46.9% of total general fund expenditures while total fund balance represents 118.3% of total expenditures. Total general fund change in fund balance was \$3,341,901. The major reason for the increase of fund balance was the departments spending wisely and purchasing only needed goods and services along with an increase in property, sales, and business tax revenues.

Capital Projects Fund. The capital projects fund increased fund balance by \$3,231,690 during fiscal year 2015. The fund recognizes a transfer from general fund for projects that are still in progress each year. During the current year many of the larger projects were funded by capital grants from the Georgia Department of Transportation (GDOT).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Key General Fund Budgetary Highlights

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

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

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

- \$1,202,395 supplemental appropriation to various general fund departments for FY2014 encumbrance carryovers.
- \$1,185,197 mid-year budget increase to various departments to realign general fund revenues and expenses.

Total revenues in the General Fund exceeded final budgeted revenues by approximately \$3.58 million. This positive budget variance is mostly attributable to better than anticipated property and sales tax revenue collections and an increase in business taxes and licenses and permits.

Total expenditures in the General Fund were less than final budgeted amounts by approximately \$2.82 million. This positive budget variance is mostly attributable to unspent contingencies budgeted in the police, fire, and public works departments for various items (supplies, equipment, capital outlays, etc).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of September 30, 2015, amounts to \$143,084,112 (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	
	2015	2014
Land	\$ 21,190,561	\$ 19,599,583
Construction in progress	6,285,316	4,588,126
Buildings	4,184,384	4,317,453
Improvements	6,611,997	5,132,664
Machinery and equipment	2,348,771	2,149,949
Infrastructure	102,463,083	98,645,967
Total	<u>\$ 143,084,112</u>	<u>\$ 134,433,742</u>

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

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$6,245,087. The outstanding balance includes the following: \$1,465,694 for police and fire vehicles, and other public safety furniture and equipment; \$3,817,281 payable to the State Road and Tollway Authority (SRTA) for a Georgia Transportation Infrastructure Bank loan, the proceeds of which were used for road repair and resurfacing projects throughout the City; and the remaining long-term debt includes the balance related to the City's acquisition of the Shakerag Fire station from Fulton County upon the start-up of the fire department where the City assumed the building and the future lease payments, the outstanding balance of which at September 30, 2015 is \$962,112. Additional information on the City's long-term debt can be found in Note 7 on pages 31 and 32 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2016 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 4.614 mills. This millage rate is estimated to generate approximately \$16.9 million in revenue.
- Stabilization of revenue, especially sales tax revenues
- Competitive wages and benefits for City employees
- Vehicle replacement projects for Fire and Police
- Continued improvements to infrastructure, especially focused on streets and roads
- Improvements at various City Parks including pond dredging, foundation repairs, sidewalk connections and upgrades to playground equipment
- Continuation of the solid waste program

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

Requests for Information

This financial report is designed to provide a general overview of the City of Johns Creek finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, City of Johns Creek, 12000 Findley Road, Suite 400, Johns Creek, Georgia, 30097, or by calling (678) 512-3348.

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

	Primary Government	Component Unit
	Governmental Activities	Convention Visitors Bureau
ASSETS		
Cash and cash equivalents	\$ 43,195,877	\$ 161,253
Accounts receivable	1,257,779	-
Taxes receivable, net of allowance	22,787,337	-
Due from other governments	2,421,900	-
Due from primary government	-	26,949
Inventories	91,575	-
Prepays	597,179	-
Capital assets:		
Nondepreciable	27,475,877	-
Depreciable, net of accumulated depreciation	115,608,235	-
 Total assets	 <u>213,435,759</u>	 <u>188,202</u>
LIABILITIES		
Accounts payable	6,786,648	7,408
Accrued liabilities	889,761	-
Due to component unit	26,949	-
Compensated absences, due within one year	855,695	-
Compensated absences, due in more than one year	242,235	-
Notes payable, due within one year	521,170	-
Notes payable, due in more than one year	4,761,805	-
Contracts payable, due within one year	190,398	-
Contracts payable, due in more than one year	771,714	-
 Total liabilities	 <u>15,046,375</u>	 <u>7,408</u>
NET POSITION		
Net investment in capital assets	137,184,217	-
Restricted for capital projects	53,233	-
Restricted for law enforcement	393,323	-
Restricted for public safety facilities	39,076	-
Restricted for trade and tourism	-	180,794
Unrestricted	60,719,535	-
 Total net position	 <u>\$ 198,389,384</u>	 <u>\$ 180,794</u>

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, 2015**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
					<u>Governmental Activities</u>	<u>Convention Visitors Bureau</u>
Primary government:						
Governmental activities:						
General government	\$ 9,883,021	\$ 1,233,204	\$ 56,026	\$ -	\$ (8,593,791)	\$ -
Judicial	606,051	1,315,373	-	-	709,322	-
Public safety	21,490,586	1,925,111	27,174	-	(19,538,301)	-
Public works	12,822,801	1,635	-	4,668,162	(8,153,004)	-
Culture and recreation	3,001,923	152,877	-	240,504	(2,608,542)	-
Community development	3,177,888	1,274,075	-	-	(1,903,813)	-
Interest on long-term debt	121,786	-	-	-	(121,786)	-
Total governmental activities	<u>51,104,056</u>	<u>5,902,275</u>	<u>83,200</u>	<u>4,908,666</u>	<u>(40,209,915)</u>	<u>-</u>
Total primary government	<u>\$ 51,104,056</u>	<u>\$ 5,902,275</u>	<u>\$ 83,200</u>	<u>\$ 4,908,666</u>	<u>(40,209,915)</u>	<u>-</u>
Component Unit						
Convention Visitors Bureau	\$ 128,173	\$ -	\$ 157,422	\$ -	\$ -	\$ 29,249
	<u>\$ 128,173</u>	<u>\$ -</u>	<u>\$ 157,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,249</u>
General revenues:						
Property taxes					\$ 19,973,121	\$ -
Sales taxes					20,562,370	-
Hotel/Motel taxes					489,803	-
Franchise taxes					4,431,315	-
Business taxes					6,336,162	-
Unrestricted investment earnings					77,309	-
Miscellaneous revenues					144,154	-
Total general revenues					<u>52,014,234</u>	<u>-</u>
Change in net position					11,804,319	29,249
Net position, beginning of year					186,585,065	151,545
Net position, end of year					<u>\$ 198,389,384</u>	<u>\$ 180,794</u>

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

CITY OF JOHNS CREEK, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

ASSETS	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 42,608,895	\$ -	\$ 586,982	\$ 43,195,877
Accounts receivable	878,022	-	379,757	1,257,779
Taxes receivable, net of allowance	22,746,122	-	41,215	22,787,337
Intergovernmental receivable	944	2,420,956	-	2,421,900
Inventories	91,575	-	-	91,575
Due from other funds	12,159	9,732,612	72,351	9,817,122
Prepays	597,179	-	-	597,179
Total assets	\$ 66,934,896	\$ 12,153,568	\$ 1,080,305	\$ 80,168,769
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,867,974	\$ 2,497,922	\$ 420,752	\$ 6,786,648
Accrued liabilities	874,069	-	11,433	885,502
Due to other funds	9,804,963	-	12,159	9,817,122
Due to component unit	-	-	26,949	26,949
Total liabilities	14,547,006	2,497,922	471,293	17,516,221
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	784,596	-	-	784,596
Unavailable revenues - intergovernmental	-	554,187	-	554,187
Total deferred inflows of resources	784,596	554,187	-	1,338,783
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepays	597,179	-	-	597,179
Inventories	91,575	-	-	91,575
Restricted:				
Capital projects	52,800	-	433	53,233
Law enforcement	-	-	393,323	393,323
Public safety facilities	-	-	39,076	39,076
Committed:				
Land acquisition	20,000,000	-	-	20,000,000
Neighborhood road resurfacing	7,000,000	-	-	7,000,000
Development of City owned structures	1,500,000	-	-	1,500,000
Tree replacement	-	-	42,592	42,592
Assigned:				
Vehicle replacement	1,922,646	-	-	1,922,646
Capital projects	-	9,101,459	-	9,101,459
Emergency 911 operations	-	-	133,588	133,588
Unassigned	20,439,094	-	-	20,439,094
Total fund balances	51,603,294	9,101,459	609,012	61,313,765
Total liabilities, deferred inflows of resources, and fund balances	\$ 66,934,896	\$ 12,153,568	\$ 1,080,305	

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.	143,084,112
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(7,347,276)
Some revenues are not available to pay current period expenditures and, therefore, are deferred in the funds.	1,338,783

Net position of governmental activities \$ 198,389,384

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, 2015**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 20,119,245	\$ -	\$ -	\$ 20,119,245
Sales taxes	20,562,370	-	-	20,562,370
Hotel/Motel taxes	-	-	489,803	489,803
Franchise taxes	4,431,315	-	-	4,431,315
Business taxes	6,336,162	-	-	6,336,162
Licenses and permits	2,440,523	-	-	2,440,523
Charges for services	339,420	-	1,713,101	2,052,521
Fines and forfeitures	1,198,616	-	210,615	1,409,231
Intergovernmental	27,174	3,874,886	275,314	4,177,374
Contributions	56,026	100,000	-	156,026
Interest earned	75,655	782	872	77,309
Miscellaneous	144,154	-	-	144,154
Total revenues	<u>55,730,660</u>	<u>3,975,668</u>	<u>2,689,705</u>	<u>62,396,033</u>
Expenditures:				
Current:				
General government	9,750,292	-	-	9,750,292
Judicial	607,051	-	-	607,051
Public safety	20,853,687	-	1,984,334	22,838,021
Public works	6,181,582	6,227,176	233,480	12,642,238
Culture and recreation	2,915,235	-	349,916	3,265,151
Community development	3,147,775	-	30,113	3,177,888
Capital outlay	-	6,328,832	-	6,328,832
Debt service:				
Principal	107,812	-	525,507	633,319
Interest	52,413	-	69,807	122,220
Total expenditures	<u>43,615,847</u>	<u>12,556,008</u>	<u>3,193,157</u>	<u>59,365,012</u>
Excess (deficiency) of revenues over expenditures	<u>12,114,813</u>	<u>(8,580,340)</u>	<u>(503,452)</u>	<u>3,031,021</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	2,236	-	-	2,236
Proceeds from notes payable	-	3,817,281	-	3,817,281
Transfers in	141,043	7,995,531	920,660	9,057,234
Transfers out	<u>(8,916,191)</u>	<u>(782)</u>	<u>(140,261)</u>	<u>(9,057,234)</u>
Total other financing sources (uses)	<u>(8,772,912)</u>	<u>11,812,030</u>	<u>780,399</u>	<u>3,819,517</u>
Net change in fund balances	<u>3,341,901</u>	<u>3,231,690</u>	<u>276,947</u>	<u>6,850,538</u>
Fund balances, beginning of year	<u>48,261,393</u>	<u>5,869,769</u>	<u>332,065</u>	<u>54,463,227</u>
Fund balances, end of year	<u>\$ 51,603,294</u>	<u>\$ 9,101,459</u>	<u>\$ 609,012</u>	<u>\$ 61,313,765</u>

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

CITY OF JOHNS CREEK, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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

Net change in fund balances - total governmental funds	\$ 6,850,538
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.	7,792,728
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	955,500
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.	(97,858)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(443,158)
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.	(3,183,962)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(69,469)</u>
Change in net position of governmental activities	<u>\$ 11,804,319</u>

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, 2015**

	ASSETS	<u>Municipal Court Fund</u>
Cash		\$ 149,306
Total assets		<u>\$ 149,306</u>
	LIABILITIES	
Due to others		\$ 149,306
Total liabilities		<u>\$ 149,306</u>

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

CITY OF JOHNS CREEK, GEORGIA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Government-wide and Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The City reports the following major governmental funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Encumbrances

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances would then be a commitment or an assignment of fund balance since the obligations would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at September 30, 2015, and none were recorded.

E. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund, special revenue funds, and debt service fund. The City did not adopt a budget for the Rental Motor Vehicle Excise Tax Fund for the year ended September 30, 2015. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended September 30, 2015, 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.

G. Receivables

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2015, 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 fair market value at the date of donation.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Inflows of Resources

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

L. Long-Term Obligations

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

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

M. Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity and Net Position

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

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

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the adoption of a resolution by the City Council. Furthermore, only the City Council has the authority to modify or rescind the commitment and such action is accomplished only by adoption of a subsequent resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Pursuant to the fund balance policy adopted by a resolution of the City Council, the Finance Director has been delegated the authority to assign funds for particular purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance and Net Position (Continued)

Fund balances are classified as follows (Continued):

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

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

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

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

O. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$7,347,276 difference are as follows:

Notes payable	\$ (5,282,975)
Contracts payable	(962,112)
Accrued interest payable	(4,259)
Compensated absences	<u>(1,097,930)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (7,347,276)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$7,792,728 difference are as follows:

Capital outlay	\$ 11,305,470
Depreciation expense	<u>(3,512,742)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ 7,792,728</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (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 \$3,183,962 difference are as follows:

Principal repayments of notes payable	\$ 525,507
Principal repayments of contracts payable	107,812
Proceeds from notes payable	<u>(3,817,281)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ (3,183,962)</u>

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$69,469 difference are as follows:

Accrued interest payable	\$ 434
Compensated absences	<u>(69,903)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ (69,469)</u>

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Finance Director and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

The following funds and General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended September 30, 2015:

Hotel / Motel Tax Fund	\$	64,156
General Fund departments:		
General government - general operations		3,606
General government - facilities and buildings		23,547
Community development		142,415

These over expenditures were funded by greater than anticipated revenues and by available fund balance.

NOTE 4. DEPOSITS

Total deposits as of September 30, 2015 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents - primary government	\$	43,195,877
Cash and cash equivalents - component unit		161,253
Statement of Fiduciary Assets and Liabilities:		
Cash - agency fund		149,306
	<u>\$</u>	<u>43,506,436</u>
Cash deposited with financial institutions	\$	3,600,655
Local government investment pool - Georgia Fund 1		39,905,781
	<u>\$</u>	<u>43,506,436</u>

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2015, the City did not have any deposits which were uninsured or under collateralized, as defined by State statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS (CONTINUED)

Custodial Credit Risk – Deposits (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 AAf rated money market funds and is regulated by the Office of the State Treasurer of the State of Georgia. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). Asset value is calculated weekly to ensure stability. As of September 30, 2015, the weighted-average maturity of the pool was 44 days. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1 per share. As of September 30, 2015, the City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. The City's investment in Georgia Fund 1 is reported at fair market value.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1, which is also the lien date. The City contracts with Fulton County to bill and collect City of Johns Creek property taxes. The taxes were levied on July 27 based on the assessed value of property as listed on the previous January 1 and were due on October 15. Property taxes are recorded as receivables and deferred inflows of resources when levied. Revenues are recognized in governmental funds when available.

Receivables at September 30, 2015, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Receivables:				
Taxes	\$ 22,787,109	\$ -	\$ 41,215	\$ 22,828,324
Accounts	878,022	-	379,757	1,257,779
Intergovernmental	944	2,420,956	4,766,069	7,187,969
Total receivables	<u>23,666,075</u>	<u>2,420,956</u>	<u>5,187,041</u>	<u>31,274,072</u>
Less allowance for uncollectible	40,987	-	4,766,069	4,807,056
Net total receivable	<u>\$ 23,625,088</u>	<u>\$ 2,420,956</u>	<u>\$ 420,972</u>	<u>\$ 26,467,016</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Nondepreciable capital assets					
Land	\$ 19,599,583	\$ 1,547,261	\$ -	\$ 43,717	\$ 21,190,561
Construction in progress	4,588,126	2,318,464	(70,540)	(550,734)	6,285,316
Total	<u>24,187,709</u>	<u>3,865,725</u>	<u>(70,540)</u>	<u>(507,017)</u>	<u>27,475,877</u>
Depreciable capital assets					
Buildings	4,999,465	-	-	-	4,999,465
Improvements	6,431,375	1,636,227	-	133,993	8,201,595
Machinery and equipment	11,570,037	1,009,288	(36,384)	-	12,542,941
Infrastructure	115,414,601	5,749,730	-	373,024	121,537,355
Total	<u>138,415,478</u>	<u>8,395,245</u>	<u>(36,384)</u>	<u>507,017</u>	<u>147,281,356</u>
Less accumulated depreciation:					
Buildings	(682,012)	(133,069)	-	-	(815,081)
Improvements	(1,298,711)	(290,887)	-	-	(1,589,598)
Machinery and equipment	(9,420,088)	(783,148)	9,066	-	(10,194,170)
Infrastructure	(16,768,634)	(2,305,638)	-	-	(19,074,272)
Total	<u>(28,169,445)</u>	<u>(3,512,742)</u>	<u>9,066</u>	<u>-</u>	<u>(31,673,121)</u>
Total capital assets being depreciated, net	<u>110,246,033</u>	<u>4,882,503</u>	<u>(27,318)</u>	<u>507,017</u>	<u>115,608,235</u>
Governmental activities capital assets, net	<u>\$ 134,433,742</u>	<u>\$ 8,748,228</u>	<u>\$ (97,858)</u>	<u>\$ -</u>	<u>\$ 143,084,112</u>

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

Governmental activities:	
General government	\$ 70,279
Public safety	640,455
Public works	2,370,188
Culture and recreation	431,820
Total depreciation expense - governmental activities	<u>\$ 3,512,742</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Notes Payable

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

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

At September 30, 2015, the outstanding balance on this note is \$1,120,502.

The City has entered into a note payable agreement with the City of Sandy Springs, Georgia for its share of equipment purchases made by the Chattahoochee River 911 Authority (ChatComm). Additional information about this entity can be found in Note 12. A monthly payment of principal and interest in the amount of \$14,954 began in October 2012 and continues until the note matures on September 30, 2017. The note bears interest at 3.75%. At September 30, 2015, the outstanding balance on this note is \$345,192.

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

Fiscal year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 521,170	\$ 49,432	\$ 570,602
2017	542,105	28,451	570,556
2018	402,419	9,739	412,158
	<u>\$ 1,465,694</u>	<u>\$ 87,622</u>	<u>\$ 1,553,316</u>

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), operates as a line of credit. The City has been approved to borrow up to \$4,000,000 for various road projects throughout the City. As of September 30, 2015, the City had drawn \$3,817,281 on the note. When the projects are concluded and the principal balance finalized, the interest incurred on all draws to date will be added to the principal balance of the loan, and a repayment schedule will be finalized.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Contracts Payable

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

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

Fiscal year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 190,398	\$ 47,098	\$ 237,496
2017	225,292	37,951	263,243
2018	236,063	27,191	263,254
2019	247,694	15,518	263,212
2020	62,665	3,133	65,798
	<u>\$ 962,112</u>	<u>\$ 130,891</u>	<u>\$ 1,093,003</u>

Changes in Long-Term Liabilities

The following is a summary of long-term debt and liability activity for the City for its fiscal year ended September 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Notes Payable	\$ 1,991,201	\$ 3,817,281	\$ (525,507)	\$ 5,282,975	\$ 521,170
Contracts Payable	1,069,924	-	(107,812)	962,112	190,398
Compensated Absences	1,028,027	871,118	(801,215)	1,097,930	855,695
Governmental activities					
Long-term liabilities	<u>\$ 4,089,152</u>	<u>\$ 4,688,399</u>	<u>\$ (1,434,534)</u>	<u>\$ 7,343,017</u>	<u>\$ 1,567,263</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from other funds:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 12,159
Capital Projects Fund	General Fund	9,732,612
Nonmajor governmental fund	General Fund	72,351
		\$ 9,817,122

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

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 782
General Fund	Nonmajor governmental funds	140,261
Capital Projects Fund	General Fund	7,995,531
Nonmajor governmental funds	General Fund	920,660
		\$ 9,057,234

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

NOTE 9. OPERATING LEASES

The lease for the City's second police precinct in the southern part of the City is under a non-cancelable operating lease. The total payments made under the lease were \$30,844 for the fiscal year ended September 30, 2015. The future minimum payments under the lease are as follows:

Fiscal year ending September 30,

2016	\$ 30,844
Total	\$ 30,844

NOTES TO FINANCIAL STATEMENTS

NOTE 10. 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 \$4.77 million, subject to annual negotiation and appropriation.

The City has entered into contracts for construction and various other professional services. As of September 30, 2015, the balance left to complete these contracts is approximately \$7.77 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 11. 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, 2015, there were 190 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, 2015, the City's contributions to the Plan were \$2,000,855. The Plan was established by resolution of the City Council. The Plan, including contribution requirements, may also be amended by resolution of the same.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Fulton County has paid on behalf of the City of 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, 2015, the City of Johns Creek has collected and remitted \$1,711,184 of E911 revenues. Since the inception of ChatComm, the City has contributed \$4,766,069 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, 2015. As of June 30, 2015, ChatComm's fiscal year end, the entity had a negative net position of (\$10,951,246). Separate financial statements may be obtained from the City of Johns Creek, who has been contracted by ChatComm to serve as the accountants, at 12000 Findley Road, Suite 400, Johns Creek, Georgia 30097.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended September 30, 2015, the City received \$489,803 in hotel/motel taxes. Of this amount, \$349,916, or 71.4%, was used for the promotion of tourism, conventions, or trade shows.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. MOTOR VEHICLE EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovation, improvement, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the period ended September 30, 2015, the City did not collect any motor vehicle excise taxes.

NOTE 15. RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JOHNS CREEK, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 18,020,000	\$ 18,065,079	\$ 20,119,245	\$ 2,054,166
Sales taxes	18,895,000	19,957,295	20,562,370	605,075
Franchise taxes	4,364,650	4,438,070	4,431,315	(6,755)
Business taxes	5,555,000	5,937,013	6,336,162	399,149
Licenses and permits	1,441,670	2,115,110	2,440,523	325,413
Charges for services	270,695	288,880	339,420	50,540
Fines and forfeitures	1,250,000	1,157,550	1,198,616	41,066
Intergovernmental	-	19,304	27,174	7,870
Contributions	-	51,451	56,026	4,575
Interest earned	52,500	58,655	75,655	17,000
Miscellaneous	10,000	62,884	144,154	81,270
Total revenues	<u>49,859,515</u>	<u>52,151,291</u>	<u>55,730,660</u>	<u>3,579,369</u>
Expenditures:				
Current:				
General government:				
City Council	377,955	357,741	304,624	53,117
City Manager	1,528,890	1,694,571	1,455,003	239,568
City Clerk	400,630	382,351	363,867	18,484
General operations	281,000	257,255	260,861	(3,606)
Finance	1,641,000	1,473,600	1,235,520	238,080
Legal services	580,000	435,150	315,147	120,003
Information technology	2,456,415	2,567,023	2,342,371	224,652
Facilities and buildings	1,625,790	1,650,885	1,674,432	(23,547)
Human resources	683,320	635,890	571,015	64,875
Public information	1,404,830	1,398,201	1,227,452	170,749
Total general government	<u>10,979,830</u>	<u>10,852,667</u>	<u>9,750,292</u>	<u>1,102,375</u>
Judicial:				
Municipal court	721,955	650,620	607,051	43,569
Total judicial	<u>721,955</u>	<u>650,620</u>	<u>607,051</u>	<u>43,569</u>
Public safety:				
Police	10,099,552	10,143,756	9,762,143	381,613
Fire	10,460,362	11,433,009	11,091,544	341,465
Total public safety	<u>20,559,914</u>	<u>21,576,765</u>	<u>20,853,687</u>	<u>723,078</u>
Public works	<u>6,759,985</u>	<u>7,238,050</u>	<u>6,181,582</u>	<u>1,056,468</u>
Culture and recreation	<u>2,292,750</u>	<u>2,953,244</u>	<u>2,915,235</u>	<u>38,009</u>
Community development	<u>2,574,680</u>	<u>3,005,360</u>	<u>3,147,775</u>	<u>(142,415)</u>
Debt service:				
Principal	107,815	107,815	107,812	3
Interest	52,415	52,415	52,413	2
Total debt service	<u>160,230</u>	<u>160,230</u>	<u>160,225</u>	<u>5</u>
Total expenditures	<u>44,049,344</u>	<u>46,436,936</u>	<u>43,615,847</u>	<u>2,821,089</u>
Excess of revenues over expenditures	<u>5,810,171</u>	<u>5,714,355</u>	<u>12,114,813</u>	<u>6,400,458</u>

Continued

CITY OF JOHNS CREEK, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses):				
Transfers in	114,240	126,960	141,043	14,083
Transfers out	(5,718,956)	(8,940,142)	(8,916,191)	23,951
Proceeds from the sale of capital assets	-	-	2,236	2,236
Total other financing sources (uses)	<u>(5,604,716)</u>	<u>(8,813,182)</u>	<u>(8,772,912)</u>	<u>40,270</u>
Net change in fund balance	205,455	(3,098,827)	3,341,901	6,440,728
Fund balance, beginning of year	<u>48,261,393</u>	<u>48,261,393</u>	<u>48,261,393</u>	<u>-</u>
Fund balance, end of year	<u>\$ 48,466,848</u>	<u>\$ 45,162,566</u>	<u>\$ 51,603,294</u>	<u>\$ 6,440,728</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

Capital Project Fund

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

Debt Service Fund

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

CITY OF JOHNS CREEK, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

ASSETS	Special Revenue Funds					Capital	Debt Service Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	E-911 Fund	Hotel/Motel Tax Fund	Rental	Tree	CDBG Fund		
				Motor Vehicle Excise Tax Fund	Replacement Fund			
Cash	\$ 401,712	\$ 72,712	\$ 30,457	\$ 39,076	\$ 42,592	\$ 433	\$ -	\$ 586,982
Taxes receivable	-	-	41,215	-	-	-	-	41,215
Due from other funds	-	72,351	-	-	-	-	-	72,351
Other receivables	-	379,757	-	-	-	-	-	379,757
Total assets	<u>\$ 401,712</u>	<u>\$ 524,820</u>	<u>\$ 71,672</u>	<u>\$ 39,076</u>	<u>\$ 42,592</u>	<u>\$ 433</u>	<u>\$ -</u>	<u>\$ 1,080,305</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ 387,800	\$ 32,952	\$ -	\$ -	\$ -	\$ -	\$ 420,752
Accrued liabilities	8,001	3,432	-	-	-	-	-	11,433
Due to other funds	388	-	11,771	-	-	-	-	12,159
Due to component unit	-	-	26,949	-	-	-	-	26,949
Total liabilities	<u>8,389</u>	<u>391,232</u>	<u>71,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,293</u>
FUND BALANCES								
Restricted:								
Law enforcement	393,323	-	-	-	-	-	-	393,323
Public safety facilities	-	-	-	39,076	-	-	-	39,076
Capital projects	-	-	-	-	-	433	-	433
Committed:								
Tree replacement	-	-	-	-	42,592	-	-	42,592
Assigned:								
Emergency 911 operations	-	133,588	-	-	-	-	-	133,588
Total fund balances	<u>393,323</u>	<u>133,588</u>	<u>-</u>	<u>39,076</u>	<u>42,592</u>	<u>433</u>	<u>-</u>	<u>609,012</u>
Total liabilities and fund balances	<u>\$ 401,712</u>	<u>\$ 524,820</u>	<u>\$ 71,672</u>	<u>\$ 39,076</u>	<u>\$ 42,592</u>	<u>\$ 433</u>	<u>\$ -</u>	<u>\$ 1,080,305</u>

CITY OF JOHNS CREEK, GEORGIA

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds					Capital Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	E-911 Fund	Hotel/Motel Tax Fund	Rental Motor Vehicle Excise Tax Fund	Tree Replacement Fund	CDBG Fund		
REVENUES								
Taxes	\$ -	\$ -	\$ 489,803	\$ -	\$ -	\$ -	\$ -	\$ 489,803
Charges for services	-	1,711,184	-	-	1,917	-	-	1,713,101
Fines and forfeitures	210,615	-	-	-	-	-	-	210,615
Intergovernmental revenues	-	-	-	-	-	275,314	-	275,314
Interest	498	234	72	68	-	-	-	872
Total revenues	211,113	1,711,418	489,875	68	1,917	275,314	-	2,689,705
EXPENDITURES								
Current:								
Public safety	81,461	1,902,873	-	-	-	-	-	1,984,334
Public works	-	-	-	-	-	233,480	-	233,480
Community development	-	-	-	-	23,090	7,023	-	30,113
Culture and recreation	-	-	349,916	-	-	-	-	349,916
Debt service:								
Principal	-	163,164	-	-	-	-	362,343	525,507
Interest	-	16,280	-	-	-	-	53,527	69,807
Total expenditures	81,461	2,082,317	349,916	-	23,090	240,503	415,870	3,193,157
Excess (deficiency) of revenues over expenditures	129,652	(370,899)	139,959	68	(21,173)	34,811	(415,870)	(503,452)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	504,790	-	-	-	-	415,870	920,660
Transfers out	-	(234)	(139,959)	(68)	-	-	-	(140,261)
Total other financing sources (uses)	-	504,556	(139,959)	(68)	-	-	415,870	780,399
Net change in fund balances	129,652	133,657	-	-	(21,173)	34,811	-	276,947
FUND BALANCES (DEFICIT), beginning of year	263,671	(69)	-	39,076	63,765	(34,378)	-	332,065
FUND BALANCES, end of year	\$ 393,323	\$ 133,588	\$ -	\$ 39,076	\$ 42,592	\$ 433	\$ -	\$ 609,012

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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Cash confiscations	\$ 40,000	\$ 90,637	\$ 210,615	\$ 119,978
Interest	250	366	498	132
Total revenues	<u>40,250</u>	<u>91,003</u>	<u>211,113</u>	<u>120,110</u>
Expenditures:				
Public safety	<u>240,250</u>	<u>229,810</u>	<u>81,461</u>	<u>148,349</u>
Excess (deficiency) of revenues over expenditures	(200,000)	(138,807)	129,652	268,459
Other financing sources:				
Transfers in	<u>200,000</u>	<u>138,807</u>	<u>-</u>	<u>(138,807)</u>
Net change in fund balances	-	-	129,652	129,652
Fund balances, beginning of year	<u>263,671</u>	<u>263,671</u>	<u>263,671</u>	<u>-</u>
Fund balances, end of year	<u>\$ 263,671</u>	<u>\$ 263,671</u>	<u>\$ 393,323</u>	<u>\$ 129,652</u>

CITY OF JOHNS CREEK, GEORGIA

**E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,664,710	\$ 1,695,533	\$ 1,711,184	\$ 15,651
Interest	-	-	234	234
Total revenues	<u>1,664,710</u>	<u>1,695,533</u>	<u>1,711,418</u>	<u>15,885</u>
Expenditures:				
Public safety	2,122,816	2,122,816	1,902,873	219,943
Debt service				
Principal	163,164	163,164	163,164	-
Interest	16,280	16,280	16,280	-
Total expenditures	<u>2,302,260</u>	<u>2,302,260</u>	<u>2,082,317</u>	<u>219,943</u>
Deficiency of revenues over expenditures	(637,550)	(606,727)	(370,899)	235,828
Other financing sources (uses):				
Transfers in	637,550	637,550	504,790	(132,760)
Transfers out	-	-	(234)	(234)
Total other financing sources (uses)	<u>637,550</u>	<u>637,550</u>	<u>504,556</u>	<u>(132,994)</u>
Net change in fund balances	-	30,823	133,657	102,834
Fund balance (deficit), beginning of year	<u>(69)</u>	<u>(69)</u>	<u>(69)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (69)</u>	<u>\$ 30,754</u>	<u>\$ 133,588</u>	<u>\$ 102,834</u>

CITY OF JOHNS CREEK, GEORGIA

**HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 400,000	\$ 400,000	\$ 489,803	\$ 89,803
Interest	-	-	72	72
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>489,875</u>	<u>89,875</u>
Expenditures:				
Culture and recreation	285,760	285,760	349,916	(64,156)
Total expenditures	<u>285,760</u>	<u>285,760</u>	<u>349,916</u>	<u>(64,156)</u>
Excess of revenues over expenditures	114,240	114,240	139,959	25,719
Other financing uses:				
Transfers out	(114,240)	(114,240)	(139,959)	(25,719)
Total other financing uses	<u>(114,240)</u>	<u>(114,240)</u>	<u>(139,959)</u>	<u>(25,719)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF 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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 7,500	\$ 7,500	\$ 1,917	\$ (5,583)
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>1,917</u>	<u>(5,583)</u>
Expenditures:				
Housing and development	7,500	71,265	23,090	48,175
Total expenditures	<u>7,500</u>	<u>71,265</u>	<u>23,090</u>	<u>48,175</u>
Net change in fund balances	-	(63,765)	(21,173)	42,592
Fund balances, beginning of year	<u>63,765</u>	<u>63,765</u>	<u>63,765</u>	<u>-</u>
Fund balances, end of year	<u>\$ 63,765</u>	<u>\$ -</u>	<u>\$ 42,592</u>	<u>\$ 42,592</u>

CITY OF JOHNS CREEK, GEORGIA

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures:				
Debt service				
Principal	\$ 362,345	\$ 362,345	\$ 362,343	\$ 2
Interest	53,530	53,530	53,527	3
Total expenditures	<u>415,875</u>	<u>415,875</u>	<u>415,870</u>	<u>5</u>
Other financing sources:				
Transfers in	<u>415,875</u>	<u>415,875</u>	<u>415,870</u>	<u>(5)</u>
Total other financing sources	<u>415,875</u>	<u>415,875</u>	<u>415,870</u>	<u>(5)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AGENCY FUND

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

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

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2015</u>
MUNICIPAL COURT FUND				
Assets:				
Cash	<u>\$ 126,096</u>	<u>\$ 1,639,647</u>	<u>\$ 1,616,437</u>	<u>\$ 149,306</u>
Liabilities:				
Due to others	<u>\$ 126,096</u>	<u>\$ 1,639,647</u>	<u>\$ 1,616,437</u>	<u>\$ 149,306</u>

COMPONENT UNIT

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

CITY OF JOHNS CREEK, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - JOHNS CREEK CONVENTION VISITORS BUREAU
SEPTEMBER 30, 2015**

ASSETS

Cash	\$	161,253
Due from primary government		<u>26,949</u>
Total assets	\$	<u><u>188,202</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	<u>7,408</u>
Total liabilities		<u>7,408</u>

FUND BALANCE

Restricted for trade and tourism		<u>180,794</u>
Total liabilities and fund balance	\$	<u><u>188,202</u></u>

CITY OF JOHNS CREEK, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - JOHNS CREEK CONVENTION VISITORS BUREAU
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

REVENUES	
Intergovernmental	\$ 157,422
	<u>157,422</u>
Total revenues	<u>157,422</u>
EXPENDITURES	
Current:	
Culture and recreation	<u>128,173</u>
Total expenditures	<u>128,173</u>
Net change in fund balance	<u>29,249</u>
FUND BALANCE, beginning of year	<u>151,545</u>
FUND BALANCE, end of year	<u><u>\$ 180,794</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Page

Financial Trends..... **49**

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity **51**

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

Debt Capacity **59**

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information..... **61**

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

Operating Information **62**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report. The City’s first period of operation was fiscal year 2007; therefore, data prior to 2007 is not available.

CITY OF JOHNS CREEK, GEORGIA

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Primary government:				
Net investment in capital assets	\$ 137,184,217	\$ 131,880,973	\$ 125,050,777	\$ 123,600,396
Restricted	485,632	355,547	284,689	237,891
Unrestricted	60,719,535	54,348,545	47,116,522	43,456,119
Total primary government net position	<u>\$ 198,389,384</u>	<u>\$ 186,585,065</u>	<u>\$ 172,451,988</u>	<u>\$ 167,294,406</u>

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

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

CITY OF JOHNS CREEK, GEORGIA

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

	2015	2014	2013	2012
Expenses				
General government	\$ 9,883,021	\$ 9,173,194	\$ 9,315,391	\$ 8,401,404
Judicial	606,051	571,034	581,038	616,764
Public safety	21,490,586	21,803,754	24,420,784	19,772,277
Public works	12,822,801	8,588,644	9,361,326	8,521,056
Culture and recreation	3,001,923	2,735,690	2,239,239	2,048,933
Community development	3,177,888	2,783,031	2,762,171	3,039,827
Interest on long-term debt	121,786	149,406	177,399	176,884
Total expenses	<u>\$ 51,104,056</u>	<u>\$ 45,804,753</u>	<u>\$ 48,857,348</u>	<u>\$ 42,577,145</u>
Program revenues				
Charges for services:				
General government	\$ 1,233,204	\$ 1,049,331	\$ 1,111,782	\$ 1,200,977
Judicial	1,315,373	1,299,083	1,294,633	1,126,259
Public safety	1,925,111	1,834,379	1,693,516	1,605,609
Public works	1,635	2,650	300	791
Culture and recreation	152,877	135,646	120,720	132,249
Community development	1,274,075	852,634	911,628	973,739
Operating grants and contributions	83,200	48,233	40,058	15,750
Capital grants and contributions	4,908,666	5,720,390	3,858,776	13,179,713 (4)
Total program revenues	<u>\$ 10,894,141</u>	<u>\$ 10,942,346</u>	<u>\$ 9,031,413</u>	<u>\$ 18,235,087</u>
Net (expense) revenue	<u>\$ (40,209,915)</u>	<u>\$ (34,862,407)</u>	<u>\$ (39,825,935)</u>	<u>\$ (24,342,058)</u>
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes	\$ 19,973,121	\$ 18,256,432	\$ 17,215,159	\$ 16,743,082
Sales taxes	20,562,370	19,732,444	17,061,276	17,046,077
Hotel/Motel taxes	489,803	437,103	397,450	357,537
Franchise taxes	4,431,315	4,344,254	4,283,380	4,359,944
Business taxes	6,336,162	6,047,586	5,770,239	5,646,233
Unrestricted intergovernmental revenue	-	-	-	-
Unrestricted investment earnings	77,309	51,410	50,380	43,451
Miscellaneous revenues	144,154	83,540	201,113	138,697
Gain on sale of capital assets	-	42,715	4,520	5,600
Special item - donation of infrastructure at incorporation	-	-	-	-
Total	<u>\$ 52,014,234</u>	<u>\$ 48,995,484</u>	<u>\$ 44,983,517</u>	<u>\$ 44,340,621</u>
Change in Net Position	<u>\$ 11,804,319</u>	<u>\$ 14,133,077</u>	<u>\$ 5,157,582</u>	<u>\$ 19,998,563</u>

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

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

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

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

CITY OF JOHNS CREEK, GEORGIA

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

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

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

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

CITY OF JOHNS CREEK, GEORGIA

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

	2015	2014	2013	2012
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-
Unreserved	-	-	-	-
Nonspendable - prepaids	597,179	121,842	222,427	15,447
Nonspendable - inventory	91,575	92,252	77,682	96,709
Nonspendable - advances	-	-	-	211,051
Restricted - capital projects	52,800	52,800	52,800	52,800
Committed - land acquisition	20,000,000	-	-	-
Committed - neighborhood road resurfacing	7,000,000	-	-	-
Committed - development of City owned structures	1,500,000	-	-	-
Assigned - vehicle replacement	1,922,646	1,922,646	1,622,646	1,240,000
Unassigned	20,439,094	46,071,853	39,638,568	33,712,377
Total general fund	\$ 51,603,294	\$ 48,261,393	\$ 41,614,123	\$ 35,328,384
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Restricted - law enforcement	393,323	263,671	196,968	160,916
Restricted - public safety facilities	39,076	39,076	34,488	24,175
Restricted - community development	-	-	433	-
Committed - tree replacement	42,592	63,765	-	-
Assigned - capital projects	9,101,459	5,869,769	4,017,903	4,910,103
Assigned - emergency 911 operations	133,588	-	-	-
Unassigned	-	(34,447)	(2,377)	(212,358)
Total all other governmental funds	\$ 9,710,038	\$ 6,201,834	\$ 4,247,415	\$ 4,882,836

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

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

CITY OF JOHNS CREEK, GEORGIA

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

	2015	2014	2013	2012
Revenues				
Property taxes	\$ 20,119,245	\$ 18,302,306	\$ 17,265,354	\$ 16,767,324
Sales taxes	20,562,370	19,732,444	17,061,276	17,046,077
Hotel/Motel taxes	489,803	437,103	397,450	357,537
Franchise taxes	4,431,315	4,344,254	4,283,380	4,359,944
Business taxes	6,336,162	6,047,586	5,770,239	5,646,233
Licenses and permits	2,440,523	1,824,439	1,783,358	1,934,988
Charges for services	2,052,521	2,074,645	2,028,883	1,949,800
Fines and forfeitures	1,409,231	1,274,639	1,321,974	1,153,197
Intergovernmental	4,177,374	6,723,622	1,898,947	1,299,770
Contributions	156,026	5,295	114,581	44,750
Interest earned	77,309	51,410	50,380	43,454
Miscellaneous	144,154	83,540	201,113	138,697
Total revenues	62,396,033	60,901,283	52,176,935	50,741,771
Expenditures				
Current:				
General government	9,750,292	9,269,141	9,030,662	8,262,785
Judicial	607,051	569,611	587,530	615,633
Public safety	22,838,021	21,201,601	20,984,990	19,366,721
Public works	12,642,238	7,911,390	7,965,504	6,954,482
Culture and recreation	3,265,151	2,368,869	2,017,484	1,790,767
Community development	3,177,888	2,783,031	2,762,171	3,039,827
Capital outlay	6,328,832	7,373,169	3,092,326	2,145,261
Debt service:				
Principal	633,319	715,677	729,591	857,576
Interest	122,220	149,820	177,795	177,126
Total expenditures	59,365,012	52,342,309	47,348,053	43,210,178
Excess (deficiency) of revenues over expenditures	3,031,021	8,558,974	4,828,882	7,531,593
Other Financing Sources (Uses)				
Issuance of long term debt	3,817,281	-	816,916	-
Proceeds from sale of assets	2,236	42,715	4,520	5,600
Transfers in	9,057,234	5,440,939	4,218,916	4,301,228
Transfers out	(9,057,234)	(5,440,939)	(4,218,916)	(4,301,228)
Total other financing sources (uses)	3,819,517	42,715	821,436	5,600
Net change in fund balances	\$ 6,850,538	\$ 8,601,689	\$ 5,650,318	\$ 7,537,193
Debt service as a percentage of noncapital expenditures	1.6%	2.0%	2.1%	2.5%

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

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

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

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

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

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

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

CITY OF JOHNS CREEK, GEORGIA

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

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

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

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

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

CITY OF JOHNS CREEK, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST NINE CALENDAR YEARS

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

Source: Fulton County Tax Commissioner

(1) Reflects agricultural and conservation use.

Public Utility	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ -	\$ 365,168,373	\$ 3,790,451,597	4.614	\$ 9,476,128,993	40%
18,865,548	369,540,788	4,184,509,630	4.614	10,461,274,075	40%
23,276,481	386,329,458	4,087,098,573	4.614	10,217,746,433	40%
22,896,714	401,674,528	3,906,520,016	4.614	9,766,300,040	40%
22,796,561	394,616,032	3,703,332,389	4.614	9,258,330,973	40%
24,219,447	389,803,646	3,630,259,761	4.614	9,075,649,403	40%
22,741,412	389,764,914	3,573,433,498	4.614	8,933,583,745	40%
22,242,831	406,614,154	3,706,104,227	4.614	9,265,260,568	40%
25,474,741	468,565,019	3,990,790,882	4.614	9,976,977,205	40%

CITY OF JOHNS CREEK, GEORGIA

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

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

Source: Fulton County Tax Commissioner

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

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

CITY OF JOHNS CREEK, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT AND EIGHT YEARS PRIOR

Taxpayer	2015			2007 (1)		
	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	\$ 50,447,581	1	1.26 %	-	-	-
RRE Addison Place Holdings LLC	28,105,251	2	0.70	-	-	-
Peach Farm Property LLC	26,881,920	3	0.67	-	-	-
Aylesbury Farms LLC	20,907,800	4	0.52	\$ 14,933,999	6	0.39 %
Chelsa Ridge LLC	20,830,520	5	0.52	-	-	-
CIBA Vision Corporation	19,920,990	6	0.50	62,235,005	1	1.64
Johns Creek LLC	19,448,888	7	0.49	-	-	-
Avonlea on the River LLC	15,341,040	8	0.38	-	-	-
Abbotts Bridge Realty	14,801,840	9	0.37	-	-	-
Sawnee EMC	14,242,876	10	0.36	-	-	-
EHCA Dunwoody LLC	-		-	31,252,490	2	0.82
National Distributing Co. Inc.	-		-	19,711,920	3	0.52
State Farm Mutual Auto Ins. Co.	-		-	17,284,726	4	0.46
Robert Properties	-		-	16,348,370	5	0.43
Bristol Park Apartments LLC	-		-	14,755,520	7	0.39
Hendon JDN Creek Village LLC	-		-	13,243,990	8	0.35
Federated Systems Group, Inc.	-		-	12,797,698	9	0.34
Atlanta Athletic Club	-		-	11,403,877	10	0.30
Totals	\$ 230,928,706		5.79 %	\$ 213,967,595		5.64 %

Source: Fulton County Tax Commissioner

(1) City of Johns Creek was incorporated on December 1, 2006, fiscal year 2007 is the first year to report.

CITY OF JOHNS CREEK, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST NINE FISCAL YEARS

Fiscal Period Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 15,744,661	\$ 383,563	2.4 %	\$ 15,342,195	\$ 15,725,758	99.9 %
2008	16,142,319	466,654	2.9	15,659,817	16,126,471	99.9
2009	17,104,875	-	-	17,086,567	17,086,567	99.9
2010	16,309,021	2,753,052	16.9	13,537,459	16,290,511	99.9
2011	15,286,779	3,228,341	21.1	12,039,462	15,267,803	99.9
2012	14,984,738	3,048,566	20.3	11,888,262	14,936,828	99.7
2013	14,828,030	4,469,702	30.1	10,318,155	14,787,857	99.7
2014	15,757,405	1,137,915	7.2	14,534,762	15,672,677	99.5
2015	17,238,724	1,949,940	11.3	-	1,949,940	11.3

Source: Fulton County Tax Commissioner

NOTE: City of Johns Creek was incorporated on December 1, 2006; fiscal year 2007 is the first year to report.

CITY OF JOHNS CREEK, GEORGIA

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

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

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, 2015

	Net General Obligation Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Johns Creek
Overlapping General Obligation Debt:			
Fulton County, Georgia	\$ 151,141,000	7.50 %	\$ 11,335,575
Fulton County Board of Education	71,840,000	17.29	12,421,136
Total Overlapping Debt	222,981,000		23,756,711
City Direct Debt:			
Notes Payable	5,282,975	100.00	5,282,975
Contracts Payable	962,112	100.00	962,112
Total Direct Debt	6,245,087		6,245,087
 Total Direct and Overlapping Debt	 \$ 229,226,087		 \$ 30,001,798

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

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

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

CITY OF JOHNS CREEK, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST NINE FISCAL YEARS

Fiscal Period	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment (5)	Unemployment Rate (4)
2007	70,050 (3) \$	4,622,880	\$ 65,994 (3)	35 (3)	15,705	4.4 %
2008	70,050 (3)	4,622,880	65,994 (3)	35 (3)	17,331	6.4
2009	70,050 (3)	4,622,880	65,994 (3)	35 (3)	16,310	10.1
2010	70,050 (3)	4,622,880	65,994 (3)	35 (3)	20,192	10.2
2011	76,728 (2)	3,226,796	42,055 (2)	36 (2)	18,244	10.6
2012	79,192 (1)	3,712,125	46,875 (1)	37 (1)	19,804	8.1
2013	82,306 (6)	3,858,094	46,875 (6)	37 (6)	20,822	9.7
2014	87,788 (7)	3,625,287	43,790 (7)	37 (6)	20,664	7.3
2015	83,102 (8)	3,656,322	43,998 (8)	39 (8)	16,505	5.2

- (1) Source: U.S. Census Bureau 2011 estimate
- (2) Source: U.S. Census Bureau 2010 Census
- (3) Source: City of Johns Creek Comprehensive Plan, 2008
- (4) Source: U. S. Bureau of Labor Statistics (Fulton County unemployment rate)
- (5) Source: Fulton County Board of Education
- (6) Source: U.S. Census Bureau 2012 estimate
- (7) Source: U.S. Census Bureau 2013 estimate
- (8) Source: U.S. Census Bureau 2014 estimate

CITY OF JOHNS CREEK, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND EIGHT YEARS AGO

Employer	2015			2007		
	Employees (1)	Rank	Percentage of Total City Employment (1)	Employees (1)	Rank	Percentage of Total City Employment (1)
Macy's Systems & Technology	1,320	1	7.07 %	808	3	5.16 %
State Farm Insurance Company	1,200	2	6.43	1,500	1	9.57
Alcon, Inc. (2)	1,109	3	5.94	1,147	2	7.32
Emory Johns Creek Hospital	760	4	4.07	500	4	3.19
Kroger Company	556	5	2.98	390	5	2.49
SAIA, Inc.	420	6	2.25	278	8	1.77
Nordson Corporation	400	7	2.14	-	-	-
Publix	265	8	1.42	290	7	1.85
Whole Foods Market Group, Inc.	225	9	1.20	316	6	2.02
Lifetime Fitness	210	10	1.12	-	-	-
IP Unity-Glenayre, Ince	-		-	237	9	1.51
World Financial Group Insurance	-		-	237	10	1.51
Totals	6,465		34.62 %	5,703		36.39 %

(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 NINE FISCAL YEARS**

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government (City Manager)	6	7	7	6	6	6	5	3	4
Mayor's Office	1	-	-	-	-	-	-	-	-
City Clerk	3	3	3	3	3	1	1	1	1
Finance Department	9	10	10	10	9	1	1	1	1
Human Resources/Support Services	4	4	6	6	6	1	1	-	-
Information Technology	2	2	-	-	-	-	-	-	-
Facilities	3	3	3	3	3	1	1	1	-
Communications/Public Relations	7	6	6	6	6	-	-	-	-
Municipal Court	4	3	3	4	4	1	1	1	1
Public safety									
Police									
Officers	66	61	60	61	62	60	60	58	1
Civilians	8	9	10	10	8	7	8	8	-
Fire									
Firefighters	79	73	73	75	77	77	75		
Civilians	2	2	2	2	2	2	1	6	-
Public Works	2	2	2	2	2	-	-	-	-
Recreation/Parks	1	1	1	1	1	-	-	-	-
Total	197	186	186	189	189	157	154	79	8

Source: City of Johns Creeks Human Resources Department

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

CITY OF JOHNS CREEK, GEORGIA

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

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

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

Source: Various City departments.

(1) Fire Department began operations in October 2008.

Information prior to 2008 is not available.