City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

Prepared By:
Finance Department

Submitted By:
Brandon Branham
Finance Director

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

CITY OF PEACHTREE CORNERS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

Prepared by:
City of Peachtree Corners Finance Department

CITY OF PEACHTREE CORNERS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION

Table of Contents ..... i and ii
Letter of Transmittal ..... iii-ix
Principal Officials x
Organizational Chart xi

FINANCIAL SECTION

Independent Auditor's Report 1-3
Management's Discussion and Analysis 4-13
Basic Financial Statements:
Government-wide Financial Statements
Statement of Net Position 14
Statement of Activities 15
Fund Financial Statements
Balance Sheet – Governmental Funds 16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 18
Statement of Net Position – Proprietary Fund 19
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund 20
Statement of Cash Flows – Proprietary Fund 21
Notes to Financial Statements 22-39
Required Supplementary Information:
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) 40
Supplementary Information:
Schedule of Expenditures of Special Purpose Local Option Sales Tax 41

CITY OF PEACHTREE CORNERS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

Page Number

STATISTICAL SECTION

Net Position by Component 42
Changes in Net Position 43
Fund Balances of Governmental Funds 44
Changes in Fund Balances of Governmental Funds 45
Assessed Value and Estimated Actual Value of Taxable Property 46
Principal Franchise Taxpayers 47
Franchise Tax Rates 48
Ratios of Outstanding Debt by Type 49
Direct and Overlapping Governmental Activities Debt 50
Legal Debt Margin Information 51
Demographic and Economic Statistics 52
Principal Employers 53
Full-time Equivalent City Government Employees by Function 54
Operating Indicators by Function 55
Capital Asset Statistics by Function 56

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards ..... 57 and 58

Introductory Section

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

December 2, 2018

Honorable Mike Mason, Mayor,
Members of the City Council, and
Citizens of Peachtree Corners, Georgia

Ladies and Gentlemen:

Enclosed please find the Comprehensive Annual Financial Report of the City of Peachtree Corners, Georgia, for the fiscal year ended June 30, 2018. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City of Peachtree Corners. The report has been prepared in accordance with generally accepted accounting principles. All disclosures necessary to enable an interested reader to gain an understanding of the government's financial activities have been included.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peachtree Corners for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Peachtree Corners' financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of the report.

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

PROFILE OF THE GOVERNMENT

Peachtree Corners was incorporated in July of 2012 and celebrated its sixth anniversary this year. Positioned in metro area, Peachtree Corners is a demographically diverse community and covers a 17-square mile area in southwest Gwinnett County, Georgia. Peachtree Corners is the twentieth largest city in the State of Georgia, serving a population of 43,268 (U.S. Census estimate for 2017). The City's daytime population remains consistent with more than 42,500 due to the concentration of major corporations and businesses located within the City, including Crawford Insurance, Comcast, Phoenix Corp , Immucor, Pond & Co, and Career Builder. Seven miles of

the Chattahoochee River flow along the western border of Peachtree Corners, creating a unique recreational opportunity within a metropolitan setting.

Policymaking and legislative authority of the government is vested in the Mayor and six Council members, who are elected for four-year terms. Three Council members are elected by district, and the Mayor and three council members are elected at-large by popular vote. The Mayor and council members serve until their successors are qualified and certified. Terms of office begin after the certification of the election and swearing into office. Elections are held every two years.

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

Deploying a non-traditional approach to government services, the City operates through public-private partnerships. The City provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; community development and recreational and cultural activities. All services outside the City Manager's executive staff are outsourced or provided through an intergovernmental agreement with another government entity. Sanitation services are also outsourced through a contract. Water and sewer services are delivered to residential and commercial properties by Gwinnett County. The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial stability and health of the government. The Mayor and Council are required to adopt a final budget no later than the close of the fiscal year. The budget is prepared by fund, function, and department. Since Fiscal Year 2013, the budgeting process included performance management initiatives. Amounts in this budget may be re-allocated within funds by approval of the City Manager as long as the total budgeted amounts do not exceed the approved appropriations by fund.

LOCAL ECONOMY

A robust community of major corporations, mid-size companies and new businesses, Peachtree Corners is one of the best places in the country to do business. The City embodies an urban energy and relaxed lifestyle. The City is home to a burgeoning dining scene and is creating a nighttime scene with the construction of a new Town Center, or one can choose to expend energy paddle boarding on the river, enjoying one of the City's many parks and green spaces. Peachtree Corners is also located on the second busiest highway in Gwinnett County, a county with over nine hundred thousand residents.

The City's commercial properties comprise more than 35 percent of the total land usage, ensuring a strong economic environment for the government. In addition to the companies listed previously, Peachtree Corners is also home to Century Link, Fleetcor Technologies, Siemens, and Next South Corp.

According to the 2017 US Census, there were 17,062 housing units within Peachtree Corners, with 55% recorded as home ownership and 45% recorded as tenant occupied. The median value of owner-occupied housing was $291,900. The average household size was 2.6 people, with an average household income of $94,594.

The City ranked number 8 Best Suburb in Georgia and was recently awarded the outstanding initiative award from the Georgia Planning Association for its Innovation Master Hub Plan, which is a roadmap to redevelop a once burgeoning technology hub. The City also earned its first distinguished budget award.

NATIONAL ECONOMY

With the steadily improving job market, the unemployment rate improved for the state of Georgia in 2018 to 4.1%, citywide lowered to 3.3%, according to the Bureau of Labor Statistics. According to August 2017 S&P CoreLogic Case-Shiller Home Price Indices, home prices continued their rise across the country over the last 12 months. The national index, which covers all nine U.S. census divisions was up 6.1% from the prior month. All 20 cities in the report were up year over year with the exception of Atlanta, who saw a seasonal adjusted monthly number slip of 0.2%.

LONG TERM FINANCIAL PLANNING

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

To facilitate the provision of city services, the government is committed to a consistent fee structure for business taxes and permitting. The City's operating millage rate of 1 mill is statutorily set. The City has not assessed the millage rate for the last five years and relies on franchise taxes, business taxes, and permitting fees to fund city services.

The City is expected to continue developing as an economic hub and preferred location for business and residential investment. Through planned growth consistent with existing zoning, the governing body approved several distinctive commercial developments during Fiscal Year 2018. Additionally, the commercial community continues to experience significant redevelopment through builders and investors.

MAJOR INITIATIVES FOR THE YEAR

Town Center

In 2013, the Peachtree Corners City Council purchased a 21-acre tract to prevent the building of a large garden-style apartment complex. After completing a Livable Center Initiative study in 2014, the results showed that residents desired a unique, vibrant, community gathering spot that was rich in amenities. The City began plans to catalyze private investment for a mixed-use

development that would include dining, retail and entertainment options. In addition, the development would include green space to accommodate a variety of outdoor activities. Shortly thereafter in 2014, the City Council adopted the Town Center Phase Plan, bringing in design, construction and management partners in 2015 and began construction in 2017.

The City took out a note of $11,500,000 in 2013 to purchase the land for the Town Center Project. A $14,000,000 budget was established to provide for the funding toward the completion of the overall project. The City closed on the land sale of the private development portion and paid off the $11,500,000 bond and funded the project costs from all cash reserves, thus no debt was incurred to fund the project. Construction is now underway and the expected ribbon cutting and opening of the Town Green is scheduled for spring of 2019.

City Hall

True to its tag line “Innovative and Remarkable,” the City of Peachtree Corners used an innovative approach earlier this year in rectifying its growing space needs. Instead of continuing to pay rent for space in Technology Park, the City Government bought a vacant building, renovated it, and attracted a company to open upstairs that brought more than 100 employees to the City.

Now, the City uses the rental revenue stream to help pay the loan on City Hall. And it has seen its investment grow. What was valued at $2.5 million in 2016, is now valued at more than $8.1 million, according to the Gwinnett County Tax Assessor's Office.

Since the 1970s, Technology Park has been a hub for innovators and technology leaders. Over the years, however, the buildings have aged, and companies have abandoned them for newer structures elsewhere.

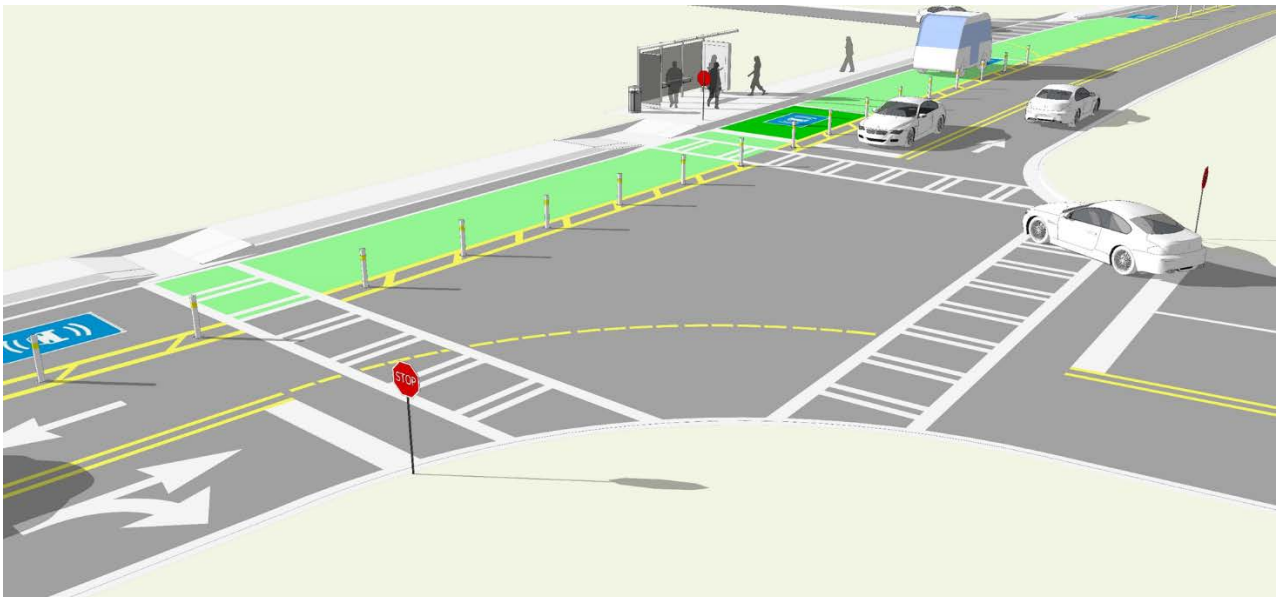
The City recognized the growing number of "for lease" buildings in Tech Park, and hired a consultant to develop a master plan for the area. The Innovation Hub Master Plan received an Outstanding Initiative Award from the Georgia Planning Association earlier this year. Suggested activity included redeveloping existing sites, creating unique, remarkable spaces throughout the Innovation Hub area, increasing density and engaging in catalytic projects. One such "catalytic" project is the redevelopment of 310 Technology Parkway for use as City Hall.

The City invested $3 million renovating the 60,000-square-foot structure, and recruited Vallen, Inc., an industrial supplies merchant, to lease the upstairs. Performed by New South Construction Co, the renovation incorporated "green" furnishings, such as long life, LED lights, infrared wall switch occupancy sensors for offices and boardrooms, and faucets with electronic sensors, among other energy-saving furnishings. The city designated one room for public art and historical city artifacts.

INITIATIVES FOR FUTURE YEARS

Intelligent Mobility Corridor

$2 million was included in the 2019 capital budget for construction of an intelligent mobility corridor, which will allow for the testing of various technologies in the autonomous vehicle, smart cities IoT, and cellular markets. The city is creating a 1.4 mile intelligent mobility corridor in Technology Park, running from Spalding Drive to Peachtree Parkway. Autonomous vehicles on the track will be interacting with live traffic. The track is expected to be fully operational in 2019.



Construction on Trail System

$1.7 million was included in the 2019 capital budget for construction of a master trail over the next five years.

Public Works

$5.5 million was included in the 2019 capital budget for infrastructure improvements to roads, bridges, sidewalks, intersections and traffic management. The City currently has over 12 capital projects in various stages of construction and planning.

FINANCIAL POLICIES

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safety of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements in

conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

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

There was no single audit required for Fiscal Year 2018.

Budgetary Controls - The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the general fund and any special revenue funds are included in the annual appropriated budget. A project length budget is adopted for capital project funds. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level within each fund. Administrative transfers of appropriations within a fund may be authorized by the City Manager to meet unforeseen needs, as long as the total budgeted amounts do not exceed these appropriations by fund. The City's budget procedures, together with such procedures for discretely presented component units, are more fully explained in the accompanying notes to the financial statements.

OTHER INFORMATION

Awards and Achievements - In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgments - The preparation of the report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance Department, the auditors for the City and its component units, and the cooperation of City staff in various departments. My sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

Respectfully submitted,

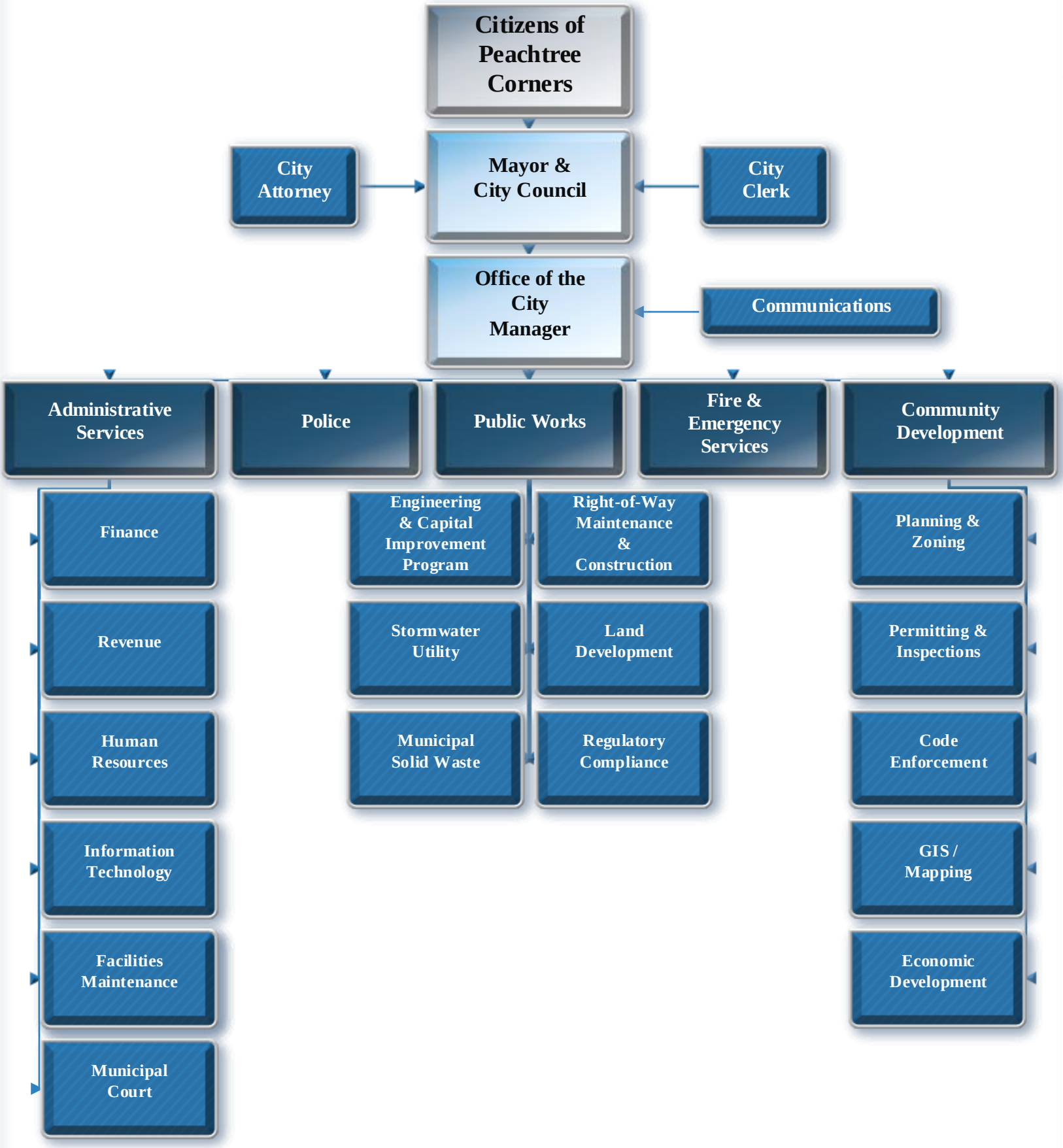
Brian Johnson
City Manager

Brandon Branham
Finance Director

CITY OF PEACHTREE CORNERS, GEORGIA
PRINCIPAL OFFICIALS
JUNE 30, 2018

Mike Mason	Mayor
Phil Sadd	Post 1
Eric Christ	Post 2
Alex Wright	Post 3
Jeanne Aulbach	Post 4
Lorri Christopher	Post 5
Weare Gratwick	Post 6

City of Peachtree Corners



Mayor & Council

Mayor
Mike Mason

Councilmember
Phil Sadd

Councilmember
Eric Christ

Councilmember
Alex Wright

Councilmember
Jeanne Aulbach

Councilmember
Lorri Christopher

Mayor Pro Tem
Weare Gratwick

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

Principal Officers

City Manager
Brian L. Johnson

Assistant City Manager/Finance Director
Brandon Branham

City Clerk
Kym Chereck

Community Development Director
Diana Wheeler

Public Works Director
Greg Ramsey

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

Financial Section

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council of the
City of Peachtree Corners, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **City of Peachtree Corners, Georgia** (the "City"), as of and for the year ended June 30, 2018, 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 business-type activities, and each major fund of the City of Peachtree Corners, Georgia as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof 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 the General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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's basic financial statements. The schedule of expenditures of special purpose local option sales tax, as required by the Official Code of Georgia 48-8-121, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of special purpose local option sales tax is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedule of expenditures of special purpose local option sales tax is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 December 2, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 2, 2018

As management of the City of Peachtree Corners (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. 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 year by $58,269,695 (total net position), which represents an increase of $11,250,773 from the prior year. Of the total net position, $3,877,700 (unrestricted net position) is available to meet the ongoing obligations of the government.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $31,849,954. This represents a decrease of $831,716 compared to prior year, primarily from the continued work on the town center Project.
- Total governmental fund revenues were $21,074,914 an increase of $3,447,325 from the prior year mainly due to an increase in franchise taxes and business and occupational taxes. This was the result of a field audit performed by the City that identified additional billings.
- Total governmental fund expenditures were $29,081,630, an increase of $13,118,707 over the prior year, primarily related to the purchase of real estate for the town center project.

Overview of the Financial Statements

This discussion and analysis are 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 them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements report functions of the City that are principally supported by taxes (governmental activities) separately from business-type activities. The governmental activities of the City include general government, public works, and community development. Business-type activities report the function of solid waste and stormwater.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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 three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, SPLOST and downtown development authority funds, which are considered to be major funds.

The City adopts an annual appropriated budget for all its governmental funds, except capital project funds for which project length budgets are adopted. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 through 18 of this report.

Proprietary funds The City maintains one type of proprietary fund: an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Solid Waste and Stormwater operations.

Proprietary funds provide the same type information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information and cash flows for the Solid Waste and Stormwater operation, which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 19 through 21 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 39 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 as presented on a generally accepted accounting principal basis in this section.

Required supplementary information can be found on page 41 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets exceeded liabilities by $58,269,695, representing an $11,250,773 increase over prior year.

The largest portion of the City's net position, $30,632,653 reflects its investment in capital assets (e.g., buildings, machinery and equipment roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Other than net position that is restricted as to use for capital projects, $24,029,342, the remaining portion of the City's net position represents unrestricted net position of $3,877,700, which is available to meet the ongoing obligations of the government. This amount represents 34% of governmental activities expenses, and a 37% decrease over the prior year.

The City's governmental activities current assets of $34,597,301, increased $794,690 over the prior year and includes sales tax restricted for capital projects of $8,323,099 in the SPLOST Fund. Long term liabilities of governmental activities also increased from the prior year as a result of the $7,175,000 revenue bond issued by the DDA to purchase land for future development. The City's capital assets in governmental activities are $28,841,374 which represents an increase of $17,799,395. The increase is primarily related to the acquisition and renovations costs for the city hall project and town center project.

The City's business-type activities current assets increased $2,156,267 over the prior year due to the first year collections for the Stormwater fund. The other categories remained relatively the same compared to the prior year.

The table below summarizes the City's Net Position for 2018 and 2017.

City of Peachtree Corners Net Position
June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current assets	$ 34,597,301	$ 33,802,611	$ 3,217,470	$ 1,061,203	$ 37,814,771	$ 34,863,814
Capital assets, net of accumulated depreciation	28,841,374	11,041,979	10,697,642	11,103,907	39,539,016	22,145,886
Total Assets	63,438,675	44,844,590	13,915,112	12,165,110	77,353,787	57,009,700
Liabilities						
Current liabilities	2,972,822	1,164,043	827,817	757,596	3,800,639	1,921,639
Long-term liabilities	15,283,453	8,069,139	-	-	15,283,453	8,069,139
Total Liabilities	18,256,275	9,233,182	827,817	757,596	19,084,092	9,990,778
Net Position						
Net investment in capital assets	19,665,011	10,019,701	10,697,642	11,103,907	30,362,653	21,123,608
Restricted	24,029,342	19,757,256	-	-	24,029,342	19,757,256
Unrestricted	1,488,047	5,834,451	2,389,653	303,607	3,877,700	6,138,058
Total net position	$ 45,182,400	$ 35,611,408	$ 13,087,295	$ 11,407,514	$ 58,269,695	$ 47,018,922

Governmental activities: From the inception of Peachtree Corners, and continuing through 2014, management focused on acquiring human resources as well as physical infrastructure for ongoing City activities. Fiscal Year 2015 and thereafter, the City moved more toward normal operating activities as management focused more on activities which have a direct impact on its citizens such as road improvements.

Revenues: Charges for services includes fines and forfeitures and licenses and permits. These revenues increased $223,006. Total operating and capital grants and contributions increased $435,318 as a result of increased SPLOST collections. Franchise Fees increased $1,774,092 as user consumption and growth continue to recover from the recession along with an audit performed by Georgia Power. Business taxes increased $823,815 as the economy continues to improve and due to an audit performed by the City of businesses within the city limits.

Expenses: General government and public works expenses increased as an increased amount of infrastructure projects were completed. Community development expenses increased slightly as the operations of the Downtown Development Authority are now being included as a blended component unit. Interest on long term debt increased $188,317 as a result of additional debt issued by the City.

Business-type activities: Both revenues and expenses remained stable and comparable to the prior year.

City of Peachtree Corners Changes in Net Position
For the Years Ended June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue						
Program revenues:						
Charges for services	$ 1,498,130	$ 1,275,124	$ 3,973,614	$ 1,317,284	$ 5,471,744	$ 2,592,408
Operating grants and contributions	90,510	40,841	-	-	90,510	40,841
Capital grants and contributions	6,828,012	6,442,363	-	-	6,828,012	6,442,363
General revenues:						
Motor vehicle taxes	559,032	849,532	-	-	559,032	849,532
Franchise taxes	4,994,280	3,220,188	-	-	4,994,280	3,220,188
Business taxes	3,430,487	2,606,672	-	-	3,430,487	2,606,672
Other taxes	3,572,639	2,741,913	-	-	3,572,639	2,741,913
Investment income	1,708	180,353	-	-	1,708	180,353
Miscellaneous	100,116	270,603	-	-	100,116	270,603
Total Revenues	21,074,914	17,627,589	3,973,614	1,317,284	25,048,528	18,944,873
Expenses						
General government	5,209,278	2,605,719	-	-	5,209,278	2,605,719
Public works	3,657,463	2,624,129	-	-	3,657,463	2,624,129
Community development	2,100,069	2,036,045	-	-	2,100,069	2,036,045
Interest on long-term debt	537,112	348,795	-	-	537,112	348,795
Solid waste	-	-	1,227,963	1,228,517	1,227,963	1,228,517
Stormwater	-	-	1,065,870	-	1,065,870	-
Total expenses	11,503,922	7,614,688	2,293,833	1,228,517	13,797,755	8,843,205
Change in net position	9,570,992	10,012,901	1,679,781	88,767	11,250,773	10,101,668
Net position, beginning of year, previously reported	35,611,408	36,702,414	11,407,514	214,840	47,018,922	36,917,254
Restatement	-	(11,103,907)	-	11,103,907	-	-
Net position, end of year	$ 45,182,400	$ 35,611,408	$ 13,087,295	$ 11,407,514	$ 58,269,695	$ 47,018,922

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. The table below summarizes governmental fund revenues and expenditures for 2017 and 2018.

City of Peachtree Corners Governmental Fund Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2018 and 2017

	2018	2017	Dollar Increase (Decrease)	Percent
Revenues:				
Motor vehicle taxes	$ 559,032	$ 849,532	$ (290,500)	(34.20) %
Franchise taxes	4,994,280	3,220,188	1,774,092	55.09
Insurance premium taxes	2,525,916	2,372,424	153,492	6.47
Business taxes	3,430,487	2,606,672	823,815	31.60
Other taxes	1,046,723	369,489	677,234	183.29
Licenses and permits	1,439,684	1,270,861	168,823	13.28
Fines and forfeitures	4,080	4,263	(183)	(4.29)
Intergovernmental	6,890,558	6,476,754	413,804	6.39
Investment income	14,672	186,803	(172,131)	(92.15)
Contributions	15,000	-	15,000	-
Miscellaneous Income	154,482	270,603	(116,121)	(42.91)
Total revenues	21,074,914	17,627,589	3,447,325	19.56
Expenditures				
General government	9,570,418	9,082,273	488,145	5.37
Public works	1,791,515	1,939,000	(147,485)	(7.61)
Community development	13,949,204	2,036,045	11,913,159	585.11
Capital outlay	3,415,754	2,599,912	815,842	31.38
Debt service	354,739	305,693	49,046	16.04
Total expenditures	29,081,630	15,962,923	13,118,707	82.18
Excess (deficiency) of revenues over expenditures	(8,006,716)	1,664,666	(9,671,382)	(580.98)
Other financing sources (uses)				
Transfers in	971,788	19,552,648	(18,580,860)	(95.03)
Transfers out	(971,788)	(19,552,648)	18,580,860	(95.03)
Proceeds from certificate of participation	7,175,000	8,000,000	(825,000)	(10.31)
Net change in fund balances	(831,716)	9,664,666	(10,496,382)	(108.61)
Fund balances, beginning of year	32,681,670	23,017,004	9,664,666	41.99
Fund balances, end of year	$ 31,849,954	$ 32,681,670	$ (831,716)	(2.54) %

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $31,849,954, a decrease of $831,716, primarily related to the expenditures on major long-term capital projects. Of this balance, $22,898,540 is restricted by law or contractual agreement, the largest portion of which is SPLOST tax revenues in the SPLOST fund and fund balance in the Downtown Development Authority. An additional $279,110 is considered nonspendable and $8,672,304 is unassigned and can be used to meet the near-term operating needs of the City.

Tax revenues include motor vehicle taxes, sales taxes, franchise taxes and business taxes and overall have increased $3,138,133. Revenues for licenses and permits have increased $168,823 as building activity within the city continues to grow. Fines and forfeitures decreased $183 as code enforcement focused on compliance rather than tickets. Investment income decreased $185,095 primarily from a decrease in cash related to the town center project expenditures. Miscellaneous revenue decreased due to payments received relating to the land held for resale.

Total governmental expenditures have increased $13,118,707 due to purchases of land for development and project expenditures on the town center project. General government expenditures increased $488,145 because of expenditures related additional professional fees. Public works expenditures decreased $147,485 due to staff resources being shared for stormwater services. Community development expenditures increased $11,913,159 as a result of the increased expenditures in the Downtown Development Authority for the town center project. Debt service expenditures increased $49,046 primarily as a result of revenue bonds issued by the Downtown Development Authority.

General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was $8,947,460, an increase of $1,411,102. As a measure of the liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance at June 30, 2018 was $8,672,304 and represents 64% percent of total general fund expenditures.

Total general fund revenues have increased $3,411,415. Motor vehicle taxes decreased $290,500 as title ad-valorem taxes have decreased. Franchise taxes, Business taxes, and insurance premium taxes have increased $1,774,092, $823,815, and $153,492 respectively, as the general and local economy has improved. Licenses and permits have increased $168,823 as building activity continues to improve. Fines and forfeitures have decreased $183 as code enforcement focused on compliance rather than tickets.

Total general fund expenditures increased $757,404. General government expenditures increased $488,145, public works expenditures decreased $147,485, community development expenditures increased $312,315 and debt service expenditures increased $104,429.

City of Peachtree Corners General Fund Revenues, Expenditures and Changes in Fund Balance
For the Years Ended June 30, 2018 and 2017

	2018	2017	Dollar Increase (Decrease)	Percent
Revenues:				
Motor vehicle taxes	$ 559,032	$ 849,532	$ (290,500)	(34.20) %
Franchise taxes	4,994,280	3,220,188	1,774,092	55.09
Insurance premium tax	2,525,916	2,372,424	153,492	6.47
Business taxes	3,430,487	2,606,672	823,815	31.60
Other taxes	1,046,723	369,489	677,234	183.29
Licenses and permits	1,439,684	1,270,861	168,823	13.28
Fines and forfeitures	4,080	4,263	(183)	(4.29)
Intergovernmental	75,510	40,841	34,669	84.89
Investment income	1,708	1,101	607	55.13
Contributions	15,000	-	15,000	-
Miscellaneous income	54,366	-	54,366	-
Total revenues	14,146,786	10,735,371	3,411,415	31.78
Expenditures				
General government	9,570,418	9,082,273	488,145	5.37
Public works	1,791,515	1,939,000	(147,485)	(7.61)
Community development	1,927,224	1,614,909	312,315	19.34
Debt service:				
Principal	-	-	-	-
Interest	174,739	70,310	104,429	148.53
Total expenditures	13,463,896	12,706,492	757,404	5.96
Excess (deficiency) of revenues over expenditures	682,890	(1,971,121)	2,654,011	(134.64)
Other financing sources (uses):				
Transfers in	850,000	-	850,000	-
Transfers out	(121,788)	(11,228,058)	11,106,270	(98.92)
Proceeds from certificate of participation	-	8,000,000	(8,000,000)	(100.00)
Net change in fund balance	1,411,102	(5,199,179)	6,610,281	(127.14)
Fund balance, beginning of year	7,536,358	12,735,537	(5,199,179)	(40.82)
Fund balance, end of year	$ 8,947,460	$ 7,536,358	$ 1,411,102	18.72 %

General Fund Budgetary Highlights

The general fund budget versus actual comparison can be found on page 40. For fiscal year 2018, the City had an overall surplus budget versus actual variance of $923,119.

Total revenues were $90,879 less than budgeted. Taxes were $743,023 more than budgeted as title ad-valorem increased faster than previously forecasted and an audit of business taxes resulted in increased revenue. Licenses and permits were $20,888 more than budgeted as the City's infrastructure initiatives have brought in increased commercial and residential construction. Intergovernmental revenues were $836, 801 less than budgeted due to a grant project not being completed as of year end. All other revenue categories reflect excess budget variances as the city continues to use very conservative revenue estimates.

Total expenditures were $352,736 under budgeted amounts. Public works expenditures were $330,073 under budgeted due to less in repairs and maintenance of roads and walkways than originally projected. Legal, general buildings and ground, and public information were both over budget slightly due to unexpected expenditures. All other expenditure categories reflect excess budget variances as the City continues to use very conservative budget models.

SPLOST Fund

The SPLOST fund accounts for the revenues and related project expenditures under the SPLOST agreements. At the end of 2018, the fund balance for this fund was $8,323,099 which represents an increase of $2,562,258 compared to the prior year as there was a decrease in expenditures from the prior year.

Downtown Development Authority

The Downtown Development Authority is a blended component unit which accounts for the land held for resale and the capital improvements to the land. Fund balance as of June 30, 2018 is $14,579,395 which decreased during the year due to the increased activity on the town center project.

Solid Waste Fund

The solid waste fund accounts for fees and expenses associated with garbage and recycling. The activity in this fund during the fiscal year ended June 30, 2018 was very comparable to the prior year and resulted in a change in net position of $78,401.

Stormwater Fund

The stormwater fund accounts for fees and expenses associated with drainage. This was the first year of operations for the stormwater fund. The activity in this fund during the fiscal year ended June 30, 2018 resulted in a change in net position of $1,601,380.

Capital Asset and Debt Administration

Capital Assets The City's investment in capital assets for its governmental activities as of June 30, 2018, amounts to $28,841,374 (net of accumulated depreciation). This represents an increase of $17,799,395 over the prior year. The increase is primarily driven by the city hall project and town center project. Additional information on the City's capital assets can be found in Note 6 on pages 34 and 35 of this report.

City of Peachtree Corners Capital Assets (net of depreciation)
June 30, 2018

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 1,022,278	$ 1,022,278	$ -	$ -	$ 1,022,278	$ 1,022,278
Construction in progress	13,858,127	1,212,095	-	-	13,858,127	1,212,095
Machinery and equipment	1,863,349	708,213	-	-	1,863,349	708,213
Buildings	6,681,547	3,824,346	-	-	6,681,547	3,824,346
Infrastructure	5,173,624	4,275,047	10,697,642	11,103,907	15,871,266	15,378,954
Improvements	242,449	-	-	-	242,449	-
	$ 28,841,374	$ 11,041,979	$ 10,697,642	$ 11,103,907	$ 39,539,016	$ 22,145,886

Long-term Debt At the end of fiscal year 2017, the City had total debt outstanding of $8,000,000 primarily for the city hall project. As of the end of 2018 the City had $15,175,000 of outstanding debt. During 2018, the City issued a revenue bond for $7,175,000 for the acquisition of land adjacent to the Town Center Project.

Additional information on the City's long-term debt can be found in Note 7 on page 35 and 36 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- Sustainability of Existing Services – the City has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Cost of Government – The operating millage rate of 1 mill is statutorily set and cannot be changed without a referendum. At this time the City has chosen not to charge this millage rate and as part of the financial strategic plan, the government is committed to franchise and business taxes, to facilitate the provision of city services.
- Infrastructure Improvements – The City provided substantial capital funding to continue the work started in prior years to begin to address a significant backlog of existing infrastructure deficiencies. Funding was allocated for repaving program, intersection improvements, buildings, machinery and equipment, roadways, sidewalks, equipment and signs.
- Economy Impact – The City's revenues and expenditures were implemented with a conservative approach to reflect the economic conditions that are expected to continue through 2019.
- The City restricts the use of one-time revenues to capital projects.

Requests for Information

This financial report is designed to provide a general overview of the City of Peachtree Corners' 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 Peachtree Corners, 310 Technology Parkway, Peachtree Corners, Georgia, 30092, or by calling 678-691-1200.

CITY OF PEACHTREE CORNERS, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 20,574,166	$ 3,241,223	$ 23,815,389
Land held for development	12,328,450	-	12,328,450
Accounts receivable	315,023	1,842	316,865
Prepaids	279,110	-	279,110
Due from other governments	1,074,957	-	1,074,957
Internal balances	25,595	(25,595)	-
Capital assets:			
Nondepreciable	14,880,405	-	14,880,405
Depreciable, net of accumulated depreciation	13,960,969	10,697,642	24,658,611
Total assets	63,438,675	13,915,112	77,353,787
LIABILITIES			
Accounts payable	1,519,781	171,316	1,691,097
Retainage payable	1,176,363	-	1,176,363
Accrued interest payable	225,475	-	225,475
Deposits payable	51,203	-	51,203
Unearned revenue	-	656,501	656,501
Compensated absences due within one year	32,536	-	32,536
Compensated absences due in more than one year	75,917	-	75,917
Certificate of participation due within one year	645,000	-	645,000
Certificate of participation due in more than one year	7,355,000	-	7,355,000
Bonds payable due in more than one year	7,175,000	-	7,175,000
Total liabilities	18,256,275	827,817	19,084,092
NET POSITION			
Net investment in capital assets	19,665,011	10,697,642	30,362,653
Restricted for:			
Capital projects	24,029,342	-	24,029,342
Unrestricted	1,488,047	2,389,653	3,877,700
Total net position	$ 45,182,400	$ 13,087,295	$ 58,269,695

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

CITY OF PEACHTREE CORNERS, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
					Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government:							
Governmental activities:							
General government	$ 5,209,278	$ 550,601	$ 90,510	$ -	$ (4,568,167)	$ -	$ (4,568,167)
Public works	3,657,463	-	-	6,828,012	3,170,549	-	3,170,549
Community development	2,100,069	947,529	-	-	(1,152,540)	-	(1,152,540)
Interest on long-term debt	537,112	-	-	-	(537,112)	-	(537,112)
Total governmental activities	11,503,922	1,498,130	90,510	6,828,012	(3,087,270)	-	(3,087,270)
Business-type activities:							
Solid waste	1,227,963	1,306,364	-	-	-	78,401	78,401
Stormwater	1,065,870	2,667,250	-	-	-	1,601,380	1,601,380
Total business-type activities	2,293,833	3,973,614	-	-	-	1,679,781	1,679,781
Total primary government	$ 13,797,755	$ 5,471,744	$ 90,510	$ 6,828,012	(3,087,270)	1,679,781	(1,407,489)
General revenues:							
Motor vehicle taxes					559,032	-	559,032
Franchise taxes					4,994,280	-	4,994,280
Business taxes					3,430,487	-	3,430,487
Other taxes					3,572,639	-	3,572,639
Investment income					1,708	-	1,708
Miscellaneous					100,116	-	100,116
Total general revenues					12,658,262	-	12,658,262
Change in net position					9,570,992	1,679,781	11,250,773
Net position, beginning of year, restated					35,611,408	11,407,514	47,018,922
Net position, end of year					$ 45,182,400	$ 13,087,295	$ 58,269,695

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

CITY OF PEACHTREE CORNERS, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

ASSETS	General Fund	SPLOST Fund	Downtown Development Authority	Total Governmental Funds
Cash and cash equivalents	$ 9,173,423	$ 7,484,176	$ 3,916,567	$ 20,574,166
Accounts receivable	315,023	-	-	315,023
Due from other funds	29,549	-	-	29,549
Due from other governments	-	1,074,957	-	1,074,957
Prepaid items	275,156	-	3,954	279,110
Land held for development	-	-	12,328,450	12,328,450
Total assets	$ 9,793,151	$ 8,559,133	$ 16,248,971	$ 34,601,255
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	$ 744,973	$ 88,515	$ 686,293	$ 1,519,781
Retainage payable	49,515	147,519	979,329	1,176,363
Deposits payable	51,203	-	-	51,203
Due to other funds	-	-	3,954	3,954
Total liabilities	845,691	236,034	1,669,576	2,751,301
FUND BALANCE				
Fund balance:				
Nonspendable:				
Prepaids	275,156	-	3,954	279,110
Restricted:				
Capital projects	-	8,323,099	14,575,441	22,898,540
Unassigned	8,672,304	-	-	8,672,304
Total fund balance	8,947,460	8,323,099	14,579,395	31,849,954
Total liabilities and fund balance	$ 9,793,151	$ 8,559,133	$ 16,248,971	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.				28,841,374
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(15,508,928)
Net position of governmental activities				$ 45,182,400

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

CITY OF PEACHTREE CORNERS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	SPLOST Fund	Downtown Development Authority	Total Governmental Funds
Revenues:				
Motor vehicle taxes	$ 559,032	$ -	$ -	$ 559,032
Franchise taxes	4,994,280	-	-	4,994,280
Insurance Premium Taxes	2,525,916	-	-	2,525,916
Business taxes	3,430,487	-	-	3,430,487
Other taxes	1,046,723	-	-	1,046,723
Licenses and permits	1,439,684	-	-	1,439,684
Fines and forfeitures	4,080	-	-	4,080
Intergovernmental	75,510	6,815,048	-	6,890,558
Investment income	1,708	12,964	-	14,672
Contributions	15,000	-	-	15,000
Miscellaneous income	54,366	-	100,116	154,482
Total revenues	14,146,786	6,828,012	100,116	21,074,914
Expenditures:				
Current:				
General government	9,570,418	-	-	9,570,418
Public works	1,791,515	-	-	1,791,515
Community development	1,927,224	-	12,021,980	13,949,204
Capital outlay	-	3,415,754	-	3,415,754
Debt service:				
Interest and issuance costs	174,739	-	180,000	354,739
Total expenditures	13,463,896	3,415,754	12,201,980	29,081,630
Excess (deficiency) of revenues over expenditures	682,890	3,412,258	(12,101,864)	(8,006,716)
Other financing sources (uses):				
Transfers in	850,000	-	121,788	971,788
Transfers out	(121,788)	(850,000)	-	(971,788)
Issuance of bonds	-	-	7,175,000	7,175,000
Total other financing sources (uses)	728,212	(850,000)	7,296,788	7,175,000
Net change in fund balances	1,411,102	2,562,258	(4,805,076)	(831,716)
Fund balances, beginning of year	7,536,358	5,760,841	19,384,471	32,681,670
Fund balances, end of year	$ 8,947,460	$ 8,323,099	$ 14,579,395	$ 31,849,954

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

CITY OF PEACHTREE CORNERS, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(831,716)
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.		17,822,277
The net effect of various miscellaneous transactions involving capital assets (i.e., donations, sales and trade-ins) is to decrease net position.		(22,882)
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 issuance of long-term debt.		(7,175,000)
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.		(221,687)
Change in net position - governmental activities	$	9,570,992

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

CITY OF PEACHTREE CORNERS, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-type Activities - Enterprise Funds		
ASSETS	**Solid Waste Fund**	**Stormwater Fund**	**Totals**
CURRENT ASSETS			
Cash and cash equivalents	$ 1,142,143	$ 2,099,080	$ 3,241,223
Accounts receivable, net of allowances	1,842	-	1,842
Total current assets	1,143,985	2,099,080	3,243,065
NONCURRENT ASSETS			
Capital Assets:			
Depreciable assets	-	12,525,834	12,525,834
Less accumulated depreciation	-	(1,828,192)	(1,828,192)
Total noncurrent assets	-	10,697,642	10,697,642
Total assets	1,143,985	12,796,722	13,940,707
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	102,112	69,204	171,316
Due to other funds	3,364	22,231	25,595
Unearned revenue	656,501	-	656,501
Total liabilities	761,977	91,435	853,412
NET POSITION			
Investment in capital assets	-	10,697,642	10,697,642
Unrestricted	382,008	2,007,645	2,389,653
Total net position	$ 382,008	$ 12,705,287	$ 13,087,295

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

CITY OF PEACHTREE CORNERS, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Solid Waste Fund	Stormwater Fund	Totals
OPERATING REVENUES			
Charges for sales and services	$ 1,306,364	$ 2,667,250	$ 3,973,614
Total operating revenues	1,306,364	2,667,250	3,973,614
OPERATING EXPENSES			
Contractual services	1,227,963	659,605	1,887,568
Depreciation	-	406,265	406,265
Total operating expenses	1,227,963	1,065,870	2,293,833
Change in net position	78,401	1,601,380	1,679,781
Net position, beginning of year, restated	303,607	11,103,907	11,407,514
Net position, end of year	$ 382,008	$ 12,705,287	$ 13,087,295

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

CITY OF PEACHTREE CORNERS, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Solid Waste Fund	Stormwater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,313,475	$ 2,667,250	$ 3,980,725
Payments to suppliers	(1,227,771)	(568,170)	(1,795,941)
Net cash provided by operating activities	85,704	2,099,080	2,184,784
Net increase in cash and cash equivalents	85,704	2,099,080	2,184,784
Cash and cash equivalents, beginning of year	1,056,439	-	1,056,439
Cash and cash equivalents, end of year	$ 1,142,143	$ 2,099,080	$ 3,241,223
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 78,401	$ 1,601,380	$ 1,679,781
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	406,265	406,265
Change in assets and liabilities:			
Decrease in accounts receivable	4,180	-	4,180
Increase in accounts payable	192	69,204	69,396
Increase in due to other funds	2,106	22,231	24,337
Increase in unearned revenue	825	-	825
Net cash provided by operating activities	$ 85,704	$ 2,099,080	$ 2,184,784

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Peachtree Corners, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental 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 2012, operates under a charter adopted July 1, 2012, as a municipal corporation governed by an elected mayor and a six-member council. The government provides such services as code enforcement, building and zoning, housing and development and public works.

The accompanying financial statements present the City and its component unit, an entity for which the City has a significant financial and operational relationship. The blended component unit is reported as if it is a part of the City because its sole purpose is to provide services to the City. Separate financial statements are not prepared for this component unit.

The Downtown Development Authority of the City of Peachtree Corners (the "DDA") has been included as a blended component unit in the accompanying financial statements. Although it is legally separate from the City, it is reported as a capital project fund in the City's financial statements. A voting majority of the DDA's governing body is appointed by the City. The DDA does not have the power to levy taxes or determine its own aggregate budget without the approval of the City, and the sole purpose of the DDA is to construct certain City facilities and to account for their subsequent activities. Financial information with regard to the component unit can be obtained from the DDA's administrative offices at 310 Technology Parkway, Peachtree Corners, Georgia 30092. Separate financial statements for the DDA 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 and its component unit. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include 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. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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 segments 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 proprietary funds. Major individual governmental funds and major individual enterprise 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 proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. As such, property tax revenues are recognized in the current fiscal year for the previous tax year's levy. For tax year 2017, the City levied taxes using a zero millage rate. 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 property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Motor vehicle taxes, sales taxes, franchise taxes, business taxes, and licenses and permits associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if availability criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise 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 **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures relating to the City's 2014 and 2017 Special Purpose Local Option Sales Tax agreements.

The **Downtown Development Authority Fund (DDA)** accounts for the land held for development and the capital improvements to land. Its sole purpose is to provide services to the City.

The City reports the following major enterprise funds:

The **Solid Waste Fund** accounts for the activities associated with the collection of residential garbage, including recyclables, non-recyclables and yard waste. Activity is rendered on a user charge basis.

The **Stormwater Fund** accounts for the activities associated with upgrading and maintaining the City's stormwater infrastructure.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets

Formal budgetary accounting is employed as a management control device for the 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. An annual operating budget is adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund. A project length budget is adopted for capital projects funds. During the fiscal period ended June 30, 2018, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedule. All appropriations lapse at fiscal year end. The City does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

Cash and cash equivalents include 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.

Land held for development does not qualify as an investment in accordance with GASB Statement No. 72, and therefore is recorded at cost.

F. Receivables

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

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as “internal balances.”

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Capital Assets

Capital assets, which include infrastructure and machinery and equipment, are reported in the government-wide and proprietary fund 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

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:

Furniture	7 years
Software	7 years
Buildings	30 years
Land improvements	30 years
Infrastructure	20-100 years

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has no items that qualify for reporting in this category.

K. Compensated Absences

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the terms of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources 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 purposes 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 the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or 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 formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment, also through a resolution.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balances remains with the City Council.

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

The City's policy is to maintain a minimum General Fund balance reserve equal to 25% of expenditures.

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

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets.

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

For purposes of calculating net investment in capital assets for Governmental Activities, the amount of $19,665,011 as shown in the financial statements was determined by taking capital assets ($28,841,374) less total outstanding capital related Certificates of Participation debt of $8,000,000 and retainage payable of $1,176,363. The City had no unspent bond proceeds at June 30, 2018. Bonds payable in the amount of $7,175,000 were used to purchase land held for redevelopment which is recorded at cost and not included in capital assets. Therefore, the amount of bonds payable is not included in the calculation of net investment in capital assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Use of Estimates

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

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 $15,508,928 difference are as follows:

Certificate of participation	$ (8,000,000)
Bonds payable	(7,175,000)
Accrued interest	(225,475)
Compensated absences	(108,453)
Net adjustment to decrease fund balance - *total governmental funds* to arrive at *net position - governmental activities*	$ (15,508,928)

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

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

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 $17,822,277 difference are as follows:

Capital outlay	$ 18,463,893
Depreciation expense	(641,616)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive *at change in net position - governmental activities*	$ 17,822,277

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that 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 $221,687 difference are as follows:

Compensated absences	$ (39,314)
Accrued interest	(182,373)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (221,687)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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 the approval of the City Council. 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.

B. Excess Expenditures Over Appropriations

For the period ended June 30, 2018 expenditures of the legal, general buildings and ground, public information, and planning and zoning exceeded their appropriations by $11,178, $180,595, $6,830, and $145,529 respectively. The excess of expenditures over budget were primarily funded by the use of fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2018, the financial institution holding some of the City's deposits is a participant in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2018, all of the City's bank balances were insured and collateralized as defined by GASB and State statutes.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The City contracts with Gwinnett County to bill and collect property taxes. The taxes, if billed, would be due in a single installment on October 15 based on the assessed value of property as listed on the previous January 1 and were due 60 days following the billing date each year. Property taxes are recorded as receivables and unavailable revenues when levied as they are intended to fund that fiscal year. Revenues are recognized when available. The City elected not to bill any taxes on real property for the fiscal year ended June 30, 2018.

Receivables at June 30, 2018, for the City's individual major funds, including any applicable allowances for uncollectible accounts are as follows:

	General	SPLOST	Solid Waste
Receivables:			
Accounts	$ 315,023	$ -	$ 10,842
Other governments	-	1,074,957	-
Less allowance for uncollectible	-	-	9,000
Net total receivable	$ 315,023	$ 1,074,957	$ 1,842

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 1,022,278	$ -	$ -	$ 1,022,278
Construction in progress	1,212,095	12,646,032	-	13,858,127
Total	2,234,373	12,646,032	-	14,880,405
Capital assets, being depreciated:				
Machinery and equipment	864,154	1,372,359	(67,767)	2,168,746
Buildings	3,845,711	3,010,590	-	6,856,301
Infrastructure	5,204,469	1,191,788	-	6,396,257
Improvements	-	243,124	-	243,124
Total	9,914,334	5,817,861	(67,767)	15,664,428
Less accumulated depreciation for:				
Machinery and equipment	(155,941)	(194,341)	44,885	(305,397)
Buildings	(21,365)	(153,389)	-	(174,754)
Infrastructure	(929,422)	(293,211)	-	(1,222,633)
Improvements	-	(675)	-	(675)
Total	(1,106,728)	(641,616)	44,885	(1,703,459)
Total capital assets being depreciated, net	8,807,606	5,176,245	(22,882)	13,960,969
Governmental activities capital assets, net	$ 11,041,979	$ 17,822,277	$ (22,882)	$ 28,841,374

Beginning capital assets for governmental activities and business-type activities were adjusted to account for the transfer of assets to the stormwater fund. See Note 14 for further explanation.

	Beginning Balance	Increases	Ending Balance
Business-type activities:			
Capital assets, being depreciated:			
Infrastructure	$ 12,525,834	$ -	$ 12,525,834
Total	12,525,834	-	12,525,834
Less accumulated depreciation for:			
Infrastructure	(1,421,927)	(406,265)	(1,828,192)
Total	(1,421,927)	(406,265)	(1,828,192)
Business-type activities capital assets, net	$ 11,103,907	$ (406,265)	$ 10,697,642

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 348,405
Public works	293,211
Total depreciation expense - governmental activities	$ 641,616
Business-type activities:	
Stormwater	$ 406,265
Total depreciation expense - business-type activities	$ 406,265

NOTE 7. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity for the year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bond	$ -	$ 7,175,000	$ -	$ 7,175,000	$ -
Certificates of participation	8,000,000	-	-	8,000,000	645,000
Compensated absences	69,139	71,318	(32,004)	108,453	32,536
Governmental activity Long-term liabilities	$ 8,069,139	$ 7,246,318	$ (32,004)	$ 15,283,453	$ 677,536

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bond

In February 2018, the Downtown Development Authority issued a taxable revenue bond on behalf of the City in the amount of $7,175,000 at an interest rate of 3.25%. Through an intergovernmental agreement between the City and Downtown Development Authority, the City has agreed to make the debt service payments on the bond. The net proceeds from the bond were used to purchase land held for economic development purposes of the City. The debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2019	$ -	$ 209,869	$ 209,869
2020	380,000	227,013	607,013
2021	390,000	214,500	604,500
2022	405,000	201,581	606,581
2023	415,000	188,256	603,256
2024-2028	2,300,000	725,563	3,025,563
2029-2033	2,695,000	320,531	3,015,531
2034	590,000	9,587	599,587
	$ 7,175,000	$ 2,096,900	$ 9,271,900

Certificates of Participation

In May 2017, the Georgia Municipal Association issued Certificates of Participation on behalf of the City in the amount of $8,000,000, (Series 2017A, $5,000,000) and (Series 2017B, $3,000,000). The proceeds from the certificates will be used to finance the construction and renovations of the City's new City Hall building. Interest rates vary (2.75% for Series 2017A and 4.23% for Series 2017B) and payments are due on January 1 and July 1 of each year until maturity (maturity dates for Series 2017A is July 1, 2032 and July 1, 2023 for Series 2017B). The debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2019	$ 645,000	$ 250,758	$ 895,758
2020	435,000	227,916	662,916
2021	450,000	209,199	659,199
2022	470,000	189,741	659,741
2023	490,000	169,437	659,437
2024-2028	2,425,000	606,093	3,031,093
2029-2033	3,085,000	216,631	3,301,631
	$ 8,000,000	$ 1,869,775	$ 9,869,775

NOTE 8. OPERATING LEASES

The City has entered into an operating lease for copiers. Total costs for leases were $58,218 for the fiscal year ended June 30, 2018. The future minimum lease payments for these leases are as follows:

Year Ending June 30,		
2019	$	6,312
2020		6,312
2021		6,312
2022		1,578
Total	$	20,514

The City has also entered into an operating lease for the lease of office space in City Hall. Total payments received for the lease were $34,688 for the fiscal year ended June 30, 2018. The future minimum lease payments to be received for this lease is as follows:

Year Ending June 30,		
2019	$	417,292
2020		438,506
2021		547,183
2022		563,615
2023		580,639
2024-2025		854,012
Total	$	3,401,247

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of due to/from other funds as of June 30, 2018 is as follows:

Receivable Entity	Payable Entity		Amount
General Fund	Solid Waste Fund	$	3,364
General Fund	Stormwater		22,231
General Fund	Downtown Development Authority		3,954
		$	29,549

The interfund balance between the General Fund and Downtown Development Authority is the result of disbursements paid by the General Fund on behalf of the Downtown Development Authority that have not been reimbursed as of June 30, 2018. The interfund balance between the General Fund and Solid Waste fund is for money the Solid Waste Fund collects on behalf of the City for street lights charges that was not received by the General Fund as of June 30, 2018. Additionally, the interfund balance between the General Fund and Stormwater Fund is the result of disbursements paid by the General Fund on behalf of the Stormwater Fund that have not been reimbursed as of June 30, 2018. Interfund balances are due to the timing of year end and the actual payments and receipts between the funds.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The composition of interfund transfers for the year ended June 30, 2018 is as follows:

Transfer Out	Transfer In	Amount
SPLOST Fund	General Fund	$ 850,000
General Fund	Downtown Development Authority	121,788
		$ 971,788

Transfers are used to move funds from the SPLOST Fund to the General Fund to reimburse the General Fund for capital outlay expenditures incurred in the prior year related to a capital project approved in the voter approved 2014 SPLOST referendum. Transfers are also used to move funds from the General Fund to the Downtown Development Authority Fund to the adequately meet the expenditures of the Downtown Development Authority Fund and provide funding for capital projects being constructed for the City.

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

The City is subject to legal actions in the ordinary course of business. In the opinion of management and legal counsel, the City has adequate legal defenses and insurance coverage with respect to such actions and the liability, if any, which might result from these proceedings, would not have a material adverse effect on the financial position of the City.

The City has entered into several public/private contractual partnerships for outsourced services and operations. Through these contracts with the private companies, an array of operational services is provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to the cost of providing these services in-house. Currently, the cost of these contracts is approximately $3,530,537 annually. The total is derived from the following contracts: CH2MHill $2,618,756, Optech $739,765, InterDev $84,494, and Sophicity $87,522.

NOTE 11. DEFINED CONTRIBUTION RETIREMENT PLAN

The City of Peachtree Corners' defined contribution retirement plan is a single employer defined contribution plan established and administered by the Georgia Municipal Association ("GMA") for all City employees. At June 30, 2018, there were 4 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 immediately upon entering the Plan. Plan provisions and contribution requirements are established and may be amended by the City's Council. For the fiscal year ending June 30, 2018, contributions to the Plan were $67,936 by the employees and $93,130 by the City.

NOTE 12. JOINT VENTURE

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 Gwinnett County has paid on behalf of the City of Peachtree Corners. 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.

NOTE 13. RISK MANAGEMENT

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

NOTE 14. CHANGE IN REPORTING ENTITY

The City has determined a restatement of the net position of governmental activities and the stormwater fund and business-type activities, respectively, were required to recognize the change in reporting entity for the recognition of the stormwater fund, effective for the fiscal year beginning July 1, 2017. For the year ended June 30, 2017 Gwinnett County was responsible for tracking stormwater activity on behalf of the City; however, the City has determined the current plans for charges and services for stormwater will require the City to take over this function from the County, and will require the City to track the charges for services separately in an enterprise fund.

Net Position, governmental activities as previously reported	$ 46,715,315
Transferring capital assets to the stormwater fund	(11,103,907)
Beginning net position, governmental activities, as restated	$ 35,611,408
Net position, business-type activities as previously reported	$ 303,607
Transferring capital assets to the stormwater fund	11,103,907
Beginning net position, business-type activities, as restated	$ 11,407,514
Net position, stormwater fund as previously reported	$ -
Transferring capital assets to the stormwater fund	11,103,907
Beginning net position, stormwater fund, as restated	$ 11,103,907

Required Supplementary Information

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

CITY OF PEACHTREE CORNERS, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Motor vehicle taxes	$ 275,000	$ 425,000	$ 559,032	$ 134,032
Franchise taxes	3,300,000	4,875,000	4,994,280	119,280
Business taxes	2,550,000	3,325,000	3,430,487	105,487
Insurance premium taxes	2,150,000	2,525,915	2,525,916	1
Other taxes	664,000	662,500	1,046,723	384,223
Licenses and permits	2,018,000	1,418,796	1,439,684	20,888
Fines and forfeitures	8,000	7,058	4,080	(2,978)
Intergovernmental	-	912,311	75,510	(836,801)
Investment income	1,000	1,710	1,708	(2)
Contributions	-	15,000	15,000	-
Miscellaneous	-	69,375	54,366	(15,009)
Total revenues	10,966,000	14,237,665	14,146,786	(90,879)
Expenditures:				
Current:				
General government:				
Legislative	111,061	111,061	81,603	29,458
Executive	539,266	494,372	462,199	32,173
City clerk	313,505	266,341	258,999	7,342
General administration	1,743,000	2,580,190	2,471,276	108,914
Financial administration	315,074	334,954	322,065	12,889
Legal	225,000	162,000	173,178	(11,178)
General buildings and ground	4,321,712	4,956,384	5,136,979	(180,595)
Public information	379,518	657,289	664,119	(6,830)
Total general government	7,948,136	9,562,591	9,570,418	(7,827)
Public Works	1,952,668	2,121,588	1,791,515	330,073
Community development				
Community development	759,465	732,459	556,865	175,594
Code enforcement	430,000	485,255	485,255	-
Protective inspection administration	615,000	555,000	554,575	425
Planning and zoning	210,000	185,000	330,529	(145,529)
Total community development	2,014,465	1,957,714	1,927,224	30,490
Debt service:				
Interest	-	174,739	174,739	-
Total debt service	-	174,739	174,739	-
Total expenditures	11,915,269	13,816,632	13,463,896	352,736
Other financing sources (uses):				
Transfers in	-	66,950	850,000	783,050
Transfers out	(1,250,000)	-	(121,788)	(121,788)
Total other financing sources (uses)	(1,250,000)	66,950	728,212	661,262
Net change in fund balance	(2,199,269)	487,983	1,411,102	923,119
Fund balance, beginning of year	7,536,358	7,536,358	7,536,358	-
Fund balance, end of year	$ 5,337,089	$ 8,024,341	$ 8,947,460	$ 923,119

Statistical Section

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

STATISTICAL SECTION

This part of the City of Peachtree Corners' 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 **42**

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 **46**

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

Because the City has a zero millage rate, no property taxes were levied or collected; the only property taxes reported are motor vehicle taxes. Therefore, the schedules for Principal Property Taxpayers and Property Tax Levies and Collections are not applicable. Franchise taxes is the City's largest own-source revenue.

Debt Capacity **49**

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 **52**

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 **54**

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 for the relevant year. The City's first year of incorporation was 2013; schedules presented include information beginning in that year.

CITY OF PEACHTREE CORNERS, GEORGIA

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

	2018	2017	2016	2015	2014	2013
Governmental activities:						
Net investment in capital assets	$ 19,665,011	$ 10,019,701	$ 16,937,513	$ 16,964,506	$ 17,617,500 (1)	$ 73,355
Restricted	24,029,342	22,548,883	10,242,980	6,153,466	1,679,194	-
Unrestricted	1,488,047	3,042,824	9,483,434	6,151,991	7,299,535	3,466,350
Total governmental activities net position	$ 45,182,400	$ 35,611,408	$ 36,663,927	$ 29,269,963	$ 26,596,229	$ 3,539,705
Business-type activities:						
Net investment in capital assets	$ 10,697,642	$ 11,103,907	$ -	$ -	$ -	$ -
Unrestricted	2,389,653	303,607	214,840	152,285	31,984	-
Total business-type activities net position	$ 13,087,295	$ 11,407,514	$ 214,840	$ 152,285	$ 31,984	$ -
Primary government:						
Net investment in capital assets	$ 30,362,653	$ 21,123,608	$ 16,937,513	$ 16,964,506	$ 17,617,500	$ 73,355
Restricted	24,029,342	22,548,883	10,242,980	6,153,466	1,679,194	-
Unrestricted	3,877,700	3,346,431	9,698,274	6,304,276	7,331,519	3,466,350
Total primary government net assets	$ 58,269,695	$ 47,018,922	$ 36,878,767	$ 29,422,248	$ 26,628,213	$ 3,539,705

Note: Fiscal year 2013 was the City's first full year of operation.

(1) In 2014 the City added approximately $17,730,000 of previously unrecorded infrastructure.

CITY OF PEACHTREE CORNERS, GEORGIA

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

	2018	2017	2016	2015	2014	2013
Expenses						
Governmental activities:						
General government	$ 5,209,278	$ 2,605,719	$ 3,902,482	$ 4,903,523	$ 2,495,125	$ 1,054,211
Public works	3,657,463	2,624,129	3,741,601	3,415,879	618,244	-
Housing and development	2,100,069	2,036,045	1,504,682	4,873,257	968,196	608,330
Interest on long-term debt	537,112	348,795	318	958	1,523	1,993
Total governmental activities expenses	11,503,922	7,614,688	9,149,083	13,193,617	4,083,088	1,664,534
Business-type activities:						
Solid waste	1,227,963	1,228,517	1,237,324	1,157,119	616,337	307,081
Stormwater	1,065,870	-	-	-	-	-
Total business-type activities expenses	2,293,833	1,228,517	1,237,324	1,157,119	616,337	307,081
Total primary government expenses	$ 13,797,755	$ 8,843,205	$ 10,386,407	$ 14,350,736	$ 4,699,425	$ 1,971,615
Program revenues						
Governmental activities:						
Charges for services:						
General government	$ 550,601	$ 530,939	$ 404,620	$ 371,106	$ 330,275	$ 122,323
Housing and development	947,529	744,185	655,604	618,159	627,142	201,449
Operating grants and contributions	90,510	40,841	50,500	131,610	16,252	128,785
Capital grants and contributions	6,828,012	6,442,363	6,196,928	6,065,266	1,550,469	-
Total governmental activities program revenues	8,416,652	7,758,328	7,307,652	7,186,141	2,524,138	452,557
Business-type activities:						
Charges for services:						
Solid waste	1,306,364	1,317,284	1,299,879	1,275,180	647,278	-
Stormwater	2,667,250	-	-	-	-	-
Total business-type activities program revenues	3,973,614	1,317,284	1,299,879	1,275,180	647,278	-
Total program revenues	$ 12,390,266	$ 9,075,612	$ 8,607,531	$ 8,461,321	$ 3,171,416	$ 452,557
Net (expense)/revenue						
Governmental activities	$ (3,087,270)	$ 143,640	$ (1,841,431)	$ (6,007,476)	$ (1,558,950)	$ (1,211,977)
Business-type activities	1,679,781	88,767	62,555	118,061	30,941	(307,081)
Total primary government	$ (1,407,489)	$ 232,407	$ (1,778,876)	$ (5,889,415)	$ (1,528,009)	$ (1,519,058)
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Motor vehicle taxes	$ 559,032	$ 849,532	$ 1,056,930	$ 756,524	$ 660,859	$ 2,004,463
Franchise taxes	4,994,280	3,220,188	3,053,324	3,028,563	3,281,768	361,907
Business taxes	3,430,487	2,606,672	2,567,228	2,396,689	2,451,150	2,245,322
Other taxes	3,572,639	2,741,913	2,555,514	2,495,463	482,579	139,673
Investment income	1,708	180,353	2,399	3,971	8,815	211
Miscellaneous revenues	100,116	270,603	-	-	-	106
Special item - donation of infrastructure at incorporation	-	-	-	-	17,730,303	-
Total governmental activities	12,658,262	9,869,261	9,235,395	8,681,210	24,615,474	4,751,682
Business-type activities:						
Investment income	-	-	-	2,240	1,043	-
Total business-type activities	-	-	-	2,240	1,043	-
Total primary government	$ 12,658,262	$ 9,869,261	$ 9,235,395	$ 8,683,450	$ 24,616,517	$ 4,751,682
Change in Net Position						
Governmental activities	$ 9,570,992	$ 10,012,901	$ 7,393,964	$ 2,673,734	$ 23,056,524	$ 3,539,705
Business-type activities	1,679,781	88,767	62,555	120,301	31,984	(307,081)
Total primary government	$ 11,250,773	$ 10,101,668	$ 7,456,519	$ 2,794,035	$ 23,088,508	$ 3,232,624

CITY OF PEACHTREE CORNERS, GEORGIA

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

	2018	2017	2016	2015	2014	2013
General Fund						
Nonspendable - Prepaids	$ 275,156	$ 66,833	$ 23,069	$ 22,176	$ 15,071	$ 3,398
Restricted	-	6,977,722	-	-	-	-
Unassigned	8,672,304	491,803	12,712,468	9,362,173	7,343,335	3,490,383
Total general fund	$ 8,947,460	$ 7,536,358	$ 12,735,537	$ 9,384,349	$ 7,358,406	$ 3,493,781
All Other Governmental Funds						
Nonspendable:						
Prepaids	$ 3,954	$ 3,954	$ -	$ -	$ -	$ -
Restricted:						
Capital projects funds	22,898,540	25,141,358 (1)	10,242,980	6,153,466	1,679,194	-
Total all other governmental funds	$ 22,902,494	$ 25,145,312	$ 10,242,980	$ 6,153,466	$ 1,679,194	$ -

(1) - Beginning in fiscal year 2017, the Downtown Development Authority was reported as a blended component unit.

CITY OF PEACHTREE CORNERS, GEORGIA

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

	2018	2017	2016	2015	2014	2013
Revenues						
Taxes	$ 12,556,438 (3)	9,418,305	$ 9,232,996	$ 8,677,239	$ 6,880,381	$ 4,747,340
Licenses and permits	1,439,684	1,270,861	1,051,717	982,359	942,425	323,772
Intergovernmental	6,890,558	6,476,754	6,246,928	6,170,876	1,566,721	128,785
Fines and forfeitures	4,080	4,263	8,507	6,906	14,992	-
Contributions	15,000	-	500	26,000	-	-
Investment income	14,672	186,803	2,399	3,971	8,815	211
Miscellaneous	154,482	270,603	-	-	-	106
Total revenues	21,074,914	17,627,589	16,543,047	15,867,351	9,413,334	5,200,214
Expenditures						
Current:						
General government	9,570,418	9,082,273 (1)	3,837,772	4,867,436	2,610,537	1,117,524
Public works	1,791,515	1,939,000	1,647,176	2,773,950	285,000	-
Housing and development	13,949,204 (2)	2,036,045	1,504,682	1,719,968	968,196	600,982
Capital outlay	3,415,754	2,599,912	2,107,414	-	-	-
Debt service:						
Principal	-	-	4,983	4,824	4,259	332
Interest	354,739	305,693	318	958	1,523	1,993
Total expenditures	29,081,630	15,962,923	9,102,345	9,367,136	3,869,515	1,720,831
Excess of revenues over expenditures	(8,006,716)	1,664,666	7,440,702	6,500,215	5,543,819	3,479,383
Other Financing Sources (Uses)						
Issuance of long term debt	7,175,000	8,000,000	-	-	-	14,398
Transfers in	971,788	19,552,648	-	-	128,725	-
Transfers out	(971,788)	(19,552,648)	-	-	(128,725)	-
Total other financing sources (uses)	7,175,000	8,000,000	-	-	-	14,398
Net change in fund balances	$ (831,716)	9,664,666	$ 7,440,702	$ 6,500,215	$ 5,543,819	$ 3,493,781
Debt service as a percentage of noncapital expenditures	3.3%	3.1%	0.1%	0.1%	0.2%	0.1%

(1) Increase compared to prior year is due to the real estate acquisition for the future site of city hall.
(2) Increase compared to prior year is due to the real estate acquisition for economic development.
(3) Increase in franchise taxes and business and occupational taxes compared to prior year is due to a field audit conducted by the City that identified additional billings.

CITY OF PEACHTREE CORNERS, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Six Fiscal Years
(in thousands)

	Real Property				Personal Property							
Digest Year	Residential Property	Commercial Property	Industrial Property	Other (1)	Motor Vehicle	Utility	Heavy Equipment	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012	$ 982,746,640	$ 967,179,560	$ 132,431,540	$ 1,362,720	$ -	$ -	$ -	$ 339,402,058	$1,744,318,402	0.85	$ 4,360,796,005	40%
2013	960,398,520	1,003,379,990	96,296,280	1,218,720	8,578,480	-	14,950	310,859,307	1,759,027,633	0.00	4,397,569,083	40%
2014	1,081,474,320	1,052,132,670	100,453,050	1,218,720	81,803,230	47,081,600	46,400	1,840,140	2,362,369,850	0.00	5,905,924,625	40%
2015	1,094,769,440	1,036,650,850	98,134,300	1,231,200	58,116,720	31,366,160	34,670	2,002,065	2,318,301,275	0.00	5,795,753,188	40%
2016	1,158,198,550	1,101,984,720	77,299,460	1,231,200	44,619,270	28,325,240	31,200	2,326,608	2,409,363,032	0.00	6,023,407,580	40%
2017	1,236,564,120	1,165,705,010	82,220,010	1,231,200	33,274,600	26,430,800	105,530	2,473,334	2,543,057,936	0.00	6,357,644,840	40%

Source: Gwinnett County Tax Commissioner
(1) Reflects agricultural, conservation use, and brownfield.

CITY OF PEACHTREE CORNERS, GEORGIA

PRINCIPAL FRANCHISE TAXPAYERS
CURRENT AND FIVE YEARS AGO

	2018			2013		
Franchise Taxpayer	**Revenue**	**Rank**	**Percentage of Total Revenue**	**Revenue**	**Rank**	**Percentage of Total Revenue**
Georgia Power	$ 3,959,271	1	79.28 %	$ 314,833	1	87.83 %
Atlanta Gas Light	386,401	2	7.74			
Comcast	343,611	3	6.88			
Bellsouth	195,237	4	3.91			
Waste Management	53,635	5	1.07	21,827	2	6.09
Republic Services	29,846	6	0.60	20,997	3	5.86
Advanced Disposal	15,724	7	0.31			
Waste Pro of Georgia	4,389	8	0.09			
American Disposal Service of Georgia	3,468	9	0.07	814	4	0.23
Google	1,525	10	0.03			
Totals	$ 4,993,108			$ 358,472		

Source: Peachtree Corners Finance Department

Note: FY2013 is the first year the City had a full year of franchise operations.

CITY OF PEACHTREE CORNERS, GEORGIA

FRANCHISE TAX RATES
LAST SIX CALENDAR YEARS

Calendar Year	Telecommunication	Cable	Electric	Solid Waste
2013	3%	5%	3%	5%
2014	3%	5%	3%	5%
2015	3%	5%	3%	5%
2016	3%	5%	3%	5%
2017	3%	5%	3%	5%
2018	3%	5%	3%	5%

Source: Peachtree Corners Finance Department

Note: All rates are charged on the gross revenue collected by the franchisee.

CITY OF PEACHTREE CORNERS, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SIX FISCAL YEARS

Fiscal Period Ended June 30,	Governmental Activities				Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable	Notes Payable	Capital Lease Payable	Total		
2013	$ -	$ -	$ 14,066	$ 14,066	0.02 %	$ 0.37
2014	-	-	9,807	9,807	0.02	0.26
2015	-	-	4,983	4,983	0.01	0.13
2016	-	3,153,289	-	3,153,289	4.83	73.72
2017	-	8,000,000	-	8,000,000	12.25	187.03
2018	7,175,000	8,000,000	-	15,175,000	22.80	350.72

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 PEACHTREE CORNERS, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of June 30, 2018

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping debt			
Gwinnett County GO Bonds, Leases Payable [1]	$ 86,447,000	7 %	$ 6,051,290
Gwinnett County Board of Education GO Bonds, Certificates of Participation [2]	1,377,529,625	7 %	96,427,074
Total overlapping debt	1,463,976,625		102,478,364
City of Peachtree Corners direct debt	15,175,000	100 %	15,175,000
Total direct and overlapping debt	$ 1,479,151,625		$ 117,653,364

(1) Gwinnett County Comprehensive Annual Financial Report for December 31, 2017

(2) Gwinnett County Board of Education Comprehensive Annual Financial Report for June 30, 2017

Assessed value data used to estimate applicable percentages provided by the State Department of Revenue.

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.

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

CITY OF PEACHTREE CORNERS, GEORGIA

LEGAL DEBT MARGIN INFORMATION
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
Assessed Value	$ 2,543,057,936	$ 2,409,363,032	$ 2,318,301,275	$ 2,362,369,850	$ 1,759,027,633	$ 1,744,318,402
Add back: exempt real property	2,473,334	2,326,608	2,002,065	1,840,140	310,859,307	339,402,058
Total assessed value	$ 2,545,531,270	$ 2,411,689,640	$ 2,320,303,340	$ 2,364,209,990	$ 2,069,886,940	$ 2,083,720,460
Debt Limit - 10% of Assessed Value	$ 254,553,127	$ 241,168,964	$ 232,030,334	$ 236,420,999	$ 206,988,694	$ 208,372,046
Amount of Debt Applicable to Debt Limit:						
General Obligation Bonds	$ -	$ -	$ -	$ -	$ -	$ -
Less: Available in Debt Service Fund	-	-	-	-	-	-
Net Debt Applicable to Debt Limit	$ -	$ -	$ -	$ -	$ -	$ -
Legal Debt Margin	$ 254,553,127	$ 241,168,964	$ 232,030,334	$ 236,420,999	$ 206,988,694	$ 208,372,046
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTE: The City's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

CITY OF PEACHTREE CORNERS, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST SIX FISCAL YEARS

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2013	38,006	$ 65,319	$ 1,719	33.2	4,230	2.2 %
2014	38,006	65,319	1,719	38.6	4,272	4.3
2015	38,006	65,319	1,719	37.9	4,189	5.4
2016	42,773	65,319	1,527	35.2	3,371	2.6
2017	42,773	65,319	1,527	34.8	3,317	4.0
2018	43,268	66,553	1,538	36.1	3,198	3.3

(1) Source: U. S. Bureau of Labor Statistics
(2) Source: Gwinnett County Board of Education
(3) Bureau of Labor Statistics July, 2017

Note: 2018 population, per capita, and personal income are estimates based on past regional trends.
Note: School enrollment is based on beginning of school year.

CITY OF PEACHTREE CORNERS, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND FIVE YEARS AGO

	2018			2013		
Employer	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
Comcast	682	1	1.59 %			
Immucor Inc.	535	2	1.24	495	4	1.40 %
Career Builder LLC	466	3	1.08	420	5	1.19
Crawford & Company	465	4	1.08			
Pond & Company	403	5	0.94	225	10	0.64
The Network Inc.	396	6	0.92	950	1	2.69
Fleetcor Technologies Operating	316	7	0.73	290	7	0.82
Technical Innovation LLC	311	8	0.72	287	8	0.81
ACI Worldwide Corp	302	9	0.70	285	9	0.81
Milner, Inc	275	10	0.64			
All Risks Ltd.				725	2	2.05
Phoenix Corporation				585	3	1.66
Fiserv				292	6	0.83
Totals	4,151		9.65 %	4,554		12.88 %

(1) Source: 2013 & 2018 individual employer's business license filing

CITY OF PEACHTREE CORNERS, GEORGIA

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

Function	2018	2017	2016	2015	2014	2013
General government	9	7	7	6	6	3
Judicial	1	1	1	1	1	-
Public works						
Highways and streets	16	9	9	9	2	-
Housing and development	10	9	9	7	5	3
Total	36	26	26	23	14	6

Source: City of Peachtree Corners Human Resources Department

CITY OF PEACHTREE CORNERS, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST SIX FISCAL YEARS

Function	2018	2017	2016	2015	2014	2013
General government						
Ordinances approved	27	12	27	25	11	20
Special events held	9	2	2	2	2	2
Court cases	10	-	47	31	86	-
Bond rating	NA	NA	NA	NA	NA	NA
Software applications supported	8	7	7	7	7	6
Grants managed	4	3	2	3	1	1
Public works						
Average days to repair pothole	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days
Housing and development						
Stormwater plans reviewed	90	50	23	24	23	17
New building permits issued	1,141	436	1,102	1,027	1,115	649
Parcels annexed	-	-	-	-	-	-

Sources: Various City and County departments.

Note: Operating indicators are not available for years prior to 2013.

CITY OF PEACHTREE CORNERS, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST SIX FISCAL YEARS

Function/Program	2018	2017	2016	2015	2014	2013
Public Works						
Streets (miles)	121	121	121	121	121	-
Stormwater Pipe (feet)	260,338	252,874	252,874	252,874	252,874	-
Stormwater Structures	3,928	3,816	3,816	3,816	3,816	-
General Government						
Land (acres)	4.35	4.35	-	-	-	-
Buildings						
Owned	1	1	-	-	-	-
Leased	1	1	1	1	1	1
Machinery & Equipment						
Owned	2	2	2	1	1	1
Leased	9	9	5	2	2	2

Source: Various City departments.

Note: The community development function does not maintain any capital assets.

Internal Control & Compliance Section

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Members
of the City Council of the
City of Peachtree Corners, Georgia

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Peachtree Corners, Georgia (the "City") as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 2, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 2, 2018

State Section

City of Peachtree Corners, Georgia

Comprehensive Annual Financial Report

For The Year Ended June 30, 2018

CITY OF PEACHTREE CORNERS, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE YEAR ENDED JUNE 30, 2018

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
2014 SPLOST Program:					
Transportation Projects	$ 19,970,315	$ 19,970,315	$ 14,622,910	$ 2,476,968	$ 17,099,878
Transfers to General Fund for approved SPLOST capital projects				(850,000)	
Total 2014 SPLOST Fund expenditures for the year ended June 30, 2018				$ 1,626,968	
2017 SPLOST Program:					
Transportation Projects	$ 37,557,816	$ 37,557,816	$ -	$ 1,788,786	$ 1,788,786
Total 2017 SPLOST Fund expenditures for the year ended June 30, 2018				$ 1,788,786	
Total SPLOST Fund expenditures for the year ended June 30, 2018				$ 3,415,754	

Note: The transfer made from the SPLOST Fund to the General Fund is to reimburse the General Fund for capital outlay expenditures incurred in the prior year related to a capital project approved in the voter approved 2014 SPLOST referendum.