

OFFICIAL STATEMENT DATED DECEMBER 13, 2021

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS:

**Moody's: "Aa1" (Intercept Program)
"Aa3" (Underlying)
See "RATINGS" herein.**

In the opinion of Bond Counsel, under current law and subject to the limitations and conditions described herein, interest on the Bonds (i) will be included in gross income for federal income tax purposes, and (ii) will be exempt from present State of Georgia income taxation. See "INTRODUCTION - Tax Status" and "TAX MATTERS" herein.

BOARD OF EDUCATION OF THE CITY OF BUFORD (GEORGIA)

\$40,565,000

**Refunding Revenue Bonds
Taxable Series 2021 (the "Bonds")**

Dated: Date of Issuance

Due: January 1, as shown on inside cover

The Board of Education of the City of Buford, Georgia (the "**Board**") will issue the Bonds as fully registered bonds. The Bonds will be registered in the name of Cede and Co., as the nominee of The Depository Trust Company ("**DTC**"), New York, New York, to which payments of principal, premium, if any, and interest will be made. Purchasers will acquire beneficial interests in the Bonds in book-entry form only. DTC will remit such payments to its participants who will be responsible for remittance to beneficial owners. See "THE BONDS – General Description" and "– DTC and Book-Entry Only System of Registration."

The Bonds are being issued by the Board (i) to provide funds, together with other available funds of the Board, to finance the costs of advance refunding and redeeming the outstanding City of Buford General Obligation Bonds, Series 2015 and City of Buford General Obligation Bonds, Series 2017C, and (ii) to pay costs of issuance of the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "PLAN OF REFUNDING" herein.

Interest on the Bonds will be payable semiannually on January 1 and July 1 of each year (each an "**Interest Payment Date**"), commencing on January 1, 2022. See "THE BONDS – General Description" herein.

The Bonds are subject to optional redemption and scheduled mandatory redemption prior to maturity as described herein. See "THE BONDS – Redemption."

The Bonds are limited obligations of the Board, payable solely from and secured by a first priority pledge of and lien on (i) all funds established by the Resolution, and (ii) amounts payable by the City of Buford (the "**City**") pursuant to a certain Intergovernmental Contract with the Board, for which the City has pledged its full faith and credit and ad valorem taxing power. The City's obligation to make payments to the Board sufficient in time and amount to enable the Board to pay the principal of, premium, if any, and interest on the Bonds is absolute and unconditional and will not terminate so long as any of the Bonds remain outstanding and unpaid. Under the Intergovernmental Contract, the City has agreed to make provision for the levy of an annual tax on all taxable property located within the boundaries of the City, at such rates, within the limits prescribed by law, as may be necessary to make the payments required by the Intergovernmental Contract. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS OFFICIAL STATEMENT. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as, and if issued by the Board and accepted by Stephens Inc., Atlanta, Georgia (the "**Underwriter**"), subject to prior sale and to withdrawal or modification of the offer without notice, and are subject to approval of legality by Alston & Bird, LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed upon for the Board by its counsel, Gregory D. Jay, Esq., Chandler Britt & Jay, LLC, Buford, Georgia, and by its disclosure counsel, Alston & Bird LLP, Atlanta, Georgia. The Bonds are expected to be available for delivery in book-entry form only through the facilities of DTC in New York, New York on or about December 21, 2021.

STEPHENS INC.

PRICING INFORMATION

\$40,565,000

BOARD OF EDUCATION OF THE CITY OF BUFORD (GEORGIA) REFUNDING REVENUE BONDS, TAXABLE SERIES 2021

<u>Maturity</u> <u>January 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP</u> <u>120004¹</u>
2024	\$1,930,000.00	0.886%	0.886%	100.000%	120004AA4
2025	1,955,000.00	1.132%	1.132%	100.000%	120004AB2
2026	1,975,000.00	1.364%	1.364%	100.000%	120004AC0
2027	2,005,000.00	1.464%	1.464%	100.000%	120004AD8
2028	2,030,000.00	1.635%	1.635%	100.000%	120004AE6
2029	2,060,000.00	1.765%	1.765%	100.000%	120004AF3
2030	2,100,000.00	1.924%	1.924%	100.000%	120004AG1
2031	2,140,000.00	2.024%	2.024%	100.000%	120004AH9
2032	2,185,000.00	2.114 %	2.114%	100.000%	120004AJ5
2033	2,230,000.00	2.244%	2.244%	100.000%	120004AK2
2034	2,280,000.00	2.364%	2.364%	100.000%	120004AL0
2035	2,335,000.00	2.464%	2.464%	100.000%	120004AM8
2036	2,395,000.00	2.564%	2.564%	100.000%	120004AN6
2037	2,450,000.00	2.674%	2.674%	100.000%	120004AP1
2039	5,105,000.00	2.713%	2.713%	100.000%	120004AQ9
2041	5,390,000.00	2.813%	2.813%	100.000%	120004AR7

¹ Initial CUSIP numbers have been assigned by an organization not affiliated with the Board and are included for the convenience of the owners of the Bonds only at the time of original issuance of the Bonds. The Board is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their accuracy on the Bonds, as included herein or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

BOARD OF EDUCATION OF THE CITY OF BUFORD

School Board

Phillip Beard, *Chairman*
Pat Pirkle, *Vice Chairman*
Bruce Fricks
Matt Peevy
Daren Perkins
Dr. Robert Downs, *Secretary*

Appointed Officials

Dr. Robert Downs, *Superintendent*
Angela Adams, *Director of Finance*

THE CITY OF BUFORD

Board of Commissioners

Phillip Beard, *Chairman*
L. Chris Burge, *Vice Chairman*
Bradley W. Weeks

Appointed Officials

Bryan B. Kerlin, *City Manager*
Mike Brown, *Finance Director/Deputy Clerk*
Kim C. Wolfe, *City Clerk/Planning Director*

SPECIAL SERVICES

Board Independent Auditors

Mauldin & Jenkins, LLC
Atlanta, Georgia

City Independent Auditors

Wilcox & Bivings, P.C.
Suwanee, Georgia

Board and City Attorney

Gregory D. Jay, Esq.
Buford, Georgia

Bond Counsel and Disclosure Counsel

Alston & Bird, LLP
Atlanta, Georgia

Underwriter

Stephens Inc.
Atlanta, Georgia

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No dealer, broker, salesman, or other person has been authorized by the Board or the Underwriter, or any other person to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Board, the Underwriter, or any other person. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Board Sources other than the Board are believed to be reliable, but are not guaranteed as to accuracy or completeness by the Board or the Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in any of the information set forth herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

This Official Statement (including the Appendices attached hereto) contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement (including the Appendices attached hereto), the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Board and the Underwriter disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the Board expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The Bonds have not been registered under the Securities Act of 1933, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

NO REGISTRATION STATEMENT RELATING TO THE BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AGENCY. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY. NEITHER THE SEC NOR ANY STATE SECURITIES AGENCY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

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OFFICIAL STATEMENT

Relating to

\$40,565,000

BOARD OF EDUCATION OF THE CITY OF BUFORD (GEORGIA)
REFUNDING REVENUE BONDS, TAXABLE SERIES 2021

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the appendices hereto, is to furnish information with respect to the proposed issuance and sale by the Board of Education of the City of Buford (the “Board of Education”) of its Board of Education of the City of Buford (Georgia) Refunding Revenue Bonds, Taxable Series 2021 (the “**Bonds**”).

The information contained in this section entitled “INTRODUCTION” is a brief description of the terms of and security for the Bonds and does not purport to be comprehensive or definitive. A full review of the entire Official Statement, as well as the documents summarized or described herein, should be made. All undefined, capitalized terms used herein shall have the meaning ascribed to such terms in the Resolution (as defined herein) unless the context requires otherwise.

The School System

The Charter of the City authorizes the Board of Education of the City of Buford (the “**Board**” or “**Board of Education**”) to regulate the operations of the system of public schools located within the corporate limits of the City, known as the Buford City School System (the “**School System**”). The Board of Education is fiscally dependent upon the City because the governing body of the City must approve the School System’s annual budget, levy the necessary taxes for the School System, and issue general obligation debt for the School System. For more detailed information on the School System, see “APPENDIX A - BUFORD SCHOOL SYSTEM GENERAL INFORMATION.”

The City

The City is a municipal corporation of the State of Georgia (the “**State**”), located in north central Georgia, and was created and is existing under the laws of the State of Georgia. The City received its original charter in 1872 and its current charter became effective in 2003. For more detailed information on the City, see “APPENDIX B - CITY OF BUFORD GENERAL INFORMATION.”

Legal Authority for the Bonds

The Bonds are to be issued pursuant to the authority granted by (i) the Constitution of the State of Georgia, (ii) the general laws of the State of Georgia, particularly O.C.G.A. § 36-82-60, *et seq.* (as amended, the “Revenue Bond Law”, and (iii) a bond resolution adopted by the Board on December 7, 2020, as amended and restated on December 13, 2021 (the “**Resolution**”).

Security and Sources of Payment for the Bonds

The Bonds will be limited obligations of the Board payable solely from and secured by a first priority pledge of and lien on the following: (i) all funds established by the Resolution; (ii) amounts payable by the City pursuant to a certain Intergovernmental Contract with the Board (the “**Intergovernmental Contract**”), for which the City has pledged its full faith and credit and ad valorem taxing power; and (iii) amounts available to the Board pursuant to the State of Georgia’s Intercept Program (collectively, the

“Revenues”). For more detailed information, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “CITY OF BUFORD AD VALOREM TAXATION.”

Purposes of the Bonds

The Bonds are being issued by the Board (i) to provide funds, together with other available funds of the Board, to finance the costs of advance refunding and redeeming the outstanding City of Buford General Obligation Bonds, Series 2015 (the “**Series 2015 Bonds**”) and City of Buford General Obligation Bonds, Series 2017C (the “**Series 2017C Bonds**” and together with the Series 2015 Bonds, the “**Refunded Bonds**”), and (ii) to pay costs of issuance of the Bonds.

For more detailed information, see “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING.”

Tax Status

In the opinion of Bond Counsel, under existing law and subject to the limitations and conditions described herein and assuming continuous compliance with certain covenants described herein, (1) interest on the Bonds will be included in gross income for federal income tax purposes, and (2) interest on the Bonds is exempt from state income taxation within the State of Georgia. See Appendix D for the form of the opinions Bond Counsel proposes to deliver in connection with the issuance of the Bonds.

Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the accrual or receipt of interest on the Bonds. For more complete discussion of such opinion and certain other tax consequences of owning the Bonds, including certain exceptions to the exclusion of the interest of the Bonds from gross income, see “TAX MATTERS” herein.

Other Information

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the School System, the City, the Bonds, the Resolution, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive.

All references herein to, or summaries of, the Resolution or any other document or any constitutional provision or statute are qualified in their entirety by the exact terms of such documents or constitutional provision or statute. All references herein to, or summaries of, the Bonds are qualified in their entirety by the definitive form thereof and the provisions with respect thereto included in the Resolution.

Copies of all documents described herein are available upon request, prior to the delivery of the Bonds, from Stephens Inc., 3344 Peachtree Road, Suite 1650, Atlanta, Georgia 30326, (404) 461-5155, and after delivery of the Bonds upon payment to the City of a charge for copying, mailing and handling, from the City of Buford, 2300 Buford Highway, Buford, Georgia 30518, telephone (770) 945-6761.

THE BONDS

General Description

The Bonds will be dated as of the date of issuance thereof, and will bear interest at the rates per annum, and mature in the amounts and on January 1 of the years, set forth on the inside cover page hereof. The principal of the Bonds is payable to the registered holders thereof upon presentation and surrender of the Bonds at the designated office of U.S. Bank National Association, Atlanta, Georgia, as paying agent (the “**Paying Agent**”). Interest on the Bonds is payable on January 1 and July 1 of each year (each an “**Interest Payment Date**”), beginning January 1, 2022. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Redemption. The Bonds are subject to optional redemption and scheduled mandatory redemption as described herein under the heading “THE BONDS - Redemption.”

Denominations. The Bonds will be issued in the denomination of \$5,000 or any integral multiple thereof.

Registration and Transfer. The Bonds will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, as securities depository for the book-entry system of registration for the Bonds. Purchasers of Bonds will not receive certificates representing their interests in Bonds so purchased. See “DTC and Book-Entry Only System of Registration” in this section.

Redemption

The bonds having stated maturities on or after January 1, 2031, may be redeemed prior to their respective maturities at the option of the City, either in whole on any date or in part on any Interest Payment Date, in such order of maturity as shall be selected and specified by the City, in any year not earlier than January 1, 2031 from any moneys available for such purpose as provided in the Resolution at a redemption price of the par amount of the bonds to be redeemed plus accrued interest to the date fixed for redemption. If less than all of the bonds of any maturity are to be redeemed, the actual Bonds of such maturity to be redeemed shall be selected by lot or in such manner as may be designated by the City. The bonds are subject to redemption only in principal amount of \$5,000 or any integral multiple thereof.

The bonds maturing on January 1, 2039 are subject to scheduled mandatory redemption prior to maturity in part (the actual bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date in the following principal amounts on January 1 of the years set forth below (the January 1, 2039 amount to be paid at maturity rather than redeemed):

January 1 of the Year	
2038	\$2,515,000
2039	\$2,590,000

The bonds maturing on January 1, 2041 are subject to scheduled mandatory redemption prior to maturity in part (the actual bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date in the following principal amounts on January 1 of the years set forth below (the January 1, 2041 amount to be paid at maturity rather than redeemed):

January 1 of the Year

2040	\$2,655,000
2041	\$2,735,000

The bonds are subject to redemption only in principal amounts of \$5,000 or any multiple thereof.

Notice of Redemption. Notice of optional redemption of the Bonds pursuant to the Resolution shall be given by the Board one time not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Holders of each of the Bonds being called for redemption by first class or registered or certified mail as the Paying Agent shall determine is necessary at the address shown on the register of the Bond Registrar as of 45 days prior to the date fixed for redemption. Said notice shall contain (i) redemption date, (ii) redemption price, (iii) if less than all outstanding Bonds are to be redeemed, the identification and CUSIP number (if any)(and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed date of issue of the Bonds, (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date and any conditions to such redemption, and (v) if applicable, the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent. No transfer or exchange of any Bonds so called for redemption shall be allowed. In the event any Holder of any Bond being redeemed pursuant to the provisions of the Resolution shall fail to present for redemption any such Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Bond shall be given to said owner at the address of said owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. Any notice mailed or delivered as provided by the Resolution shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Manner of Redemption. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In the case of bonds of denominations greater than \$5,000, if less than all of such bonds of a single maturity then outstanding are to be called for redemption then for all purposes in connection with redemption, each \$5,000 of face value shall be treated as though it were a separate bond in the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any bond, are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the Owner of such bond shall forthwith surrender such bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the Owner thereof, without charge therefor, fully registered bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the Owner of any such bond of a denomination greater than \$5,000 shall fail to present such bond to the Paying Agent for payment in exchange as aforesaid, such bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such bond shall not be entitled to the benefit and security of the Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units.

Effect of Redemption Call. Notice having been given in the manner and under the conditions prescribed herein, and money for the payment of the redemption price being held by the Paying Agent, all as provided in the Resolution, the Bonds or the portion thereof so called for redemption shall become and be due and payable on the redemption date designated in such notice at the redemption price provided for

redemption of such bonds on such date. Interest on the Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in payment of the redemption price thereof upon presentation and surrender thereof. Such bonds shall cease to be entitled to any lien, benefit or security under the Resolution and the Owners of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such bond or the portion thereof so called shall not be considered to be outstanding. Upon surrender of such bond paid or redeemed in part only, the Board shall execute and the Bond Registrar shall deliver to the Owner thereof, at the expense of the Board, a new bond or bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the bond.

Registration, Transfer, and Exchange of Bonds

The Bonds shall be registered as to the payment of principal and interest on registration books kept by U.S. Bank National Association, Atlanta, Georgia, as bond registrar (the "Bond Registrar"). The Bond Registrar will also serve as authenticating agent (the "Authenticating Agent") for the purpose of authenticating any Bonds issued or surrendered for registration of exchange or transfer or in replacement for Bonds previously issued.

The Bonds may be transferred only on the bond register of the Bond Registrar with respect to the Bonds. No transfer of any Bond shall be permitted except upon registration and surrender of such Bond at the designated corporate trust office of the Bond Registrar in Atlanta, Georgia, with a written assignment signed by the registered owner of such Bond in person or by a duly authorized attorney, in such form and with a guaranty of signature, satisfactory to the Bond Registrar. The Board, its agents and the Bond Registrar may deem and treat the registered owner of any Bonds as the absolute owner of such Bond for the purpose of receiving payment of the principal thereof, the redemption premium, if any, and the interest thereon.

Upon surrender for registration of transfer of any Bond at the designated corporate trust office of the Bond Registrar, the Board is required to execute and the Authenticating Agent will authenticate and deliver to the transferee or transferees a new Bond or Bonds for a like aggregate principal amount and maturity. Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bonds of authorized denominations and of like interest rate and maturity. Every Bond presented or surrendered for registration of transfer or exchange shall (if so required by the Board or the Bond Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Board and the Bond Registrar duly executed by the owner thereof or his attorney duly authorized in writing. No charge will be made to any Bondholder for the privilege of registration of transfer or exchange, but any Bondholder requesting any such registration of transfer or exchange is required to pay any tax or other governmental charge required to be paid with respect thereto. The Bond Registrar is not required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the date of such mailing or (ii) to register the transfer of or exchange of any Bond so selected for redemption in whole or in part.

In case any Bond shall become mutilated or be destroyed or lost, the Bond Registrar in its discretion and at the expense of the holder of such Bond cause to be executed and delivered a new Bond of like type, date, number and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon the holder paying the reasonable expenses and charges of the Board in connection therewith and, in the case of a Bond destroyed or lost, his filing with the Board and the Bond Registrar of evidence satisfactory to them that such Bond was destroyed or lost, and of his ownership thereof, and furnishing the Board and the Bond Registrar with indemnity satisfactory to them. If any such Bond shall have matured, instead of issuing a new Bond, the Board may pay or cause to be paid the same.

DTC and Book-Entry Only System of Registration

The Depository Trust Company (“**DTC**”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, in the principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of § 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (a “**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment

the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the documents pertaining to the Bonds. For example, Beneficial Owners of bonds may wish to ascertain that the nominee holding the bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent or the Board, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The foregoing information concerning DTC and its book-entry system has been obtained from DTC. The Board and the Underwriter do not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

SO LONG AS CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE BOARD AND THE BOND REGISTRAR WILL TREAT CEDE & CO. OR SUCH OTHER NOMINEE AS THE ONLY OWNER OF THE BONDS FOR ALL PURPOSES UNDER THE RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE BOARD OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE RESOLUTION. THE BOARD HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY

BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS OWNER.

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC, and DTC will credit such distributions to the accounts of Direct Participants which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

PLAN OF REFUNDING

Proceeds from the sale of the Bonds will be used to advance refund and defease the Series 2015 Bonds on January 1, 2025 (the "**2015 Redemption Date**"). Proceeds from the sale of the Bonds will be used to advance refund and defease the Series 2017C on January 1, 2027 (the "**2017C Redemption Date**") and together with the 2015 Redemption Date, the "**Redemption Dates**").

Simultaneously with the issuance and delivery of the Bonds, the Board will enter into an Escrow Deposit Agreement (the "**Escrow Agreement**") with U.S. Bank National Association, Atlanta, Georgia, as escrow agent (the "**Escrow Agent**") for the Refunded Bonds. The amount deposited in the escrow fund (the "**Escrow Fund**") established pursuant to the Escrow Agreement shall be sufficient to purchase, or there will be purchased by the Board and so deposited, certain investment securities, the principal of and interest on which will provide money which, together with the remaining money, if any, deposited with the Escrow Agent, shall be sufficient to pay the principal amounts maturing and interest on the Refunded Bonds on the respective Redemption Dates.

The Refunded Bonds will be redeemed on their applicable Redemption Dates. The Board will give irrevocable instructions to the Escrow Agent, as escrow agent for the Refunded Bonds, to call the Refunded Bonds for redemption on their applicable Redemption Dates. None of the money deposited with the Escrow Agent will be available to pay the principal of, premium, if any, or interest on the Bonds and the owners of the Bonds will have no claim to any of said amounts.

The Board acknowledges and intends that, by virtue of the aforesaid deposits with the Escrow Agent, the Refunded Bonds will be deemed to have been paid and that, consequently, the rights granted to the Holders of the Refunded Bonds under the 2015 Ordinance and the 2017 Ordinance (each as hereinafter defined), respectively will have ceased, been terminated, and become void, except for those provisions pertaining to registration and exchange as provided in the 2015 Ordinance and 2017C Ordinance, concurrently with the issuance and delivery of the Bonds.

2015 Ordinance. The City previously issued its Series 2015 Bonds on June 17, 2015, which bonds were authorized by the qualified voters of the City voting in an election held on March 17, 2015, and by a bond resolution adopted by the City on February 2, 2015 (the "**2015 Ordinance**"). The Series 2015 Bonds were issued to provide funds needed to finance, in whole or in part, certain capital outlay projects of the School System and the costs of issuance of the Series 2015 Bonds.

2017 Ordinance. The City previously issued its Series 2017C Bonds on December 6, 2017, by a bond resolution adopted by the City on November 16, 2017 (the "**2017C Ordinance**"). The Series 2017C Bonds were issued to provide funds needed to finance, in whole or in part, certain capital outlay projects of the School System and the costs of issuance of the Series 2017C Bonds.

Verification of Mathematical Computations

Ritz & Associates, independent certified public accountants (the “**Verification Agent**”), will deliver to the Board on or before the issuance of the Bonds, its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the arithmetical accuracy of (a) the computation of the adequacy of the amounts to be deposited in the Escrow Fund to be held by the Escrow Agent to pay when due all principal of, and accrued interest on the Refunded Bonds, through the dates of maturity or redemption for the Refunded Bonds, as provided in the Escrow Agreement, and (b) the computation of the yield on the Bonds and the amounts to be deposited in the Escrow Fund.

The verification performed by the Verification Agent will be solely based upon assumptions and information provided to the Verification Agent by the Underwriter. The Verification Agent has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based, and accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

Investment of Money

Money in the Escrow Fund which is not needed at the time to pay current obligations for the Refunded Bonds may be invested, upon direction to the Escrow Agent from the Board of Education, in any of the following investments allowed by O.C.G.A. § 36-82-7, and no others:

(a) investments and reinvestments in the local government investment pool created in O.C.G.A. § 36-83-8; or

(b) investment in the following securities and no others:

(1) bonds or other obligations of the issuer, or bonds or obligations of the State of Georgia or other states or other counties, municipal corporations, and political subdivisions of the State of Georgia;

(2) bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;

(3) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(4) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(5) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of

deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations included in paragraph (2) above, obligations of the agencies and instrumentalities of the United States government included in paragraph (3) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (4) above;

(6) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(A) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (2) and (3) above and repurchase agreements fully collateralized by any such obligations;

(B) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(C) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(D) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(7) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

Debt Service Fund. Pursuant to the Resolution, it is authorized to be established prior to or concurrently with the issuance and delivery of the Bonds, a special account designated the CITY OF BUFORD BOARD OF EDUCATION DEBT SERVICE FUND, SERIES 2021 (the “**Debt Service Fund**”). Money in the Debt Service Fund shall be held and kept separate and apart from all other funds of the Board and shall not in

any manner be commingled with other funds of the Board. The Debt Service Fund will be maintained and held in trust by the Board with the custodian of the account and the owners of the Bonds shall have a beneficial interest therein. Payment of the principal of and interest on the Bonds shall be made from the Debt Service Fund. Money in the Debt Service Fund shall be invested pursuant to O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4. O.C.G.A. § 36-80-3 provides that the governing body of the Board, or the financial officer of the Board to whom investment authority is delegated pursuant to O.C.G.A. § 36-80-4, in addition to other legal investments, may invest and reinvest money subject to its control and jurisdiction in:

(a) obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies;

(b) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities; and

(c) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation (“**FDIC**”); provided, however, that portion of such certificates of deposit in excess of the amount insured by the FDIC must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

O.C.G.A. § 36-83-4 provides that the governing body of the Board, or the financial officer of the Board to whom investment authority is delegated, may invest and reinvest money subject to its control and jurisdiction in:

(a) obligations of the State of Georgia or of other states;

(b) obligations issued by the United States government;

(c) obligations fully insured or guaranteed by the United States government or by one of its agencies;

(d) obligations of any corporation of the United States government;

(e) prime bankers’ acceptances;

(f) the local government investment pool established by O.C.G.A. § 36-83-8;

(g) repurchase agreements; and

(h) obligations of other political subdivisions of the State of Georgia.

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ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds:

Proceeds from Sale of the Series 2021 Bonds..... \$40,565,000.00

Total Sources of Funds:..... \$40,565,000.00

Uses of Funds:

Costs of refunding 2015¹ \$12,336,029.50

Costs of refunding 2017C¹ 27,625,935.43

Costs of Issuance² 603,035.07

Total Uses of Funds:..... \$40,565,000.00

¹ See “THE BONDS – Plan of Refunding,”

² Includes Underwriter’s Discount and expenses, estimated legal and accounting fees, printing costs, validation court costs, rating agency fees, and other fees and expenses associated with the issuance of the Bonds.

Concurrently with the issuance and delivery of the Bonds, the applicable Underwriter’s Discount shall be paid, all costs and expenses in connection with the issuance and sale of the Bonds (including without limitation the fees and expenses of accountants, attorneys, and the cost of printing, validation fees, and other miscellaneous fees and expenses) shall be paid to those persons entitled to receive the same, and the balance of the proceeds from the sale of the Bonds shall be deposited in the Escrow Fund created by the City pursuant to the terms of the Escrow Agreement and the Resolution.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will be limited obligations of the Board payable solely from and secured by a first priority pledge of and lien on the following: (i) all funds established by the Resolution; (ii) amounts payable by the City pursuant to a certain Intergovernmental Contract with the Board, for which the City has pledged its full faith and credit and ad valorem taxing power; and (iii) to the extent invoked, amounts available to the Board pursuant to the State of Georgia’s Intercept Program. See “RISK FACTORS” herein.

The Bonds do not constitute a charge, lien, or incumbrance, legal or equitable, on any real or personal property of the Board or the City.

Pledge of Revenues; Intergovernmental Agreement with the City

Pursuant to the Intergovernmental Contract, the Board must defease the Refunded Bonds and operate the facilities financed by the Refunded Bonds in exchange for the City’s promise to pay principal (whether at maturity, upon mandatory redemption or otherwise) and interest on the Bonds (the “**Contract Payments**”). Further, the obligation of the City to pay promptly the Contract Payments is for the benefit of, among others, the owners of the Bonds and is absolute and unconditional. The City has agreed to levy

an *ad valorem* tax on all taxable property located within the limits of the City subject to taxation for such purposes, as now existent and as same may hereafter be extended, at such unlimited rate or rates, as may be necessary to produce in each calendar year revenues that are sufficient to make the Contract Payments. All Contract Payments required to be made by the City are pledged to secure the payment of the Bonds.

Until such time as the principal of, redemption premium (if any), and interest on the Bonds are fully paid or provision for the payment of the Bonds are made in accordance with the Resolution, the City has agreed (a) not to suspend or discontinue any payments provided for under the Intergovernmental Contract, (b) to perform and observe all of its other agreements contained in the Intergovernmental Contract, and (c) not to terminate the Intergovernmental Contract or its obligations thereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the Board to complete any project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to any project or any of the Board's facilities, the taking by eminent domain of title to or temporary use of all or any portion of any project or of any of the Board's facilities, commercial frustration of purpose, or finding that any of the Bonds are unenforceable or invalid, the invalidity of any provision of the Intergovernmental Contract, any change in the tax or other laws of the United States of America or the State of Georgia or of any political subdivision of either thereof or any failure of any party to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or in connection with the Intergovernmental Contract or otherwise.

To the extent legally enforceable, the Board and the City have created liens on the Contract Payments and tax monies, respectively, realized pursuant to the Intergovernmental Contract, in order to secure their respective obligations under the Intergovernmental Contract. The Board and the City have covenanted not to create any lien on such Contract Payments and tax monies on parity with or prior to the liens created by the Resolution and the Intergovernmental Contract, except they may create a parity lien in connection with the issuance of additional parity bonds. There can be no assurances given that a court would enforce such liens or respect their priority by siding with the interests of the holders of the Bonds over the cost of maintaining and operating the schools and facilities of the School System for the benefit of school children. Furthermore, no opinion will be rendered with respect to the enforceability or priority of the lien on the tax monies created pursuant to the Intergovernmental Contract.

Additional Security Provided by State of Georgia Intercept Program

Prior to the issuance of the Bonds, the Board of Education, pursuant to O.C.G.A. § 20-2-480, will notify the State of Georgia Board of Education (the “**State Board**”) of the proposed issuance of the Bonds and authorize and direct the State Board to withhold and transfer School System funds as hereinafter set forth.

Under the terms of a resolution to be adopted by the Board, the Debt Service Fund Custodian is required to transfer to the Paying Agent for the Bonds such amounts of moneys as are necessary to provide for the payment of the interest, or principal and interest, on the Bonds coming due each Interest Payment Date. Under the terms of such resolution, if on the 15th day of the calendar month preceding each Interest Payment Date (or, if such 15th day is not a business day, the next succeeding business day) there shall not be on deposit in the Debt Service Fund an amount sufficient to pay in full the interest, or principal and interest, coming due on the Bonds on such Interest Payment Date, as the case may be, and the City or the Board of Education does not immediately remedy the deficiency, the Debt Service Fund Custodian shall notify the State Board of the amount of any such deficiency. Upon such notification, the State Board will withhold such amount from any State appropriation to which the School System may be entitled and thereafter transfer the amount so withheld to the Debt Service Fund Custodian not less than two business days prior to such payment date, for immediate deposit into the Debt Service Fund. Such intercept payments are pledged to secure the payment of the Bonds

The amounts subject to interception by the State Board for the benefit of the owners of the Bonds will depend on the amount and timing of annual appropriations made by the General Assembly of the State for the Board. The State paid to the Board for general operating purposes \$25,099,591 during fiscal year 2019 and \$26,955,287 during fiscal year 2020, and the Board estimates the State will pay approximately \$26,115,771 during fiscal year 2021. See “SCHOOL DISTRICT FINANCIAL INFORMATION – Five-Year General Fund History” herein for the amounts paid to the Board by the State for general operating purposes over the past five fiscal years.

The State disburses the amount committed to the Board for each fiscal year in 12 approximately equal installments on or before the last day of each month of such fiscal year. The timing of the payment of any amounts subject to interception by the State Board to the Paying Agent for the benefit of the owners of the Bonds will depend upon the ability of the State Board to promptly liquidate investments of money appropriated but not disbursed by the General Assembly of the State to the Board. No assurance can be given concerning the timing or amounts of future appropriations by the General Assembly of the State to the Board or the timing of the payment of any amounts subject to interception by the State Board to the Paying Agent.

Enforcement of Remedies

The realization of value from the pledge of the taxing power of the City to the payment of the Bonds upon any default will depend upon the exercise of various remedies specified by the Bond Resolution and Georgia law. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be qualified as to enforceability by limitations imposed by such state and federal laws, rulings, and decisions and by such bankruptcy, insolvency, and other laws.

O.C.G.A. § 36-80-5 provides that no county, municipality, authority, division, instrumentality political subdivision, or public body created under the Constitution or laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. O.C.G.A. § 36-80-5 also provides that no chief executive or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

RISK FACTORS

Prospective purchasers of the Bonds should be aware that investment in the Bonds may entail some degree of risk. Each prospective investor in the Bonds is encouraged to read this Official Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on the Bonds and which could also affect the market price of the Bonds to an extent that cannot be determined. This discussion of risk factors is not, and is not intended to be, exhaustive.

Special, Limited Obligation

The obligation of the Board to pay debt service on the Bonds is a special, limited obligation of the Board and not a general obligation of the Board. *As further described elsewhere herein, debt service on the Bonds is payable solely from and secured by a first and prior pledge of and lien on the amounts payable by the City pursuant to the Intergovernmental Contract (such amounts referred to herein as Revenues), for which the City has pledged its full faith and credit and ad valorem taxing power. The Board does not have the authority to levy ad valorem property taxes for any purpose.* While it is believed that Revenue will be sufficient to pay debt service on the Bonds when due, a number of factors described below may affect the receipt of sufficient Revenue for such purposes, which may impair the ability of the Board to make timely debt service payments on the Bonds.

General Factors that May Affect Sufficiency of Revenues

As stated above, the Board is obligated to pay debt service on the Bonds solely from Revenues generated by the Intergovernmental Contract. A number of factors may have an adverse effect on the receipt of money in an amount sufficient to pay the Bonds. These include potential adverse changes in the economic condition of the City, including potential decreases in population that may arise from decisions by employers located in and around the City to relocate their operations elsewhere; potential unemployment at a level that would preclude residents from paying ad valorem taxes and other fees that support City and Board operations; and other factors such as unforeseen conditions that could have a material adverse impact on the City.

Maintenance of Credit Rating

The Bonds will be rated as to their creditworthiness by Moody's Investors Service ("Moody's"). No assurance can be given that the Bonds will maintain its original rating from Moody's. If a rating on the Bonds decreases, the Bonds may lack liquidity in the secondary market in comparison to other municipal bonds. Adverse developments with respect to the financial condition of the Board or the City may have an unfavorable effect upon a holder's ability to sell the holder's Bonds or the bid and ask prices for the Bonds. See "RATING" in this Official Statement.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operations of the Board of Education and the City. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure, or other loss of information could materially adversely affect the operations of and services provided by the Board of Education and/or the City, and result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties, which could materially adversely impact the financial condition of the Board of Education and/or the City.

Economy

A combination of economic, climactic, political, or civil disruptions or terrorist actions could affect the local economy and result in reduced revenues and/or tax collections and/or increased demands upon the City.

Secondary Markets and Prices

Neither the City nor the underwriter will be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

Infectious Disease Outbreak – COVID-19

Background

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “COVID-19 Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Georgia. On March 13, 2020, the President of the United States declared the outbreak of COVID-19 Pandemic in the United States a national emergency. Subsequently, the United States Center for Disease Control and Prevention recommended actions to slow the spread of COVID-19 in the United States by, among other measures, social distancing.

State Actions to Address COVID-19

On March 2, 2020, the first confirmed cases of COVID-19 in the State were announced. As of September 7, 2020, the State’s Department of Public Health reports approximately 283,807 confirmed cases, 25,538 hospitalizations, and 6,044 deaths attributable to COVID-19. Additional public health data and other information on the State’s response to COVID-19 is available on the following website: <https://dph.georgia.gov/covid-19-daily-status-report>. This website is provided for convenience only and is not incorporated by reference into this Official Statement.

On March 14, 2020, the Governor of the State of Georgia signed Executive Order No. 03.14.20.01 (the “March 14 Executive Order”) declaring a “Public Health State of Emergency” in the State due to the spread of COVID-19. On March 16, 2020, the Georgia General Assembly concurred with the Executive Order by joint resolution. During a state of emergency, Georgia law vests the Governor with powers and duties as may be deemed necessary to promote and secure the safety and protection of the civilian population. In addition to the March 14 Executive Order, the Governor has signed multiple subsequent executive orders relating to COVID-19 that have, among other effects, (i) limited large gatherings statewide, ordered “shelter in place” for specific populations, and closed bars and nightclubs in Georgia; (ii) closed public elementary, secondary, and post-secondary schools to stop the spread of COVID-19; (iii) reduced regulations to assist the State’s response to the spread of COVID-19; and (iv) authorized certain transfers from the Governor’s Emergency Fund. More recently, the Governor issued Executive Orders for reopening the State’s economy, allowing certain “non-essential” businesses to resume operations and allowing restaurants to resume dine-in service, so long as these businesses implemented measures designed to mitigate exposure to COVID-19 and limit its spread to previously non-infected persons. On August 31, 2020, the Governor further extended the Public Health State of Emergency to October 10, 2020.

On August 15, 2020, the Governor also signed Executive Order 08.15.20.01, which updated COVID-19 guidelines (the “August 15 Executive Order”). The Governor renewed the August 15 Executive Order on August 31, 2020, pursuant to Executive Order 08.31.20.02, which was effective through September 15, 2020 (the “August 31 Executive Order”). On September 15, 2020, the Governor signed

Executive Order .09.15.20.01, which is effective through September 30, 2020 (the “September 15 Executive Order”). Similar to the August 15 Executive Order and the August 31 Executive Order, the September 15 Executive Order continues to require social distancing, bans gatherings of more than 50 people unless there is six feet between each person, with certain exceptions including for schools, outlines mandatory criteria for businesses, strongly encourages use of face coverings, and requires sheltering in place for those living in long-term care facilities and the medically fragile. On September 30, 2020, the Governor again renewed his Public Health State of Emergency declaration through November 9, 2020.

Impact of COVID-19

The COVID-19 Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. There can be no assurances regarding the extent to which the COVID-19 Pandemic will impact the national and State of Georgia’s responses and economies and, accordingly, how it may adversely impact local governments and municipal authorities, including the City and the Board. Because of the evolving nature of the outbreak and federal, state, and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board and City. The Board cannot predict costs associated with this or any other potential infectious disease outbreak.

Except for certain unaudited financial data that is provided, the financial and operating data contained within this Official Statement are the latest available but are reported as of the dates and for periods prior to the economic impact of the COVID-19 Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the current financial condition or future prospects of the Board and the City. To date, there have not been any material decreases in, or delays in collections of, ad valorem tax revenues, and the City does not anticipate raising ad valorem taxes as a result of COVID-19.

The Board continues to monitor the spread of COVID-19 and while any further impact of the COVID-19 Pandemic on the School System is currently uncertain, the Board is monitoring the situation and will address such impact as necessary.

The foregoing is intended only as a summary of certain investment considerations attendant to an investment in the Bonds. It is NOT an exhaustive list of all possible factors that could adversely impact the ability of the City to make payments on the Bonds. In order for potential investors to identify investment considerations and make an informed decision with respect to the Bonds, potential investors in the Bonds should be thoroughly familiar with this entire Official Statement and the appendices hereto.

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CITY OF BUFORD DEBT STRUCTURE

Summary of City Debt by Category

Set forth below is information concerning debt of the City as of June 30, 2020, and as of the anticipated date of issuance of the Bonds. The information set forth below should be read in conjunction with the City's financial statements included as Appendix C hereto.

<u>Category of Obligation</u>	<u>Amount Authorized or Issued</u>	<u>Amount Outstanding as of June 30, 2020</u>	<u>Amount to be Outstanding Upon Issuance of the Bonds</u>
<i>General Obligation Debt</i>			
Series 2021 Bonds ¹	\$40,565,000	-0-	\$40,565,000
Series 2017A Bonds	20,000,000	\$12,820,000	12,820,000
Series 2017B Bonds	10,000,000	6,410,000	6,410,000
Series 2017C Bonds	24,270,000	24,270,000	-0-
Series 2015 Bonds	33,050,000	10,700,000	-0-
Series 2010 Bonds	<u>10,000,000</u>	<u>4,503,236</u>	<u>-0-</u>
Total:	<u>\$137,885,000</u>	<u>\$58,703,236</u>	<u>\$59,795,000</u>

¹The Bonds are special obligations of the School System backed by general obligation intergovernmental agreement with the City to which its full faith and credit and taxing power are pledged. Except as otherwise provided herein, debt service on the Bonds is payable based on matching City contract payments from the City general fund and then, from City *ad valorem* taxes levied, without limitation as to rate or amount, upon all taxable property within the City.

Indebtedness of Overlapping Governmental Entities

Property owners in the City are responsible for both the City's debt obligations and any debt obligations of other taxing entities ("**Overlapping Entities**") in the proportion to which the jurisdiction of the City overlaps such entities.

<u>Category of Obligation</u>	<u>Amount of Outstanding Debt as of June 30, 2020</u>
Gwinnett County	
<i>General Obligation Debt</i>	\$ 0
Hall County	
<i>General Obligation Debt</i>	<u>9,116,000</u>
Total:	<u>\$9,116,000</u>

Debt Limitation

State Law. Article IX, Section V, Paragraph I(a) of the Constitution of the State of Georgia provides that the City may not incur long-term obligations (other than refunding obligations) payable out of general property taxes without the approval of a majority of the qualified voters of the City voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the City may not incur long-term obligations payable out of general property taxes in excess of 10% of the assessed value of all taxable property within the City. Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not subject to the legal limitations described above.

As computed in the tables below, based upon assessed values as of January 1, 2020, the City could incur, upon necessary voter approval, immediately after the issuance of the Bonds, approximately \$42,785,000 of long-term obligations payable out of general property taxes.

Computation of Legal Debt Margin - Gwinnett County

Gross Tax Digest for the City as of January 1, 2020	\$1,407,116,515
Less Bond Exemptions	<u>(246,249,019)</u>
Net Bond Digest.....	\$1,160,867,496
Debt Limit (10% of Net M&O Tax Digest).....	\$116,086,750
Less Amount of Debt Outstanding, after Issuance of the Bonds, Applicable to Debt Limit ¹	<u>(55,127,667)</u>
Legal Debt Margin.....	\$60,959,083

Computation of Legal Debt Margin - Hall County

Gross Tax Digest for the City as of January 1, 2020	\$357,272,878
Less M&O Exemptions ²	<u>(68,318,529)</u>
Net M&O Tax Digest.....	\$288,954,349
Debt Limit (10% of Net M&O Tax Digest).....	\$28,895,435
Less Amount of Debt Outstanding, after Issuance of the Bonds, Applicable to Debt Limit ¹	<u>(8,505,658)</u>
Legal Debt Margin.....	\$20,389,777

¹ The Debt Outstanding has been calculated by using the outstanding general obligation debt of the City (\$68,806,000) on a *pro rata* basis between the gross digest of the City in Gwinnett County (80.12%) and Hall County (19.88%).]

² Based on M&O exemptions. Actual bond exemptions are not available because in past years it has not been necessary for the City to levy a tax for general obligation debt; debt service on all outstanding school bonds has been paid by an educational sales tax. It is not expected that the amount of bond exemptions would be materially higher than the amount of M&O exemptions.

Source: State of Georgia Department of Revenue.

O.C.G.A. § 20-2-506(a)(4) provides that lease and installment purchase contracts subject to annual appropriation must contain provisions limiting the total combined annual payments for such contracts and intergovernmental contracts in any calendar year to an amount equal to 7.5% of the total local revenue collected for M&O of the School System in the most recently completed fiscal year. The School System has no annual payments for lease and installment purchase contracts or intergovernmental contracts in calendar year 2017.

Long and Short-Term Indebtedness

The Board and the City currently have no plans to issue any short-term obligations or any additional long-term indebtedness other than the Bonds.

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Debt Service Schedules

Set forth below are the principal and interest payment requirements of the City with respect to the Bonds.

Payment Date	Principal	Interest	Total Principal and Interest
January 1,2022	-	\$24,263.76	\$ 24,263.76
July 1,2022	-	436,747.78	436,747.78
January 1,2023	-	436,747.78	436,747.78
July 1,2023	-	436,747.78	436,747.78
January 1,2024	\$1,930,000.00	436,747.78	2,366,747.78
July 1,2024	-	428,197.88	428,197.88
January 1,2025	1,955,000.00	428,197.88	2,383,197.88
July 1,2025	-	417,132.58	417,132.58
January 1,2026	1,975,000.00	417,132.58	2,392,132.58
July 1,2026	-	403,663.08	403,663.08
January 1,2027	2,005,000.00	403,663.08	2,408,663.08
July 1,2027	-	388,986.48	388,986.48
January 1,2028	2,030,000.00	388,986.48	2,418,986.48
July 1,2028	-	372,391.23	372,391.23
January 1,2029	2,060,000.00	372,391.23	2,432,391.23
July 1,2029	-	354,211.73	354,211.73
January 1,2030	2,100,000.00	354,211.73	2,454,211.73
July 1,2030	-	334,009.73	334,009.73
January 1,2031	2,140,000.00	334,009.73	2,474,009.73
July 1,2031	-	312,352.93	312,352.93
January 1,2032	2,185,000.00	312,352.93	2,497,352.93
July 1,2032	-	289,257.48	289,257.48
January 1,2033	2,230,000.00	289,257.48	2,519,257.48
July 1,2033	-	264,236.88	264,236.88
January 1,2034	2,280,000.00	264,236.88	2,544,236.88
July 1,2034	-	237,287.28	237,287.28
January 1,2035	2,335,000.00	237,287.28	2,572,287.28
July 1,2035	-	208,520.08	208,520.08
January 1,2036	2,395,000.00	208,520.08	2,603,520.08
July 1,2036	-	177,816.18	177,816.18
January 1,2037	2,450,000.00	177,816.18	2,627,816.18
July 1,2037	-	145,059.68	145,059.68
January 1,2038	2,515,000.00	145,059.68	2,660,059.68
July 1,2038	-	110,943.71	110,943.71
January 1,2039	2,590,000.00	110,943.71	2,700,943.71
July 1,2039	-	75,810.36	75,810.36
January 1,2040	2,655,000.00	75,810.36	2,730,810.36
July 1,2040	-	38,467.78	38,467.78
January 1,2041	<u>2,735,000.00</u>	<u>38,467.78</u>	<u>2,773,467.78</u>
Total	<u>\$40,565,000.00</u>	<u>\$10,887,945.02</u>	<u>\$51,452,945.02</u>

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CITY OF BUFORD AD VALOREM TAXATION

Introduction

An important source of revenue to fund the School System are ad valorem property taxes. The Board does not have the power to levy *ad valorem* taxes, however, the City annually levies *ad valorem* property taxes for the School System. In addition, under the Intergovernmental Contract, the City is required to levy *ad valorem* taxes to the extent required therein for payment on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

Ad valorem property taxes accounted for an annual average of approximately 75% of the general fund revenues of the City for the fiscal year ended June 30, 2020 and are budgeted to account for approximately 33% of general fund revenues for the year ending June 30, 2021. *Ad valorem* property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value. The City uses county-assessed valuations for real and personal property.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, on real and personal property within the City subject to taxation for school bond purposes. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property, and personal effects.

In addition to the statewide homestead exemptions available to all homesteads, the City allows the following exemptions:

- (a) a \$30,000 homestead exemption for school tax purposes for persons age 65 and older having a net income of less than \$25,000; and
- (b) a 100% exemption for a school tax purposes for persons age 70 and older, limited to one acre of property and the value of the homestead; and
- (c) a \$30,000 homestead exemption for 100% disabled persons.

Additionally, the City allows the following types of commercial and industrial inventory as 100% exempt from *ad valorem* taxation: (1) raw materials and goods in process of manufacture, (2) finished goods produced in Georgia within the last 12 months, and (3) finished goods stored in Georgia within the last 12 months and destined for shipment out-of-state.

Tax Reform

The Georgia Jobs and Family Tax Reform Plan, House Bill 386 (“HB 386”) became law on April 19, 2012 and produced significant changes in the ad valorem taxation of vehicles. HB 386 eliminated the ad valorem taxation of vehicles and replaced it with a one-time title tax (the “Title Tax”) that is levied whenever the title to a vehicle is registered to a new owner (except if a transfer is made between immediate family members). The Title Tax is based upon the value of the vehicle and is currently being levied at a rate of 6.6%. The revenues will be shared among the State and local governments by formula. [See footnote 3 of the table set forth under the heading “CITY OF BUFORD AD VALOREM TAXATION — Ad Valorem Property Tax Digest.”]

Assessed Value

Assessed valuation, which represents the value upon which *ad valorem* property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires all counties to assess taxable tangible property, with certain exceptions, at 40% of its fair market value and to tax such property on a levy made by each tax jurisdiction according to 40% of the property's fair market value. Georgia law requires certain agricultural real property to be assessed for *ad valorem* property tax purposes at 75% of the value of which other real property is assessed and requires certain historical property to be valued at a lower fair market value for *ad valorem* property tax purposes.

The chief appraiser of the county is required to submit a certified list of assessments for all taxable property, except motor vehicles, mobile homes, and property owned by public utilities, within the county to the County Board of Tax Assessors. The Tax Commissioner for each county is required to present the tax returns to its County Board of Tax Assessors by April 1 of each year. The Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year. The Tax Commissioner then certifies the digest and forwards a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of all motor vehicles by make, model, and year by county and provides this information to each county's tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the county which bills these taxes to the utilities.

Annual Tax Levy

The City determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within its territorial limits, will produce the necessary amount of property tax revenues to finance City services. The City then levies its *ad valorem* property tax.

The Board of Education annually prepares a budget for the operation of the School System and recommends to the Commission and City Manager a school tax, upon 40% of the assessed value of all property of the City for the support and maintenance of education. The Commission and City Manager have the power and authority to levy and collect a tax annually, for school purposes, upon 40 percent of the assessed value of all property of the City. The recommendation of the Board of Education with respect to the amount of such levy is advisory only; the number of mills of school tax to be actually levied is determined in the sole discretion of the Commission and City Manager.

Under Georgia law, there is no limitation on the annual rate of levy for the payment of principal of and interest on bonded indebtedness of the City. *Ad valorem* property taxes received for the payment of debt service on the Bonds are required by law to be held and accounted for separately from other funds of the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Property Tax Collections

The City bills and collects its own property taxes. Real and personal property taxes, as per the January 1 digest and subsequent adopted millage by the Buford City Commission, are levied on January 1 of each year on the assessed value listed as of January 1. Taxes levied by the City on January 1 are normally billed by September 15 and are normally payable on or before November 20, but the law allows taxpayers 60 days from the date of mailing before interest may be charged. Interest of 12% per annum is applied to taxes paid after December 5. In addition, late payment of all taxes incurs a 10% penalty after 90 days.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property arising after January 1 in the year in which taxed. The lien becomes enforceable 30 days after notification. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of the property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

When the last day for the payment of taxes has arrived, the tax collector notifies the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after 30 days from giving the notice described in the preceding sentence, the Tax Commissioner, as *ex officio* sheriff, may issue an execution for nonpayment of taxes. The Tax Commissioner then publishes a notice of the sale in a local newspaper weekly for four weeks and gives the taxpayer ten days written notice by registered or certified mail. A public sale of the property is then made by the Tax Commissioner at the County Courthouse of the county in which the property is located on the first Tuesday of the month after the required notices are given.

M&O Tax Digest

Set forth below is information concerning the assessed and estimated actual value of taxable property within the City for the past five calendar years.

	2016 <u>Gwinnett</u>	2016 <u>Hall</u>	2017 <u>Gwinnett</u>	2017 <u>Hall</u>	2018 <u>Gwinnett</u>	2018 <u>Hall</u>	2019 <u>Gwinnett</u>	2019 <u>Hall</u>	2020 <u>Gwinnett</u>	2020 <u>Hall</u>
Real & Personal ¹	\$833,837,160	\$230,915,285	\$956,651,830	\$272,105,526	\$965,082,330	\$270,165,819	\$1,219,027,477	\$303,099,229	\$1,322,398,183	\$353,869,849
Public Utility ⁴	33,053,200	800,234	33,836,680	1,084,625	40,110,880	1,084,625	46,966,600	1,133,073	47,442,732	1,472,966
Motor Vehicles ²	11,773,700	4,035,940	8,332,680	3,019,540	8,832,680	3,019,540	6,791,600	2,381,890	5,409,120	1,873,730
Mobile Homes ³	1,999,560	28,235	2,029,720	28,235	2,050,320	28,235	1,972,520	28,235	1,866,480	56,333
Timber	<u>0</u>	<u>0</u>	<u>80,290</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Gross Tax Digest	880,663,620	235,779,694	1,000,931,200	276,237,926	1,016,076,210	274,298,219	1,274,758,197	306,642,427	1,407,116,515	357,272,878
Less Bond Exemptions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Bond Tax Digest	880,663,620	235,779,694	1,000,931,200	276,237,926	1,016,076,210	274,298,219	1,274,758,197	306,642,427	1,407,116,515	357,272,878
Gross M&O Tax Digest	880,663,620	235,779,694	1,000,931,200	276,237,926	1,016,076,210	274,298,219	1,274,758,197	306,642,427	1,407,116,515	357,272,878
Less M&O Exemptions	<u>(154,116,106)</u>	<u>(36,876,763)</u>	<u>(165,122,460)</u>	<u>(42,987,997)</u>	<u>(173,610,701)</u>	<u>(46,310,134)</u>	<u>(175,377,768)</u>	<u>(41,514,900)</u>	<u>(246,249,019)</u>	<u>(68,318,529)</u>
Net M&O Tax Digest ⁵	726,547,514	198,902,931	835,808,740	233,249,929	842,465,509	227,988,085	1,099,380,429	265,127,527	1,160,867,496	288,954,349
Estimated Actual Value	<u>\$2,201,659,050</u>	<u>\$589,449,235</u>	<u>\$2,502,328,000</u>	<u>\$690,594,815</u>	<u>\$2,540,190,525</u>	<u>\$685,745,548</u>	<u>\$3,186,895,493</u>	<u>\$766,606,068</u>	<u>\$3,517,791,288</u>	<u>\$893,182,195</u>

¹ The State requires all counties to assess real estate and personal property at the rate of at least 40% of estimated actual value, with the exception of timber, which is assessed at 100%.

² The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia assesses the value of motor vehicles at the percentage of fair market value used by the county.

³ The State of Georgia assesses the value of mobile homes at the percentage of fair market value used by the county.

⁴ The State of Georgia Property Tax Unit assesses the value of the property of public utilities at the percentage of fair market value used by the county. The Property Tax Unit then divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these figures to the county, which bills these taxes to the utilities with the amount of tax for each.

⁵ Total assessed value, after deducting exemptions, for purposes of levying tax for the School System's general obligation bonds.

Source: City of Buford.

Ten Largest Taxpayers

Set forth below is information concerning the ten largest taxpayers in the City in calendar year 2020.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2020 Taxable Assessed Value for the School System</u>	<u>Assessed Value as a Percent of 2020 Gross Assessed Values¹</u>	<u>2020 Taxes Levied for the School System</u>
Amerisource Bergen Drug Co.	Manufacturing	\$109,039,052	5%	\$ 716,236
Makita USA	Manufacturing	38,037,572	2	481,175
Elringklinger USA Inc.	Manufacturing	37,891,206	2	353,817
Industrial Development Int.	Warehousing	22,623,226	1	286,183
Diversitech Corporation	Manufact/Distrib	20,230,102	1	255,911
Lit Industrial Ltd Partners	Warehousing	18,362,800	1	232,289
Prologis, Inc.	Warehousing	16,821,720	1	212,795
2500 Mill Center Ind, LP	Warehousing	15,444,000	1	195,367
Hamilton Mill Business Center	Warehousing	15,189,422	1	188,915
Teachers Ins & Annuity	Warehousing	<u>14,933,990</u>	<u>1</u>	<u>188,915</u>
Total:		<u>\$308,573,090</u>	<u>16%</u>	<u>\$3,114,834</u>

¹ Based on calendar year 2020 Gross Tax Digest of 1,764,389,393.

Source: City of Buford.

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M&O Tax Levies and Collections for the City and School System

The City bills and collects the real and personal property taxes used for the School System. The City levies M&O taxes on behalf of the School System on January 1 of each year and normally bills said taxes by September 15. M&O taxes are due and payable on or before November 20 of each year or 60 days after the tax bill is mailed. Set forth below is information concerning total real and personal property tax and public utilities tax collections of the School System reported as of the School System's fiscal years ended June 30, 2016, through June 30, 2020, for the prior calendar year's tax levy. The figures below EXCLUDE taxes levied and collected on motor vehicles, mobile homes, heavy equipment, and timber.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Current Year's M&O Tax Levy					
School System's M&O Tax Levy	<u>\$10,482,003</u>	<u>\$12,714,190</u>	<u>\$13,351,659</u>	<u>\$16,239,453</u>	<u>\$18,111,265</u>
Total Current Year's Net M&O Tax Levy	\$10,482,003	\$12,714,190	13,351,659	16,239,453	18,111,265
Tax Collections					
School System's Current Year's Collections	\$10,227,923	\$12,265,630	\$12,926,155	15,799,086	17,554,759
School System's Prior Years' Collections	<u>405,466</u>	<u>154,140</u>	<u>257,600</u>	<u>434,705</u>	<u>370,008</u>
Total Tax Collections	\$10,629,369	\$12,419,770	\$13,183,755	\$16,233,791	\$17,924,767
Total Current Year's Tax Collections as a Percent of Total Current Year's M&O Tax Levy	98%	96%	97%	97%	98%
Total Tax Collections as a Percent of Total Current Year's M&O Tax Levy	100%	100%	100%	100%	100%
Uncollected Current Year's M&O Property Taxes	\$254,080	\$448,560	\$391,014	\$440,367	\$556,506
Due Date of Taxes	November 20	November 20	November 20	November 20	November 20
Tax Period Begins	January 1	January 1	January 1	January 1	January 1
Tax Period Ends	December 31	December 31	December 31	December 31	December 31

Source: Tax Clerk and Finance Director, City of Buford.

Delinquent property taxes of the City are written off when the statute of limitations for their collection (seven years) expires or if no property is found to levy upon, earlier. The delinquent taxes written off are typically for personal property, which are more difficult to collect than taxes on real property.

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Millage Rates

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the City, Gwinnett County, and the State of Georgia for the past five calendar years.

Calendar	Buford	Incorporated	County Wide	County Wide	State of	System Wide
<u>Year</u>	<u>School System</u>	<u>Gwinnett</u>	<u>Services</u>	<u>Debt</u>	<u>Georgia</u>	<u>Incorporated</u>
2016	12.850	6.826	5.750	0.240	0.000	25.666
2017	12.800	7.400	5.750	0.000	0.000	25.950
2018	12.750	7.209	5.750	0.000	0.000	25.709
2019	12.700	7.209	5.750	0.000	0.000	25.659
2020	12.650	6.950	7.400	0.000	0.000	27.000

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the City, Hall County, and the State of Georgia for the past five calendar years.

Calendar	Buford	Incorporated	County	State of	System Wide
<u>Year</u>	<u>School System</u>	<u>Hall</u>	<u>Fire District</u>	<u>Georgia</u>	<u>Incorporated</u>
2016	12.850	5.716	4.080	0.000	22.646
2017	12.800	6.700	4.080	0.000	23.580
2018	12.750	6.295	4.080	0.000	23.125
2019	12.700	6.033	4.080	0.000	22.813
2020	12.650	5.788	4.080	0.000	22.518

Source: State of Georgia Department of Revenue, Local Government Services.

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SCHOOL SYTEM FINANCIAL INFORMATION

Five-Year General Fund History

	General Fund History for Years Ended June 30 (Audited)				Unaudited 2020	Unaudited September 2020	Unaudited September 2021
	2016	2017	2018	2019			
Revenues							
Property Taxes	\$10,796,279	\$12,889,513	\$14,726,590	\$17,607,897	\$20,142,560	\$3,794,363	\$4,579,079
Sales Taxes(1)	8,091,071	—	7,410,367	4,187,690	—		
State Funds	19,851,234	21,398,199	23,196,890	25,099,591	9,035,853	1,905,834	2,673,487
Federal Funds	3,350,060	2,864,326	2,988,344	3,034,118	3,028,234	250,135	1,869,441
Charges for Services	3,500,392	3,528,340	3,385,210	2,690,486	2,847,241	662,949	742,865
Investment Earnings	9,106	7,487	554,039	1,582	4,427	1,445	2,303
Miscellaneous	2,555,943	2,989,446	11,191,147	3,846,135	3,972,746	184,845	342,926
Total Revenues	<u>48,154,086</u>	<u>51,174,400</u>	<u>29,774,445</u>	<u>59,471,912</u>	<u>65,986,348</u>	<u>6,799,583</u>	<u>10,210,103.355</u>
Expenditures							
Current:							
Instruction	31,492,460	34,071,552	39,105,713	38,493,132	40,969,585	4,355,238	5,594,907.60
Support Services:							
Pupil Services	1,926,629	2,001,282	2,685,164	2,540,725	2,458,152	366,932	451,420
Improvement of Instructional Services	363,357	2,001,282	296,882	409,795	436,347	2,001,282	296,882
Educational Media Services	602,626	321,565	661,825	660,304	790,792	77,967	83,536
Federal grant administration					5,804		
General administrations	2,361,008	664,667	3,247,081	2,949,759	3,429,869	1,513,211	1,594,320
School Administration	2,892,006	2,723,933	3,509,861	3,501,896	4,399,659	942,274	970,137
Business Administration	494,979	3,111,638	1,148,944	591,452	653,515	124,169	154,132
Maintenance and Operation of Plant	3,148,670	3,277,510	3,019,082	3,889,619	4,739,503	1,088,695.88	1,209,238
Student Transportation Services	1,418,853	1,491,375	1,691,837	1,946,766	1,622,276	222,299	278,257
Other Support Services	14,730	9,477	-	9,915	193,692		
Enterprise Operations	608,037	731,119	883,986	993,023	1,237,589	130,154	175,420
Community Services					612,398	54,480	73,836
Food Services Operation	<u>1,900,636</u>	<u>2,025,402</u>	<u>474,300</u>	<u>2,206,935</u>	<u>2,240,270</u>	<u>305,063</u>	<u>673,542</u>
Capital Outlay							
Total Expenditures	<u>47,587,421</u>	<u>51,314,013</u>	<u>60,496,608</u>	<u>61,997,274</u>	<u>63,789,451</u>	<u>9,275,766</u>	<u>11,332,462</u>
Excess of Revenues Over (Under)	<u>566,665</u>	<u>(139,613)</u>	<u>3,159,980</u>	<u>12,474,017</u>	<u>2,196,897</u>	<u>(2,476,186)</u>	<u>(1,122,359))</u>
Expenditures Other Financing Sources							
Transfers In(2)	-	-	3,103,021	1,372,252	—		
Transfers Out(2)	-	-	(3,103,021)	(1,742,607)	(151,103)		
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(370,355)</u>	<u>(151,103)</u>		
Special Item							
Proceeds from Sale of Land							

	General Fund History for Years Ended June 30 (Audited)				Unaudited	Unaudited	Unaudited
	2016	2017	2018	2019	2020	September 2020	September 2021
Net Change in Fund Balance	566,665	(139,613)	3,159,980	366,964	2,045,794		
Fund Balance, Beginning of Year	6,707,372	7,274,037	7,134,424	6,813,879	7,180,843		
Fund Balance, End of Year	\$7,274,037	\$7,134,424	\$10,294,44	\$7,180,843	\$9,226,637		

(1) Reflects licensing taxes, title fees, etc. Does not include ESPLOST collections.

(2) Transfers in and transfers out generally represent expenditures paid from the general fund and reimbursed in the subsequent fiscal year with ESPLOST revenues collected by the debt service fund.

Management Comments Concerning Material Trends in Revenues and Expenditures

Although great gains were occurring academically during FY2020 in the classroom, the COVID pandemic caused Buford City Schools to close down the school year early. Buford City Schools sent all students, faculty and most staff home on March 16, 2020 to distance learn. However, Buford City Schools continued to pay all faculty and staff as if they were on campus. During the closure, the custodial staff continued to work and deep clean all facilities. The School Nutrition Staff continued to feed students through a meal pickup and drop-off system. All staff members of Buford City Schools continued to work in some capacity for everything to run smoothly. During the closure, Buford City Schools Operations Manager procured protective equipment and supplies for our faculty, staff and students for the upcoming school year. Custodial staff received additional cleaning and sanitation equipment. During early summer 2020, Buford City Schools received the first of several ESSER grants. The grant was utilized in 2020 and 2021 to provide additional protective equipment and to provide for hazard pay to bus drivers and school nutrition staff. The first ESSER grant also paid for additional time for the custodial staff to maintain a sanitary environment.

For FY2021 and FY2022, there were no significant changes in the employer portion of Teacher Retirement System pension.

In FY2021, sixteen positions were added to accommodate growth. Fifteen of the sixteen positions were teaching positions. In addition to the additional positions to accommodate growth in the student body, the Board of Education voted to raise all salaries by 2% and continue to pay employees on the salary scales by allowing step increases. During the summer of 2020, Buford Middle School's roof was replaced. This was a \$1,000,000 building improvement.

In person learning resumed in August 2020 with 8% of the student population learning digitally at home taught by Buford City Schools' faculty. FY2021 brought new opportunities to expand digital learning and several ESSER formula grants were awarded to the district. With the challenges that digital learning brought to light, ESSER II grant's focus was on the district's technology infrastructure. In order to expand digital learning to all students if the district had to shut down in person learning again, the technology department invested ESSER II funds in new servers, switches, networking and additional chrome books. ESSER II funds were also used to provide a new digital learning platform and learning system. This new program required professional learning to ensure that teachers and staff were able to utilize the learning management system. This system allowed Buford to prepare students for post-secondary learning and provide a "house" for all classes. City of Buford government awarded Buford City Schools CARES act funds to provide retention supplements in November and December of 2020. In early 2021, Georgia

Department of Education also voted to provide retention supplements to all school districts. Those funds were distributed to faculty and staff in March 2021. With Spring 2021 completed, a large additional ESSER III grant was awarded to the district. This grant expires September 2023. The grant was for \$3.6 million. The ESSER III grant will provide \$2 million in additional positions and state austerity cut relief for 2022. ESSER III will provide additional instructional support to the students who have an academic achievement gap. The funds will supplement additional services to the students. The ESSER III grant in addition will provide funds to purchase a universal screener for at risk students, it will provide for additional instructional resources for math and it will provide additional professional learning for the social and emotional well-being of students.

In Spring of 2021, the Board of Education reviewed the FY2022 budget needs. The continual student growth required additional 25 positions for the district. In addition to the positions, the district voted to procure four additional buses, replace the roof and HVAC systems for both Buford Academy and Buford Elementary. The new roofs and HVAC systems are building improvements estimated at \$1.8 million. Additionally, the board voted to fund capital improvements at several other areas in the system totaling \$1.3 million. There are no cost of living adjustments for FY2022 anticipated.

CITY OF BUFORD FINANCIAL INFORMATION

Six-Year Total-Primary Government History

Set forth below is a summary of changes in net position of the City relating to governmental and business-type activities of the City for the past five fiscal years. Information in the table for fiscal years 2015 to 2020 has been extracted from audited financial statements of the City for the years ended June 30, 2015, to June 30, 2020. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the City for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the City for fiscal year 2020 which are included in this Official Statement as Appendix C and to the audited financial statements of the City for fiscal years 2015 to 2019, copies of which are available from the City upon request.

City of Buford, Georgia Summary of Changes in Net Position Total-Primary Government

	For Fiscal Years Ended June 30					
	2015	2016	2017	2018	2019	2020
Revenues						
Program revenues:						
Charges for services	\$66,578,313	\$63,822,055	\$63,021,428	72,292,658	\$78,659,921	\$77,056,309
Capital grants and contributions	3,780,030	3,501,910	3,905,320	41,145,589	16,761,264	3,029,882
Operating grants	0	50,344	49,656	108,502	0	2,624,220
General revenues:						
Taxes	12,083,228	13,097,780	15,942,807	17,996,258	21,194,237	23,746,449
Franchise fees	915,632	955,880	953,296	940,009	1,002,189	1,030,883
Investment income	132,390	473,307	499,511	717,103	795,455	656,914
Gain on Sales of Assets	0	0	21,935	0	(29,485)	121
Miscellaneous	2,172,136	2,407,833	1,533,069	1,771,103	1,610,571	2,302,382
Total revenues	85,661,729	84,309,109	85,927,022	134,971,222	119,994,152	110,447,160
Expenses						
General government	3,599,957	5,685,827	3,629,122	3,681,796	4,032,032	5,001,974
Public safety	393,874	495,957	480,755	511,935	544,470	670,866
Public services	7,005,910	8,500,927	7,441,716	7,805,299	8,326,901	10,752,477
Debt service	621,669	1,541,499	1,784,326	2,299,692	2,851,696	2,565,380
Intergovernmental - Board of Education	18,400,000	19,650,000	32,767,493	61,740,917	54,979,747	32,277,283
Gas system	22,447,756	19,123,150	18,816,452	21,454,856	22,476,307	20,818,379
Electric system	16,600,734	15,590,647	15,911,730	15,789,926	16,393,850	16,082,134
Solid waste and recycling	2,222,162	2,495,421	2,681,695	3,119,724	3,775,421	4,228,311
Wastewater system	2,491,279	1,921,943	2,463,419	4,033,722	5,534,096	4,339,806
Water system	1,838,291	2,488,389	2,059,007	2,333,229	2,173,260	2,663,921
Utilities Fund - Non Divisional	119,309	81,271	596,615	350,728	269,631	272,871
Community Center	1,180,012	1,363,079	1,372,812	1,409,474	1,545,914	1,435,203
Total expenses	76,920,953	78,938,110	91,090,145	124,531,298	124,310,376	101,666,711
Increases (decreases) in net position before transfers	8,740,776	5,370,999	(5,163,123)	10,439,924	(4,316,224)	8,780,449
Transfers - internal	0	0	0	0	0	915,300
Increases (decreases) in net position	8,740,776	5,370,999	(5,163,123)	10,439,924	(4,316,224)	9,695,749
Net position-beginning of year (restated)	138,266,154	144,954,425	143,385,729	169,155,189	179,595,113	175,278,889
Net position - end of year	\$147,006,930	\$150,336,424	\$169,155,189	\$179,595,113	\$175,278,889	\$184,974,638

Six-Year General Fund History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the City's General Fund for the past six fiscal years. Information in the table for fiscal years 2015 to 2020 has been extracted from audited financial statements of the City for the years ended June 30, 2015, to June 30, 2020. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the City for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the City for fiscal year 2020 which are included in this Official Statement as Appendix C and to the audited financial statements of the City for fiscal years 2015 to 2019, copies of which are available from the City upon request.

City of Buford, Georgia Statement of Revenues, Expenditures and Changes in Fund Balances General Fund

For the Fiscal Years Ending June 30						
	2015	2016	2017	2018	2019	2020
Revenues						
Taxes - property	\$10,784,894	\$11,290,667	\$13,164,057	\$14,331,939	\$17,709,175	\$19,768,459
Taxes - sales and excise	2,715,362	3,281,243	2,813,872	3,083,296	3,290,631	3,286,770
Franchise fees	1,503,721	1,627,074	953,296	940,009	1,002,189	1,030,553
Charges for services	161,146	955,880	1,433,343	1,261,474	1,452,895	1,389,553
Intergovernmental revenue	915,632	743,259	553,112	3,384,663	1,483,895	398,599
Investment income	77,873	62,415	57,101	88,437	65,059	100,715
Miscellaneous	16,076	18,104	56,448	171,576	156,998	229,155
Total revenues	16,174,704	17,978,642	19,031,229	23,261,394	25,160,780	26,204,134
Expenditures						
Current operating:						
General government:						
General	2,984,944	3,692,970	3,223,477	10,625,883	6,714,381	15,145,758
Financial and administration	2,984,944	3,692,970	3,172,463	3,201,496	3,429,589	3,493,959
Public safety:						
Marshal and code enforcement	393,874	495,957	499,114	519,714	551,751	597,906
Public services:						
Highway and street	3,856,173	5,405,454	3,778,141	4,123,912	4,462,224	5,097,744
Building inspection	285,767	314,379	346,843	342,140	423,282	375,026
Culture and recreation	5,970,903	888,512	696,499	816,680	862,545	882,119
Maintenance	673,928	914,083	869,731	891,728	991,953	988,224
Intergovernmental						
Buford Board of Education	18,400,000	18,900,000	22,338,708	22,500,407	24,800,000	29,678,096
Total expenditures	32,565,589	30,611,355	34,924,976	43,021,960	42,334,511	56,258,862
Excess (deficiency) of revenues over (under) expenditures	(16,390,885)	(12,632,713)	(15,893,747)	(19,760,566)	(17,173,731)	(30,054,728)
Other Financing Source (Uses)						
Sale of Surplus Property	0	0	21,935	0	55,002	121
Transfers in	19,031,936	24,479,714	21,256,574	19,196,210	24,479,714	29,906,055
Transfers out	(1,621,717)	(1,787,017)	(2,074,154)	(1,162,663)	(17,173,731)	(7,864,448)
Total other financing sources (uses)	17,410,219	22,692,697	19,204,355	18,033,547	23,067,861	22,041,678
Change in Fund Balances	1,019,334	10,059,984	3,310,068	(1,727,019)	5,894,130	(8,013,050)
Fund balance at beginning of year	3,480,496	4,499,830	5,255,046	8,565,654	6,838,635	12,732,765
Fund balance at end of year	\$4,499,830	\$14,559,814	\$8,565,654	\$6,838,635	\$12,732,765	\$4,719,715

Six-Year Proprietary Funds History

Set forth on the following page is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the City's Proprietary Funds for the past six fiscal years. Information in the table for fiscal years 2015 to 2020 has been extracted from audited financial statements of the City for the years ended June 30, 2015, to June 30, 2020. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the City for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the City for fiscal year 2020 which are included in this Official Statement as Appendix C and to the audited financial statements of the City for fiscal years 2015 to 2019, copies of which are available from the City upon request.

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City of Buford, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Proprietary Funds

	For Fiscal Years Ended June 30					
	2015	2016	2017	2018	2019	2020
Operating Revenues						
Charges for services:						
Gas	\$36,435,643	\$31,120,634	\$31,137,093	\$38,468,828	\$42,070,827	\$40,289,140
Electric	18,881,589	19,924,115	21,012,204	21,904,435	22,855,079	22,070,852
Solid Waste and recycling	3,628,469	3,894,570	4,163,801	4,895,266	5,817,761	7,029,913
Wastewater	2,409,031	3,052,268	2,705,707	2,870,366	3,378,593	3,520,324
Water	988,241	1,019,141	1,103,059	1,314,793	1,371,892	1,216,053
Penalties	807,518	691,639	684,158	860,534	899,246	904,476
Service Charges	258,307	275,151	270,821	269,128	274,956	190,321
Buford Community Center	454,153	563,294	511,242	447,833	538,734	445,677
Total charges for services	63,862,951	60,540,812	61,588,085	71,031,183	77,207,088	75,666,756
Miscellaneous:						
Refunds, reimbursements and rebates	0	0	0	0	0	0
Other	641,450	483,210	115,122	233,990	35,122	98,010
Total Miscellaneous	641,450	483,210	115,122	233,990	35,122	98,010
Total Operating Revenues	64,504,401	61,024,022	61,703,207	71,265,173	77,242,210	75,764,766
Expenses						
Utilities purchase for resale	29,731,903	24,715,151	24,826,314	27,095,316	31,199,823	26,046,385
Personal services	5,017,209	6,212,795	6,741,654	6,695,178	6,874,616	9,159,626
Depreciation	4,415,334	4,450,401	4,568,401	4,965,671	5,150,633	5,400,884
Contractual services	3,053,435	3,141,024	3,451,953	3,711,826	4,496,360	4,527,867
Materials and supplies	2,330,037	2,174,131	2,157,928	2,483,241	2,232,621	2,604,957
Utilities	823,907	855,784	928,377	2,214,282	868,622	909,633
Repairs and Maintenance	694,978	807,004	500,995	633,078	569,349	563,507
Event expenses	425,407	459,969	513,142	483,761	623,257	526,507
Other operating	407,333	247,641	212,966	209,306	133,198	100,934
Total operating expenses	46,899,543	43,063,900	43,901,730	48,491,659	52,148,479	49,840,62
Income (loss) from operations	17,604,858	17,960,122	17,801,477	22,773,514	25,093,731	25,924,141
Nonoperating Revenues						
Refunds and Rebates	1,452,813	1,862,208	2,154,406	2,115,915	2,179,880	2,542,917
Grant income	1,094,000	900,938	659,279	0	0	0
Off-system sales	0	0	0	0	0	0
Investment income	112,315	302,490	229,750	367,292	621,439	543,336
Miscellaneous income	0	0	0	0	0	0
Fiscal agents' fees	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0
Amortization	0	0	0	0	0	0
Total nonoperating revenue (expenses)	2,659,128	3,065,636	3,043,435	2,483,207	2,801,319	3,086,2533
Income (loss) before transfers	20,263,986	21,025,758	20,844,912	25,256,721	27,895,050	29,010,394
Transfers In	872,193	1,130,969	691,027	1,500,000		
Transfers Out	(18,865,985)	(24,371,727)	(20,705,8722)	(18,056,143)	(23,682,763)	(28,700,954)
Total	(17,993,792)	(23,240,758)	(20,014,845)	(16,556,143)	(23,682,763)	(28,700,954)
Change in Net Position	2,270,194	(2,215,000)	830,067	8,700,578	4,212,287	309,440
Total Net Position - Beginning of Year	79,247,857	81,518,051	74,545,789	73,786,923	82,487,501	86,699,788
Total Net Position - End of Year	\$81,518,051	\$79,303,051	\$75,375,856	\$82,487,501	\$86,699,788	\$87,009,228

¹ Restated.

Management Comments Concerning Material Trends in Revenues and Expenditures

The City utilizes the following types of interfund transfers: (1) Budgeted transfers of funds from the General Fund or a Special Revenue Fund to a Debt Service Fund to accumulate resources for debt service. Annual budgets are adopted by the Commissioners, on a basis consistent with GAAP, for the General and Utilities Department Enterprise Funds. Debt Service is budgeted through either the General or Utilities Department Enterprise Funds depending on the type of debt. All budget amendments must be approved by the Commissioners; (2) The return of residual fund balance of a discontinued fund to the General Fund or a Debt Service Fund; (3) The elimination of interfund receivables and payables that are judged unlikely to be settled in a reasonable period of time, such as the amounts paid by the General Fund for Utilities Department Enterprise Fund payroll related expenditures; and (4) Budgeted transfers from the Utilities Department Enterprise Fund of excess net position to the General Fund which is used to finance General Fund expenditures.

The assets of the City exceeded its liabilities at the close of the fiscal year ended June 30, 2020, by \$184,974,638 (“net position”). Of this amount, \$22,652,294 (“unrestricted net position”) may be used to meet the City’s ongoing obligations to citizens and creditors in accordance with the City’s fund designation and fiscal policies as more fully described below. The remainder of net position consisted of amounts restricted by law, contracts, donors or debt agreements, and totaled \$12,140,877

The City’s total net position increased by \$9,695,749 in the fiscal year ended June 30, 2020.

As of the close of fiscal year ended June 30, 2020, the City’s governmental funds reported combined ending fund balances of \$17,509,594, and 21.92% of this total amount, \$3,838,585, is available for use within the City’s policies (“unassigned fund balances”).

At the end of fiscal year ended June 30, 2020, unassigned fund balance for the general fund was \$3,838,585 or 6.82% of total general fund expenditures.

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Accounting Policies

The financial statements of the City have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

The financial statements of the City are prepared in accordance with GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. This Statement established financial reporting requirements for state and local governments throughout the United States and required new information and restructured much of the information that governments presented in the past.

The City uses funds, each of which is considered a separate accounting entity, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The operations of each fund are accounted for with a self-balancing set of accounts.

Governmental Funds. Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has one major governmental fund, the General Fund, which is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. Other Governmental Funds which are not considered major include the Special Revenue Fund, the Hotel/Motel Tax Fund, the 2010 General Obligation Bond Debt Service Fund, and the various Capital Projects Funds.

Proprietary Funds. This category is used to account for self-supporting activities of the City similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise Funds are used to account for goods and services provided by the City to the general public. The City maintains two Enterprise Funds, the Utilities Fund and the Buford Community Center Fund.

Fiduciary Funds. This category accounts for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds. The Agency Funds account for assets held by the City as an agent for other funds, governments, or individuals. Agency Funds of the City are related to Buford Board of Education SPLOST funds.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures in the current period. Accordingly, revenues are recorded when received in cash, except those revenues that are subject to accrual (generally 60 days after year-end), which are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City are property tax, sales tax, intergovernmental revenues, and other taxes. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Note 1 of the general purpose financial statements of City included as Appendix C to this Official Statement contains a detailed discussion of the City's significant accounting policies.

Budgetary Process for General Fund

General Description. Annual budgets are adopted for the General and Proprietary (Enterprise) Funds. Capital Projects are budgeted over the life of the projects. Debt Service is budgeted through either the General or Proprietary (Enterprise) Fund depending on the type of debt. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Proprietary (Enterprise) Fund is adopted on a GAAP basis, except that depreciation expense is not budgeted. Budget amounts are as originally adopted, or as amended by the Board of Commissioners.

Budgeting Policy. The prior year's actual revenues and expenditures/expenses for the General and Proprietary (Enterprise) Funds are compared to budget amounts for that year and adjustments are then made to the prior year's budgeted revenues and expenditures/expenses to make budgeted amounts agree with actual amounts. These are the proposed budgets for the coming year. The proposed budgets are submitted to the Board of Commissioners, who make adjustments to the proposed budgets as it deems necessary, and the proposed budgets are then revised in accordance with the Board of Commissioners recommendations and resubmitted to the Board of Commissioners for their approval. After reviewing the budget revisions, the Board of Commissioners approves and adopts the budgets. All budget amendments must be approved by the Board of Commissioners. All appropriations lapse at the end of the fiscal year.

Pursuant to O.C.G.A. § 36-81-3(b), the annual budget approved by the City Council must be balanced. A budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. The City Council has the authority under O.C.G.A. § 36-81-3(d), however, to amend its budget as follows:

- (1) Any increase in appropriation at the legal level of control of the City, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, requires the approval of the City Council. Such amendment shall be adopted by ordinance or resolution;
- (2) Transfers of appropriations within any fund below the local government's legal level of control requires only the approval of the budget officer; and
- (3) The City Council may amend the legal level of control to establish a more detailed level of budgetary control at any time during the budget period. Said amendment shall be adopted by ordinance or resolution.

Current Budget. Set forth below is a summary of the City’s adopted budget for its General Fund for the fiscal year ending June 30, 2022. The budget is based upon certain assumptions and estimates of the City’s administration regarding future events, transactions, and circumstances. Realizations of the results projected in the 2022 budget will depend upon implementation by management of policies and procedures consistent with the assumptions made by the City. Accordingly, the actual results achieved for the 2022 budget could materially vary from those projected in the 2022 budget shown below.

City of Buford
General Fund Budget
for Fiscal Year Ended June 30, 2022

Estimated Revenues

Taxes	\$26,721,500
Licenses and Permits	\$ 2,734,500
Intergovernmental	\$36,258,000
Fines	\$ 160,000
Other Financial Services	<u>\$ 176,195</u>

Total Revenues:	<u>\$66,050,195</u>
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Estimated Expenditures

General Administration	\$49,765,700
Public Works	<u>\$ 7,417,000</u>
Total Estimated Expenditures:	<u>\$57,182,700</u>

Retirement Plans and Other Post-Employment Benefits

Employee Pension Plan

General Description. The City’s defined benefit pension plan, the City of Buford Retirement Plan (the “**BRP**”), provides retirement and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by the City Commission. The BRP is affiliated with the Georgia Municipal Employees Benefit System (“**GMEBS**”), an agent multiple-employer pension plan administered by the Georgia Municipal Association (the “**GMA**”). The GMA assigns the authority to establish and amend the benefit provisions of the plans that participate in GMEBS to the respective employer entities; for the BRP, that authority rests with the City. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by written request to Georgia Municipal Association, 201 Pryor Street, S.W., Atlanta, Georgia 30303.

Eligibility Requirements and Plan Membership. Employees must work 30 or more hours per week to qualify for participation in the BRP. There is no waiting period. Membership as of the January 1, 2020, actuarial valuation was as follows:

Retirees and beneficiaries receiving benefits	66
Terminated plan members entitled to, but not yet receiving benefits	11
Active plan members	113
Active elected officials.....	<u>0</u>
Total.....	<u>190</u>

Funding Policy. BRP members are not required and do not contribute to BRP. BRP is a noncontributory plan. The City is required to contribute at an actuarially determined rate; the rate was 13% of annual covered payroll for the plan year ending June 30, 2016, for a total recommended contribution of \$757,091. The rate was 18.13% of annual covered payroll for the plan year ending June 30, 2017, for a total recommended contribution of \$1,008,855. Payments for recommended contributions begin at the start of each fiscal year on July 1. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees. The funding policy for the plan is to contribute an amount equal to the recommended contribution each year. The recommended contribution meets the guidelines of GASB Statement No. 27.

Pension Cost. Trend information gives an indication of the progress made in accumulating sufficient assets for pay benefits when due. Annual pension cost (“APC”) trend information is set forth below.

Plan Year <u>Beginning</u>	Annual <u>Pension Cost</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Liability</u>
07/01/2016	\$1,008,855	100%	-0-
07/01/2017	938,559	100	-0-
07/01/2018	888,965	100	-0-
07/01/2019	735,492	100	-0-
07/01/2020	1,201,412	100	-0-

Funding Status and Funding Progress. As of January 1, 2020, the most recent valuation date, the actuarial value of plan assets was \$15,967,189, the actuarial accrued liability for benefits was \$21,146,982, and the actuarial value of assets as a percentage of that actuarial accrued liability was 75.51% (funded ratio). The unfunded actuarial accrued liability was \$5,179,783. The covered payroll (annual payroll of active employees covered in the plan) was \$5,785,007, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 89.54%.

Reference is made to Notes 9 of the general purpose financial statements of the City included as Appendix C for a more complete description of the City’s pension plan.

Other Post-Employment Benefits

Plan Description. City employees participate in a post-employment benefit other than pensions (“OPEB”) plan sponsored by the City (the “Plan”). The Plan allows employees to continue medical, prescription drug, dental insurance, and life insurance coverage beyond retirement, depending on whether the retiree had those coverages at the time they retire. Spouse benefits are the same as benefits for retirees except for life insurance. Benefits are payable to a spouse regardless of when the retiree dies. Retiree and spouse contribution rates are periodically reset by City ordinance. Membership in the Plan by City retirees is voluntary. The authority to establish and amend benefit provisions of the Plan rests with the City and is established by ordinance. The Plan does not issue separate financial statements. The City currently pays 100% of the premium.

Eligibility Requirements and Membership. Elected officials and their dependents are eligible for a period equal to their years of service, employees in appointed positions and department heads and their dependents are eligible for a period equal to their years of service in which they held an appointed position, and regular employee and their dependents are eligible for life after 30 years of service by the employee.

Funding Policy. The City has chosen the pay-as-you-go method of funding the Plan, and recorded OPEB cost of \$672,087 for the year ended June 30, 2016 and a net OPEB obligation of \$4,552,752 based upon an actuarial valuation performed as of January 1, 2015 for the year ending June 30, 2016.

The City has chosen the pay-as-you-go method of funding the Plan, and the City's Net OPEB liability was as follows for fiscal years 2018 through 2020:

Fiscal Year <u>Ending</u>	OPEB <u>Cost</u>	Net OPEB Liability
06/30/2018	\$526,542	\$10,277,287
06/30/2019	391,345	10,177,579
06/30/2020	553,115	12,017,144

Reference is made to Note 10 of the general purpose financial statements of the City included as Appendix C for a more complete description of other post-employment benefits of the City.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with § 457 of the Internal Revenue Code of 1986, as amended (the “**Code**”). The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. In accordance with Code § 457, plan assets are held in trust for the exclusive benefit of participants and their beneficiaries.

Other Employee Benefits

After one year of service with the City, employees accrue one week of vacation. Upon the employee's second anniversary, one week of vacation is earned. Three years of service entitles employees to two weeks of vacation. The maximum vacation benefit, three weeks, is earned after serving ten years with the City; however, department heads earn three weeks after five years of service. Vacation benefits must be utilized during the calendar year; no amount may be carried over to be used in another year. The City pays accrued vacation benefits upon termination of employment. Sick leave accrues at one week per year after a probationary period. The City provides the majority of the cost of health insurance for employees. Other benefits include 11 personal days off for holidays and educational opportunities. Employees are also covered under statutory plans for social security and workers' compensation.

Governmental Immunity and Insurance Coverage

Governmental Immunity. Under State law, the City has sovereign immunity from suit, except for actions against the City for the breach of written contracts or unless the General Assembly has specifically provided by statute that the City has waived its sovereign immunity (see O.C.G.A. § 36-33-1 *et seq.*). State law requires that sovereign immunity of local governments is waived with respect to claims for the negligent ownership, maintenance, operation, or use of a covered motor vehicle up to certain limits. The City may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983, alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the City in the exercise of its delegated powers. Officers and employees of the City may be subject to suit and may be liable for injuries and damages caused by the negligent performance of, or negligent failure to perform, their ministerial functions and may be liable for injuries and damages if they act with actual malice or with actual intent to cause injury in the discretionary performance of their official functions. Except as provided in the previous sentence, officers and employees of the City shall not be subject to suit or liability, and no judgment shall be entered against them for the performance or nonperformance of their official functions.

Insurance Coverage. The City carries liability insurance for the types of claims and in amounts that are customary for similar entities for those categories of claims that are not subject to the defense of sovereign immunity. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City obtains workers' compensation insurance through Summit Insurance. The City is insured for general liability through Travelers Indemnity Company. Current coverage is as follows:

<u>Type</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Annual Aggregate</u>
Casualty		
Commercial General Liability Coverage	\$1,000,000	\$2,000,000
Umbrella Liability	5,000,000	5,000,000

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LITIGATION

There is no litigation now pending or threatened against the City or the Board which seeks to restrain or enjoin the issuance or delivery of the Bonds, the State of Georgia Intercept Program, the assessment and collection of an *ad valorem* tax for payment of debt service on the Bonds, or the use of the proceeds from the sale of the Bonds, or which questions or contests the validity of the Bonds or the proceedings or authority under which they are to be issued. Neither the creation, organization, or existence of the City or the Board of Education, nor the title of the present members or other officials of the City or the Board of Education to their respective offices, is being contested or questioned.

VALIDATION AND APPROVAL OF LEGAL PROCEEDINGS

In accordance with the law of the State of Georgia and in particular Article 2 of Chapter 82 of Title 36 of O.C.G.A., the Bonds and the security therefore were confirmed and validated by a judgment of the Superior Court of Gwinnett County on February 9, 2021. Under Georgia law, the judgment of validation is forever conclusive against the Board with respect to such validation of the Bonds and the security therefor.

Opinions of Counsel. All legal matters incidental to authorization and issuance of the Bonds are subject to the approval of Alston & Bird, LLP, Atlanta, Georgia, Bond Counsel. It is anticipated that the approving opinions will be in substantially the forms included in Appendix D. Certain legal matters will be passed upon for the Board by its counsel Gregory D. Jay, Esq., Chandler Britt & Jay, LLC, Buford, Georgia. The payment of legal fees is contingent upon issuance of the respective series of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of each series of the Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

In the opinion of Bond Counsel, under existing law and subject to the limitations and conditions described herein and assuming continuous compliance with certain covenants described herein, (1) interest on the Bonds is included in gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and (2) interest on the Bonds is exempt from state income taxation within the State of Georgia.

Purchasers of any Bond at a premium or discount, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium or discount for federal income tax purposes and with respect to any state and local tax consequences of owning such Bond.

A copy of the proposed form of Bond Counsel's opinions are set forth in Appendix E hereto.

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RATINGS

Moody's has assigned an enhanced rating of "Aa1" based upon the Board's participation in the State of Georgia Intercept Program. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Additional Security Provided by State of Georgia Intercept Program." Moody's has assigned an underlying rating (without regard to the State of Georgia Intercept Program) of "Aa3" to the Bonds.

These ratings reflect only the views of the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. Any explanation of the significance of the ratings may be obtained only from the rating agency furnishing such rating. A rating is not a recommendation to buy, sell, or hold securities.

There is no assurance that a rating, if assigned, will remain unchanged for any given period of time, or that it will not be revised, suspended, or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such revision, suspension, or withdrawal of the rating may have an adverse effect on the liquidity and market price of the Bonds. None of the City, the Board of Education, nor the Underwriter have undertaken any responsibility to oppose any such proposed revision, suspension or withdrawal.

UNDERWRITING

Stephens Inc. (the "Underwriter") has agreed to purchase the Bonds pursuant to a Bond Purchase Agreement entered into between the County and the Underwriter. The price and other terms regarding underwriting of the Bonds were established through negotiation. The Underwriter has agreed to purchase the Bonds, subject to certain conditions set forth in the Bond Purchase Agreement, at a purchase price of \$40,297,200.93, which represents the par amount of the Series 2021 Bonds of \$40,565,000, less underwriter's discount of \$267,799.07.

The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Underwriter intends to offer the Bonds to the public initially at the offering prices shown on the cover page hereof, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with other dealers and underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers at prices lower than the public offering.

CONTINUING DISCLOSURE

Pursuant to Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "**Rule**"), the Board and the City will sign, as of the date of the issuance and delivery of the Bonds, a Disclosure Dissemination Agent Agreement ("**Disclosure Dissemination Agreement**") with Digital Assurance Certification, L.L.C. ("**DAC**"), under which the City and the Board have designated DAC as Disclosure Dissemination Agent. The Disclosure Dissemination Agreement will allow the Underwriter of the Bonds to comply with the Rule. See "Appendix E: FORM OF DISCLOSURE DISSEMINATION AGREEMENT."

Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**") under the Securities Exchange Act of 1934 imposes continuing disclosure obligations on the issuers of certain state and municipal securities to permit participating underwriters to offer and sell the issuer's securities. In order to assist the Underwriter of the Bonds in complying with the Rule, the Board will sign a Disclosure Dissemination Agent Agreement with DAC on the date of issuance and delivery of the Bonds (the "**Disclosure Agreement**") under which the Board has designated DAC as Disclosure Dissemination Agent. The Board will provide for the benefit of the beneficial owners of the Bonds (i) certain financial information

and/or operating data relating to the Board (the “**Annual Report**”) and (ii) notices of the occurrence of certain enumerated events, if material (“**Event Notices**”). The Annual Reports and Event Notices will be filed electronically with the Electronic Municipal Market Access website (“**EMMA**”), an Internet based electronic filing system supported by the Municipal Securities Rulemaking Board.

The Annual Report shall contain or incorporate by reference, among other items, the general purpose financial statements of the Board for the prior Fiscal Year. The Board’s current fiscal year began on July 1, 2021, and will end on June 30, 2022. The specific nature of the information to be contained in the Annual Report or in the notices of material events is in “Appendix E: FORM OF DISCLOSURE DISSEMINATION AGREEMENT.”

EXPERTS

The financial statements of the Board included in “APPENDIX C” of this Official Statement have been audited by Wilcox & Bivings, P.C., Suwanee, Georgia, independent certified public accountants, to the extent and for the period indicated in its report thereon which appears in such appendix. Such financial statements have been included herein with the consent of Wilcox & Bivings, P.C., given upon the authority of such firm as experts in accounting and auditing.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights and obligations of the holders thereof. The information contained in this Official Statement has been compiled from official and other sources believed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

Use of the words “shall,” “must,” or “will” in summaries of documents or laws in this Official Statement to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

The Appendices hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Board of Education and the City.

BOARD OF EDUCATION
OF THE CITY OF BUFORD

By: /s/ _____
Chairman

CITY OF BUFORD, GEORGIA

By: /s/ _____
Chairman
Board of Commissioners

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Appendix A

BUFORD SCHOOL SYSTEM GENERAL INFORMATION

Information as of December 1, 2021, regarding the members and officers of the Board of Education is set forth below:

<u>Name</u>	<u>Expiration Date of Current Term</u>	<u>Principal Occupation</u>
Phillip Beard, <i>Chairman</i>	December 31, 2023	Self employed
Pat Pirkle, <i>Vice Chairman</i>	December 31, 2021	Retired
Bruce Fricks	December 31, 2021	Engineer
Matt Peevy	December 31, 2023	Retired
Daren Perkins	December 31, 2023	Gas Department Superintendent
Dr. Robert Downs, <i>Secretary</i>	By Appointment	School Superintendent

Administration

School Superintendent. The Board of Education appoints the Superintendent of Schools (the “**School Superintendent**”), who is the executive officer of the School System and the Secretary of the Board of Education. Dr. Robert Downs has been the School Superintendent since July 2019. City of Buford School System

<u>General Fund Budget</u>	<u>2021</u>
REVENUES:	
Local City appropriations	\$30,100,000
Tuition	1,500,000
Other Local	75,000
QBE	25,828,334
State Grants (General Fund)	30,000
Austerity	<u>(2,654,900)</u>
Bonds for Buses	77,000
Childcare Revenue	475,000
Total Revenues	55,430,434
EXPENDITURES:	
Certified Salaries	\$39,577,500
Classified Salaries	10,654,062
Federal Salaries paid by Federal Funds	(532,993)
New Positions	2,567,538
Central Office Non Salary Expense	1,000,000
M&O	2,850,000
M&O – Arena	250,000
State Staff Development	125,000
New BHS/BMS Roof & HVAC	—
Local Technology	900,000
Spe Ed and	800,000
Testing	76,700
Online Assessments/Classes	25,000
Transportation	332,000
BES Budget	40,000
BA Budget	70,000
BSA Budget	50,000
BMS Budget	83,000
BHS Budget	315,000
Fine Arts	10,000
Vocational State (Local Share)	35,000
New Pathway (Computer Science)	25,000
Pupil Services	80,000
Transportation (Buses)	114,000
Textbooks/Instructional Technology	175,000
Instructional Resources	450,000
Diversity and Inclusion	5,000
Communications	15,000
Safety & Security	15,000
Daycare Non Salary Expense	<u>20,000</u>
Total Expenditures	\$60,126,807

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Appendix B

CITY OF BUFORD GENERAL INFORMATION

Government Services and Facilities

The City's police services are provided by Gwinnett County through agreement. The City's fire department services are provided by Gwinnett County through agreement. The City maintains approximately 65 miles of paved streets and .2 miles of unpaved roads. The City's public works, gas, electric, water, sewer, and sanitation departments have 110 employees and operate and maintain the City's utility systems and other public works.

Employees and Employee Relations

As of December 1, 2021, the City has approximately 145 full-time employees and 4 part-time employees. The City's Management believes that it enjoys an excellent relationship with its employees. The City has never experienced a major disruption of services due to strike or employee action. No employees belong to labor unions or other collective bargaining groups and the City has no knowledge of any union organizing efforts.

Building Permits

The following table shows a summary of residential building permits in the Counties (each including the City) for the year 2015 through 2019.

Year	<u>Gwinnett County</u>			<u>Hall County</u>		
	<u>Buildings</u>	<u>Units</u>	<u>Value</u>	<u>Buildings</u>	<u>Units</u>	<u>Value</u>
2015	3,315	3,918	\$522,549,949	916	946	\$ 158,693,503
2016	3,661	3,461	793,323,722	856	1,367	202,127,451
2017	2,639	2,639	313,258,149	1,021	1,021	132,408,750
2018	2,599	2,599	312,521,112	1,101	1,101	152,370,135
2019	2,218	2,218	267,379,059	1,036	1,036	149,909,200

Industry and Employment

Public Employers. Set forth below are the largest public employers located in the City as of July 1, 2021, their type of service, and their approximate number of employees. There can be no assurance that any employer listed below will continue employment at the level stated.

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Buford City Schools	Education	604
City of Buford	Municipality	145

Private Employers. Set forth below are the ten largest private employers located in the City as of July 1, 2021, their type of business, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the City or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed.

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Global Equipment Co., Inc	Warehouse	480
Office Depot #1214.	Warehouse	382
Hisco, Inc.	Distribution	340
Uline, Inc	Warehouse	333
Wal-Mart	Retail	322
Emcor Services Aircond	HVAC	280
Elringklinger	Manufacturing	271
Sherwin Williams Co	Distribution	262
Fed Ex Freight	Distribution	223
Contemporary Marketing, LLC	Flooring	200

Appendix C

**FINANCIAL STATEMENTS OF THE CITY OF BUFORD
FOR THE FISCAL YEAR ENDING JUNE 30, 2020**

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CITY OF BUFORD, GEORGIA
AUDITED BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**CITY OF BUFORD, GEORGIA
AUDITED BASIC FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

WILCOX & BIVINGS, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the Board of Commissioners
City of Buford, Georgia

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Buford, Georgia (the "City") as of and for the year ended June 30, 2020, 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 did not audit the financial statements of the City of Buford Board of Education, which represent 100% of the assets, net position, revenues, and expenses of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Buford Board of Education, is based solely on the report of the other auditors. 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.

Honorable Members of the Board of Commissioners
City of Buford, Georgia

OPINIONS

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Buford, Georgia, as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, 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 on pages 4 through 12, the City of Buford Retirement Plan on pages 63-66 and the City of Buford Other Postemployment Benefit Plan on pages 67-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Buford, Georgia's basic financial statements. The accompanying supplementary information which consists of the combining and individual nonmajor fund financial statements, budgetary comparison schedules, combining fiduciary fund financial statements, and Schedule of Projects Constructed and Expenditures Incurred with Special Sales Tax Proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

To the Board of Commissioners
City of Buford, Georgia

OTHER REPORTING REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, 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 of Buford, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Buford, Georgia's internal control over financial reporting and compliance.

Wilcox & Birings, P.C.

Suwanee, Georgia
December 18, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED

**CITY OF BUFORD, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Management of the City of Buford, Georgia (the "City") provides this Management Discussion and Analysis, as prescribed by the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis of the City's financial activities is for the fiscal year ending June 30, 2020. Please consider this information in conjunction with the City's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year ended June 30, 2020 by \$184,974,638 ("net position"). Of this amount, \$22,652,294, was reported as "unrestricted net position". \$150,181,467 of net position consisted of net investment in capital assets. The remainder of net position consisted of amounts restricted by law, contracts, donors or debt agreements. \$11,148,012 was restricted for capital projects to be financed by SPLOST funds, \$383,675 was restricted for debt service of the 2010, 2015, and 2017 General Obligation Bonds, and \$609,190 was restricted for Education.
- The City's total net position increased by \$9,695,749 in the fiscal year ended June 30, 2020.
- As of the close of the current fiscal year ended June 30, 2020, the City's governmental funds reported combined ending fund balances of \$17,509,594. 21.92% of this total amount, \$3,838,585 is available for use within the City's policies ("unassigned fund balances").
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,838,585 or 6.82% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected property taxes and earned and unused compensated absences.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues ("governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities").

The government-wide financial statements can be found on pages 13-14 of this reporting package.

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

Fund financial statements

A fund is a grouping of related accounts 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 three categories - governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on current sources and uses 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 a government'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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 fifteen 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 Fund which is considered to be a major fund. Data from the other fourteen funds are combined into a single, aggregated presentation, Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15 to 19 of this reporting package.

Proprietary Funds

The City maintains one type of proprietary 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 gas, electric, solid waste and recycling, wastewater and water operations (Utilities Fund) and to account for the operations of the Buford Community Center Fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Utilities Fund is considered a major fund of the City. The basic proprietary funds financial statements can be found on pages 20 to 23 of this reporting package.

Fiduciary Funds

The City maintains three fiduciary funds consisting of custodial funds related to the Buford Board of Education SPLOST funds from Gwinnett and Hall Counties. The basic fiduciary fund financial statements can be found on pages 24 to 25 of this reporting package.

Notes to the Basic 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 basic financial statements can be found on pages 26 to 62 of this reporting package.

**CITY OF BUFORD, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

Supplementary Information Required or Recommended by GASB 34

Supplementary information required by GASB 34 consisting of pension and OPEB disclosures, combining nonmajor governmental funds, schedules of budget to actual for nonmajor governmental funds and a statement of changes in assets and liabilities for the agency funds can be found on pages 63 to 92 of this reporting package.

Report Required by Governmental Auditing Standards

The Report required by *Government Auditing Standards* can be found on pages 93 to 94 of this reporting package.

Schedule Required by the State of Georgia

The schedule required by the State of Georgia relating to SPLOST expenditures can be found on page 95 of this reporting package.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City of Buford, assets exceeded liabilities by \$184,974,638 as of June 30, 2020.

The largest portion of the City's net position, totaling \$150,181,467 (81.19%) reflects its investments in capital assets (such as land, buildings and improvements, furniture, machinery and equipment, computer equipment, vehicles, utility systems and infrastructure); less any related debt used to acquire those assets that are 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.

An additional portion of the City's net position, totaling \$12,140,877 (6.56%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$22,652,294 (12.25%) may be used to meet the government's ongoing obligations to citizens and creditors.

The property tax rate decreased to 12.70 mills from 12.75 for the tax year billed in 2019 and payable in the fiscal year ending June 30, 2020.

At June 30, 2020, the governmental activities of the City had positive balances in net investment in capital assets of \$90,312,068 and in restricted assets totaling \$12,140,877, and a negative balance in unrestricted net position of \$(4,487,535). At June 30, 2019, the governmental activities of the City had positive balances in net investment in capital assets of \$76,342,652, in restricted assets totaling \$10,553,763 and in unrestricted net position of \$1,682,686.

The unrestricted net position of business-type activities had a positive balance of \$27,139,829 as of June 30, 2020, and a positive balance of \$28,899,580 as of June 30, 2019.

**CITY OF BUFORD, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONTINUED

CITY OF BUFORD, GEORGIA'S CONDENSED NET POSITION

	Governmental Activities		Business-Type Activities		Total - Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 81,698,423	\$ 87,111,437	\$ 46,463,608	\$ 46,184,593	\$ 128,162,031	\$ 133,296,030
Capital assets	<u>94,815,304</u>	<u>81,345,888</u>	<u>59,869,399</u>	<u>57,800,208</u>	<u>154,684,703</u>	<u>139,146,096</u>
Total assets	<u>176,513,727</u>	<u>168,457,325</u>	<u>106,333,007</u>	<u>103,984,801</u>	<u>282,846,734</u>	<u>272,442,126</u>
Deferred outflows of resources	<u>2,756,423</u>	<u>1,764,331</u>	<u>2,348,063</u>	<u>1,533,485</u>	<u>5,104,486</u>	<u>3,297,816</u>
Noncurrent liabilities	73,489,474	70,823,079	16,296,894	13,027,107	89,786,368	83,850,186
Other liabilities	<u>6,765,173</u>	<u>9,206,416</u>	<u>4,609,816</u>	<u>4,536,937</u>	<u>11,374,989</u>	<u>13,743,353</u>
Total liabilities	<u>80,254,647</u>	<u>80,029,495</u>	<u>20,906,710</u>	<u>17,564,044</u>	<u>101,161,357</u>	<u>97,593,539</u>
Deferred inflows of resources	<u>1,050,093</u>	<u>1,613,060</u>	<u>765,132</u>	<u>1,254,454</u>	<u>1,815,225</u>	<u>2,867,514</u>
Net position:						
Net investment in capital assets	90,312,068	76,342,652	59,869,399	57,800,208	150,181,467	134,142,860
Restricted	12,140,877	10,553,763	-	-	12,140,877	10,553,763
Unrestricted	<u>(4,487,535)</u>	<u>1,682,686</u>	<u>27,139,829</u>	<u>28,899,580</u>	<u>22,652,294</u>	<u>30,582,266</u>
Total net position	\$ <u>97,965,410</u>	\$ <u>88,579,101</u>	\$ <u>87,009,228</u>	\$ <u>86,699,788</u>	\$ <u>184,974,638</u>	\$ <u>175,278,889</u>

**CITY OF BUFORD, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONTINUED

Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended June 30, 2020 and June 30, 2019. Governmental activities increased the City's net position by \$9,386,309 for the year ended June 30, 2020 and decreased net position by \$(8,528,511) for the year ended June 30, 2019. Business-type activities increased the City's net position by \$309,440 for the year ended June 30, 2020 and increased net position by \$4,212,287 for the year ended June 30, 2019.

CITY OF BUFORD, GEORGIA'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total-Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,389,553	\$ 1,452,833	\$ 75,666,756	\$ 77,207,088	\$ 77,056,309	\$ 78,659,921
Capital grants and Contributions	2,462,182	15,999,835	567,700	761,429	3,029,882	16,761,264
Operating grants and Contributions	2,624,220	-	-	-	2,624,220	-
General revenues:						
Taxes	23,746,449	21,194,237	-	-	23,746,449	21,194,237
Franchise fees	1,030,883	1,002,189	-	-	1,030,883	1,002,189
Investment income	113,578	174,016	543,336	621,439	656,914	795,455
Gain (loss) on sale of assets	121	(29,485)	-	-	121	(29,485)
Miscellaneous	<u>229,155</u>	<u>156,998</u>	<u>2,073,227</u>	<u>1,453,573</u>	<u>2,302,382</u>	<u>1,610,571</u>
Total revenues	<u>31,596,141</u>	<u>39,950,623</u>	<u>78,851,019</u>	<u>80,043,529</u>	<u>110,447,160</u>	<u>119,994,152</u>
Expenses:						
General government	5,001,974	4,032,032	-	-	5,001,974	4,032,032
Public safety	670,866	544,470	-	-	670,866	544,470
Public services	10,752,477	8,326,901	-	-	10,752,477	8,326,901
Board of Education	32,277,283	54,979,747	-	-	32,277,283	54,979,747
Downtown development	558,106	1,427,051	-	-	558,106	1,427,051
Debt service	2,565,380	2,851,696	-	-	2,565,380	2,851,696
Gas system	-	-	20,818,379	22,476,307	20,818,379	22,476,307
Electric system	-	-	16,082,134	16,393,850	16,082,134	16,393,850
Solid waste and recycling	-	-	4,228,311	3,755,421	4,228,311	3,755,421
Wastewater system	-	-	4,339,806	5,534,096	4,339,806	5,534,096
Water system	-	-	2,663,921	2,173,260	2,663,921	2,173,260
Utilities Fund -						
Nondivisional	-	-	272,871	269,631	272,871	269,631
Community Center	-	-	<u>1,435,203</u>	<u>1,545,914</u>	<u>1,435,203</u>	<u>1,545,914</u>
Total expenses	<u>51,826,086</u>	<u>72,161,897</u>	<u>49,840,625</u>	<u>52,148,479</u>	<u>101,666,711</u>	<u>124,310,376</u>
Excess (deficiency) in net position before contributions and transfers	(20,229,945)	(32,211,274)	29,010,394	27,895,050	8,780,449	(4,316,224)
Contributions	915,300	-	-	-	915,300	-
Transfers - internal	<u>28,700,954</u>	<u>23,682,763</u>	(28,700,954)	(23,682,763)	-	-
Change in net position	9,386,309	(8,528,511)	309,440	4,212,287	9,695,749	(4,316,224)
Net position - July 1	<u>88,579,101</u>	<u>97,107,612</u>	<u>86,699,788</u>	<u>82,487,501</u>	<u>175,278,889</u>	<u>179,595,113</u>
Net position - June 30	\$ <u>97,965,410</u>	\$ <u>88,579,101</u>	\$ <u>87,009,228</u>	\$ <u>86,699,788</u>	\$ <u>184,974,638</u>	\$ <u>175,278,889</u>

**CITY OF BUFORD, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,509,594. Of this amount, \$12,141,581 (69.34%) of this total is restricted due to external limitations on its use. These uses include 1) capital projects funded by the 2017 General Obligation Bonds \$704 and SPLOST funds \$11,148,012, 2) debt service related to the 2010 GOB Bond \$65,372, 2015 GOB Bond \$288,075, and 2017 GOB Bond \$30,228, and 3) education purposes \$609,190. \$1,529,428 (8.73%) of fund balances is considered unspendable because it has been used for prepaid items. \$3,838,585 (21.93%) constitutes unassigned fund balance.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,838,585, and total fund balance was \$4,719,715. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the fund's total operational expenditures. Unassigned fund balance represents 6.82% of total expenditures, while total fund balance represents 8.39% of that same amount.

The General Fund's fund balance decreased by \$(8,013,050) during the current fiscal year. Key factors are as follows:

- Total revenues increased by \$1,043,354. Components of this increase included an increase in property tax revenues of \$2,059,284 due to increases in real property valuations; and a decrease in intergovernmental revenues of \$1,085,296 due to a decrease in capital grant revenue.
- Total expenditures increased by \$13,924,351. Components of this increase included an increase in general governmental expenditures of \$8,431,377 due to an increase in capital expenditures for construction projects and property purchases; and an increase in intergovernmental expenditures to the Buford Board of Education of \$4,878,096.
- Other financing sources decreased by \$1,026,183 due primarily to an increase in transfers in of \$5,005,408 and an increase in transfers out of \$5,976,710.

Proprietary funds

The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds was \$27,139,829, primarily represented by unrestricted net position of \$27,203,714 from the Utilities Fund. The funds had an overall net increase in fund net position of \$309,440, represented primarily by an increase in Utilities Fund net position of \$313,713.

General Fund Budgetary Highlights

The City made revisions to the original budgeted expenditures as necessary during the year, as approved by the City Commission, including amending the budget in order to equal actual expenditures at the end of the fiscal year. Overall, these changes resulted in an increase from original budgeted expenditures by \$4,389,362 a percentage increase of 8.46%. Budgeted expenditures for General Government were increased by \$5,135,758, Financial Administration budgeted expenditures were decreased by \$(582,541).

**CITY OF BUFORD, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020 and 2019, amounted to \$154,684,703 and \$139,146,096, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, furniture, machinery and equipment, computer equipment, utility infrastructure, infrastructure assets, and vehicles.

Major capital asset events during the current fiscal year included the following:

- The City added \$3,217,258 to its Gas System, \$104,880 to its Electric System, and \$2,867,977 to its Water and Wastewater System for improvements and expansion of the systems.
- The City capitalized \$2,861,784 in street additions and improvements.
- The City purchased and received through contributions land parcels totaling \$2,935,063.
- The City transferred land parcels totaling \$558,106 to the Buford Downtown Development Authority.
- The City incurred \$11,935,605 in construction in progress in its governmental activities including \$7,496,353 in construction costs on the new Legion ballfields and \$3,865,734 in construction costs on the new City parking deck.
- The City incurred construction in progress costs for improvements and expansion of its Gas System of \$408,713, and its Water and Wastewater System of \$1,412,029.

Depreciation expense totaled \$3,398,990 in the governmental activities and \$5,400,884 in the business-type enterprises.

CAPITAL ASSETS AT YEAR-END (NET OF ACCUMULATED DEPRECIATION)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total-Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 23,507,453	\$ 21,130,496	\$ 202,663	\$ 202,663	\$ 23,710,116	\$ 21,333,159
Construction in progress	15,815,633	4,716,294	2,779,522	2,045,112	18,595,155	6,761,406
Utility system infrastructure	-	-	123,311,643	117,863,951	123,311,643	117,863,951
Buildings and improvements	39,327,808	39,089,580	146,773	146,773	39,474,581	39,236,353
City parks	4,726,902	4,661,579	-	-	4,726,902	4,661,579
Furniture and equipment	1,070,486	984,397	698,347	411,719	1,768,833	1,396,116
Sidewalks	1,523,755	1,488,738	-	-	1,523,755	1,488,738
Streets	26,080,962	23,219,178	-	-	26,080,962	23,219,178
Streetscapes & hardscapes	10,560,013	10,560,013	-	-	10,560,013	10,560,013
Vehicles	352,958	339,893	1,393,802	1,246,763	1,746,760	1,586,656
Accumulated depreciation	(28,150,666)	(24,844,280)	(68,663,351)	(64,116,773)	(96,814,017)	(88,961,053)
Total	\$ 94,815,304	\$ 81,345,888	\$ 59,869,399	\$ 57,800,208	\$ 154,684,703	\$ 139,146,096

Additional information on the City's capital assets can be found in note 5 in the notes to the basic financial statements on pages 40-42 of this reporting package.

**CITY OF BUFORD, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had \$63,698,321 in outstanding debt consisting of general obligation bonds.

CITY OF BUFORD, GEORGIA'S OUTSTANDING DEBT

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total-Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ <u>63,698,321</u>	\$ <u>64,728,284</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>63,698,321</u>	\$ <u>64,728,284</u>
Total	\$ <u>63,698,321</u>	\$ <u>64,728,284</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>63,698,321</u>	\$ <u>64,728,284</u>

The City's total debt decreased by \$1,029,963 during the current fiscal year. This was attributable to the City making principal payments to retire \$500,000 of general obligation bonds along with \$529,963 of amortization of bond reoffering premiums.

The General Obligation Bonds issued in 2015 and 2017 were for the purpose of acquisition and construction of school facilities to be owned by the Board of Education of the City of Buford school system "BOE". The General Obligation Refunding Bonds issued in 2017 were issued to advance refund a portion of the General Obligation Bonds issued in 2015. The City has entered into intergovernmental contracts with the BOE in regards to issuance, use of proceeds and payment of the Bonds. The contracts stipulate that the BOE's payment obligations consist of the payments of all amounts coming due as principal and interest on the Bonds as set forth in the Bonds and the Bond Ordinance directly to and for the applicable account of the City as so designated by the City. The obligation of the BOE to pay promptly its obligations shall be absolute and unconditional and shall not be subject to any defense or right of setoff, counterclaim, or recoupment arising from any breach by the City of any obligation to the Board or the breach by the BOE of any obligation to the City. In addition, the Board has notified the State Board of Education of the issuance of the Bonds and has authorized and directed the State Board to withhold and transfer any state appropriation to which the BOE is entitled to. The Sinking Fund Custodian shall be required to transfer to the paying agent for the Bonds such amounts of monies as are necessary to provide for the payment of the principal and/or interest on the Bonds coming due each payment date. The BOE has assigned SPLOST revenues from an Intergovernmental Agreement with the Board of Education of Gwinnett County for use in payment of the Bonds.

Additional information on the City's long-term debt can be found in note 6 on pages 42-47 of this reporting package.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The area's economy continues to show strength with a particularly high level of activity in the light industrial/office/warehouse sector. Several projects have been completed with others slated for completion in 2021. Single family housing construction is healthy with several developments offering a range of housing opportunities. The retail sector continues its steady improvement. Several commercial developments are either proposed or in concept development. The City plans to continue improvements to its infrastructure, further invest in its utility systems, support planning and development in the City and focus on delivery of services to its citizens and customers.

With regards to capital projects, the City's downtown parking deck has been completed and improvements to the new Legion ballfields are ongoing. Numerous gas and sewer extension and improvement projects were completed in 2020 supporting development, roadway projects, system safety and reliability, which will continue in 2021. In July 2020, the City issued Combined Utility System Revenue Bonds, Series 2020 which will be used to construct a new water plant and improvements to one or more existing sewer main service lines.

**CITY OF BUFORD, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS-UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS - CONTINUED

The Georgia Department of Transportation let the Buford Highway widening project on the north side of the City with construction nearing completion. A number of other capital projects are in the planning stages for 2021 and beyond.

Buford Community Center and Theatre continues to host events, weddings, receptions and meetings with demand for the facility remaining strong. Buford Youth Sports Complex continues to host youth sporting events and draws teams and spectators from across Georgia and the Southeast.

Fiscal Year 2021 Budget

General Fund budgeted revenue and transfers in for the 2021 fiscal year total \$69,973,195, while General Fund budgeted expenditures and transfers out for the 2021 fiscal year total \$57,026,750.

Budgeted revenues for the Utilities Fund for the 2021 fiscal year include \$3,389,000 for the Waste Water System, \$13,310,000 for the Water System, \$7,250,000 for Solid Waste and Recycling, \$23,076,000 for the Electric System, \$43,458,000 for the Gas System and \$1,224,000 for Nondivisional revenues for a total of \$91,707,000. Budgeted expenditures and transfers out for the 2021 fiscal year include \$8,580,000 for the Waste Water System, \$14,229,500 for the Water System, \$3,906,000 for Solid Waste and Recycling, \$18,193,000 for the Electric System, \$21,005,719 for the Gas System, 85,000 for Nondivisional expenditures and \$33,000,000 transfers out for a total of \$98,999,219.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Buford, 2300 Buford Highway, Buford, Georgia 30518.

The financial statements of the City of Buford Board of Education are audited by the Georgia Department of Audits, as allowed by Code of Georgia Annotated 50-6-6. These component financial statements can be obtained from the City of Buford Board of Education at 70 Wiley Drive, Buford, Georgia 30518.

BASIC FINANCIAL STATEMENTS

**CITY OF BUFORD, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	06/30/18 City of Buford Board of Education	Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 12,259,227	\$ 8,703,135	\$ 20,962,362	\$ 10,323,764	\$ 6,479,690
Investments	7,092,418	24,948,723	32,041,141	-	2,310,243
Receivables - net	750,253	5,353,212	6,103,465	1,689,705	39,000
Due from other governments	554,316	-	554,316	4,453,673	-
Internal balances	(66,683)	66,683	-	-	-
Prepaid expenses	1,529,428	314,476	1,843,904	240,167	-
Inventories	-	-	-	18,290	-
Property held for resale	-	-	-	-	475,606
Cash on hand with fiscal agent	-	-	-	46,936,376	-
Restricted cash and cash equivalents	384,379	-	384,379	-	-
Restricted investments	-	7,077,379	7,077,379	-	-
Intergovernmental contracts receivable	59,195,085	-	59,195,085	-	-
Capital assets being depreciated - net	55,492,218	56,887,214	112,379,432	69,555,986	-
Capital assets not being depreciated	39,323,086	2,982,185	42,305,271	53,835,594	-
Total assets	<u>176,513,727</u>	<u>106,333,007</u>	<u>282,846,734</u>	<u>187,053,555</u>	<u>9,304,539</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB related deferred outflows	705,492	600,974	1,306,466	1,658,899	-
Pension related deferred outflows	2,050,931	1,747,089	3,798,020	9,195,051	-
Total deferred outflows of resources	<u>2,756,423</u>	<u>2,348,063</u>	<u>5,104,486</u>	<u>10,853,950</u>	<u>-</u>
LIABILITIES					
Bank overdrafts	-	14,180	14,180	-	-
Accounts payable	4,378,083	2,712,334	7,090,417	2,757,608	-
Accrued interest	1,288,363	-	1,288,363	1,479,022	-
Other accrued liabilities	68,763	283,207	351,970	11,375,466	-
Unearned revenue	-	1,600,095	1,600,095	36,998	-
Due to primary government	-	-	-	2,336,215	-
General obligation bonds payable, due in less than one year	1,029,964	-	1,029,964	-	-
Intergovernmental payable, due in less than one year	-	-	-	15,470,261	-
Long-term liabilities, due in more than one year					
Intergovernmental agreement	-	-	-	74,438,104	-
Customer deposits	-	7,077,379	7,077,379	-	-
Accrued compensated absences	192,120	165,185	357,305	-	-
General obligation bonds payable	62,668,357	-	62,668,357	-	-
Net OPEB liability	6,489,258	5,527,886	12,017,144	34,778,709	-
Net pension liability	4,139,739	3,526,444	7,666,183	41,898,161	-
Total liabilities	<u>80,254,647</u>	<u>20,906,710</u>	<u>101,161,357</u>	<u>184,570,544</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on bond refunding	151,895	-	151,895	323,789	-
OPEB related deferred inflows	898,198	765,132	1,663,330	2,648,310	-
Pension related deferred inflows	-	-	-	446,448	-
Total deferred inflows of resources	<u>1,050,093</u>	<u>765,132</u>	<u>1,815,225</u>	<u>3,418,547</u>	<u>-</u>
NET POSITION					
Net Investment in capital assets	90,312,068	59,869,399	150,181,467	71,430,404	-
Restricted for:					
Capital projects - SPLOST	11,148,012	-	11,148,012	-	-
Debt service	383,675	-	383,675	342,097	-
Education	609,190	-	609,190	-	-
Federal programs	-	-	-	458,267	-
Unrestricted	(4,487,535)	27,139,829	22,652,294	(62,312,354)	9,304,539
Total net position	\$ <u>97,965,410</u>	\$ <u>87,009,228</u>	\$ <u>184,974,638</u>	\$ <u>9,918,414</u>	\$ <u>9,304,539</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

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**CITY OF BUFORD, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 973,130	\$ 494,076	\$ 2,624,220	\$ 3,185,079
Financial administration	4,028,844	-	-	-
Public safety, Marshal and Code enforcement	670,866	7,770	-	-
Highway and street	6,958,878	-	-	192,403
Building inspection	377,726	798,120	-	-
Culture and recreation	2,159,515	89,587	-	-
Maintenance	1,256,358	-	-	-
Board of Education	32,277,283	-	-	-
Downtown Development Authority	558,106	-	-	-
Interest and fiscal charges	<u>2,565,380</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>51,826,086</u>	<u>1,389,553</u>	<u>2,624,220</u>	<u>3,377,482</u>
Business-type activities:				
Gas system	20,818,379	40,289,140	-	489,803
Electric system	16,082,134	22,070,852	-	77,897
Solid waste and recycling	4,228,311	7,029,913	-	-
Wastewater system	4,339,806	3,520,324	-	-
Water system	2,663,921	1,216,053	-	-
Non-divisional utility	272,871	1,094,797	-	-
Community Center	<u>1,435,203</u>	<u>445,677</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>49,840,625</u>	<u>75,666,756</u>	<u>-</u>	<u>567,700</u>
Total primary government	<u>\$ 101,666,711</u>	<u>\$ 77,056,309</u>	<u>\$ 2,624,220</u>	<u>\$ 3,945,182</u>
Component Units				
City of Buford Board of Education	\$ 60,496,608	\$ 3,385,210	\$ 26,188,828	\$ 200,407
Downtown Development Authority	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 60,496,608</u>	<u>\$ 3,385,210</u>	<u>\$ 26,188,828</u>	<u>\$ 200,407</u>

General revenues:
Taxes:
 Property
 Sales, excise, and other
Franchise fees
Investment income
Payments from City of Buford
Gain on sale of assets
Miscellaneous
Transfers

Total general revenues and transfers

Change in net position

**Net position at beginning of year, restated
for City of Buford BOE**

Net position at end of year

Net (Expense) Revenue and Changes in Net Position			Component Units	
Primary Government			06/30/18 City of Buford Board of Education	Downtown Development Authority
Governmental Activities	Business-Type Activities	Total		
\$ 5,330,245	\$ -	\$ 5,330,245	\$ -	\$ -
(4,028,844)	-	(4,028,844)	-	-
(663,096)	-	(663,096)	-	-
(6,766,475)	-	(6,766,475)	-	-
420,394	-	420,394	-	-
(2,069,928)	-	(2,069,928)	-	-
(1,256,358)	-	(1,256,358)	-	-
(32,277,283)	-	(32,277,283)	-	-
(558,106)	-	(558,106)	-	-
(2,565,380)	-	(2,565,380)	-	-
(44,434,831)	-	(44,434,831)	-	-
-	19,960,564	19,960,564	-	-
-	6,066,615	6,066,615	-	-
-	2,801,602	2,801,602	-	-
-	(819,482)	(819,482)	-	-
-	(1,447,868)	(1,447,868)	-	-
-	821,926	821,926	-	-
-	(989,526)	(989,526)	-	-
-	26,393,831	26,393,831	-	-
\$(44,434,831)	\$ 26,393,831	\$(18,041,000)	\$ -	\$ -
\$ -	\$ -	\$ -	\$(30,722,163)	\$ -
-	-	-	-	-
\$ -	\$ -	\$ -	\$(30,722,163)	\$ -
\$ 20,103,080	\$ -	\$ 20,103,080	\$ 14,726,590	\$ -
3,643,369	-	3,643,369	7,410,367	-
1,030,883	-	1,030,883	-	-
113,578	543,336	656,914	554,039	39,242
-	-	-	7,596,841	558,106
121	-	121	-	417,500
229,155	2,073,227	2,302,382	3,594,306	-
28,700,954	(28,700,954)	-	-	-
53,821,140	(26,084,391)	27,736,749	33,882,143	1,014,848
9,386,309	309,440	9,695,749	3,159,980	1,014,848
88,579,101	86,699,788	175,278,889	6,758,494	8,289,691
\$ 97,965,410	\$ 87,009,228	\$ 184,974,638	\$ 9,918,414	\$ 9,304,539

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

**CITY OF BUFORD, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 614,562	\$ 11,644,665	\$ 12,259,227
Investments – certificates of deposit	7,092,418	-	7,092,418
Property taxes receivable - net	594,333	-	594,333
Sales, excise, and other taxes receivable	-	36,187	36,187
Other receivables	119,733	-	119,733
Due from other governments	156,389	397,927	554,316
Interfund balances	110,302	-	110,302
Prepaid items	271,940	1,257,488	1,529,428
Restricted cash and cash equivalents	<u>-</u>	<u>384,379</u>	<u>384,379</u>
Total assets	\$ <u>8,959,677</u>	\$ <u>13,720,646</u>	\$ <u>22,680,323</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,624,301	\$ 753,782	\$ 4,378,083
Accrued expenses	68,763	-	68,763
Interfund balances	<u>-</u>	<u>176,985</u>	<u>176,985</u>
Total liabilities	<u>3,693,064</u>	<u>930,767</u>	<u>4,623,831</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	<u>546,898</u>	<u>-</u>	<u>546,898</u>
Total deferred inflows of resources	<u>546,898</u>	<u>-</u>	<u>546,898</u>
FUND BALANCES			
Non-spendable:			
Prepaid items	271,940	1,257,488	1,529,428
Restricted for:			
Capital project – SPLOST construction	-	11,148,012	11,148,012
Capital projects - City of Buford			
Board of Education	-	704	704
Debt service	-	383,675	383,675
Education	609,190	-	609,190
Unassigned	<u>3,838,585</u>	<u>-</u>	<u>3,838,585</u>
Total fund balances	<u>4,719,715</u>	<u>12,789,879</u>	<u>17,509,594</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>8,959,677</u>	\$ <u>13,720,646</u>	\$ <u>22,680,323</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF BUFORD, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total fund balance - total governmental funds	\$ 17,509,594
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 governmental funds balance sheet.	94,815,304
Long-term receivables applicable to governmental activities are not due and receivable in the current period and accordingly are not reported in the governmental funds balance sheet:	
Intergovernmental contracts receivable	59,195,085
Other long-term assets are not available to pay for current period expenditures, and therefore, are reported as deferred inflows of resources in governmental funds:	
Property tax revenue	546,898
Deferred outflows of resources are not due and payable in the current period, and therefore, are not reported in the funds:	
OPEB related experience differences, assumption changes, differences between projected and actual earnings on OPEB plan investments, and contributions	705,492
Pension related experience differences, assumption changes, differences between projected and actual earnings on pension plan investments, and contributions	2,050,931
Deferred inflows of resources are not available to pay for current-period expenditures, and therefore, are not reported in the funds:	
OPEB related differences between expected and actual experience	(898,198)
Pension related differences between expected and actual experience	-
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported in fund liabilities. Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position:	
General obligation bonds - 2010 issue	(4,503,236)
General obligation bonds - 2015 issue	(10,700,000)
General obligation bonds - 2017 issue	(43,500,000)
Refunding premium - 2015 issue	(962,145)
Refunding premium - 2017 issue	(4,032,940)
Deferred gain on bond refunding	(151,895)
Accrued interest payable	(1,288,363)
Compensated absences	(192,120)
OPEB liability	(6,489,258)
Net pension liability	(4,139,739)
Net position of governmental activities	\$ <u>97,965,410</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF BUFORD, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes - property	\$ 19,768,459	\$ -	\$ 19,768,459
Taxes - sales, excise, and other	3,286,770	356,599	3,643,369
Intergovernmental	398,599	4,676,731	5,075,330
Charges for services	1,389,553	-	1,389,553
Franchise fees	1,030,883	-	1,030,883
Investment income	100,715	23,935	124,650
Miscellaneous	<u>229,155</u>	<u>-</u>	<u>229,155</u>
Total revenues	<u>26,204,134</u>	<u>5,057,265</u>	<u>31,261,399</u>
EXPENDITURES			
Current operating:			
General government:			
General	15,145,758	-	15,145,758
Financial administration	3,493,959	-	3,493,959
Public safety:			
Public safety, Marshal and code enforcement	597,906	-	597,906
Public services:			
Highway and street	5,097,774	-	5,097,774
Building inspection	375,026	-	375,026
Culture and recreation	882,119	66,511	948,630
Maintenance	988,224	-	988,224
Intergovernmental:			
Buford Board of Education	29,678,096	2,599,187	32,277,283
Capital outlay	-	731,094	731,094
Debt Service			
Principal retirement	-	500,000	500,000
Interest and fiscal charges	<u>-</u>	<u>2,591,496</u>	<u>2,591,496</u>
Total expenditures	<u>56,258,862</u>	<u>6,488,288</u>	<u>62,747,150</u>
Excess (deficiency) of revenues over (under) expenditures	(<u>30,054,728</u>)	(<u>1,431,023</u>)	(<u>31,485,751</u>)
OTHER FINANCING SOURCES (USES)			
Sales of surplus property	121	-	121
Transfers in	29,906,005	6,949,620	36,855,625
Transfers out	<u>(7,864,448)</u>	<u>(290,223)</u>	<u>(8,154,671)</u>
Total other financing sources (uses)	<u>22,041,678</u>	<u>6,659,397</u>	<u>28,701,075</u>
Net change in fund balance	(8,013,050)	5,228,374	(2,784,676)
Fund balance - beginning	<u>12,732,765</u>	<u>7,561,505</u>	<u>20,294,270</u>
Fund balance - ending	\$ <u>4,719,715</u>	\$ <u>12,789,879</u>	\$ <u>17,509,594</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

**CITY OF BUFORD, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Net change in fund balances - total governmental funds \$(2,784,676)

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

Governmental funds report capital outlays as expenditures. However, in the Government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. When assets are sold or retired, the difference between the sales proceeds, if any, and the net book value of the assets is reported in the statement of activities as a gain or loss:

Capital asset additions	16,511,212
Depreciation expense	(3,398,990)
Loss on disposal of assets	(558,106)

Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Contributions of capital assets	915,300
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Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the increase (decrease) during the current year in deferred inflows or resources that are earned but not collected:

Property tax revenue	334,621
----------------------	---------

In the governmental funds, payments received on long-term intergovernmental contracts receivable are reported as intergovernmental revenues. However, in the statement of activities, the intergovernmental contracts receivable, is recorded in the year it is created and repayments serve to reduce the long-term receivable. This is the net effect of these differences in the current year:

(529,963)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the government-wide statement of activities:

Principal payments on general obligation bonds	500,000
------------------------------------------------	---------

Some expenses reported in the government-wide statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds:

Amortization of bond reoffering premiums	529,963
Amortization of gain on advance bond refunding	17,870
Accrued interest	8,246
Compensated absences	4,349
OPEB cost	(271,228)
Pension cost	(1,892,289)

Change in net position of governmental activities	\$ <u>9,386,309</u>
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SEE NOTES TO BASIC FINANCIAL STATEMENTS.

CITY OF BUFORD, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>			Variance with Final budget Over (Under)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Taxes - property	\$ 18,320,500	\$ 18,320,500	\$ 19,768,459	\$ 1,447,959
Taxes - sales, excise, and other	3,201,000	3,201,000	3,286,770	85,770
Intergovernmental	1,041,195	1,041,195	398,599	(642,596)
Charges for services	1,360,000	1,360,000	1,389,553	29,553
Franchise fees	1,040,000	1,040,000	1,030,883	(9,117)
Payments from Downtown Development Authority	2,300,000	2,300,000	-	(2,300,000)
Investment income	10,000	10,000	100,715	90,715
Miscellaneous	<u>70,000</u>	<u>70,000</u>	<u>229,155</u>	<u>159,155</u>
Total revenues	<u>27,342,695</u>	<u>27,342,695</u>	<u>26,204,134</u>	<u>(1,138,561)</u>
EXPENDITURES				
Current operating:				
General government:				
General	10,010,000	15,145,758	15,145,758	-
Financial administration	4,076,500	3,493,959	3,493,959	-
Public safety:				
Public safety, Marshal and Code enforcement	664,000	597,906	597,906	-
Public services:				
Highway and street	5,042,000	5,097,774	5,097,774	-
Building inspection	371,000	375,026	375,026	-
Culture and recreation	936,500	882,119	882,119	-
Maintenance	844,500	988,224	988,224	-
Intergovernmental:				
Board of Education	<u>29,925,000</u>	<u>29,678,096</u>	<u>29,678,096</u>	<u>-</u>
Total expenditures	<u>51,869,500</u>	<u>56,258,862</u>	<u>56,258,862</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,526,805)</u>	<u>(28,916,167)</u>	<u>(30,054,728)</u>	<u>(1,138,561)</u>
OTHER FINANCING SOURCES (USES)				
Sales of surplus equipment	10,000	10,000	121	(9,879)
Transfers in	36,371,000	36,371,000	29,906,005	(6,464,995)
Transfers out	<u>(1,750,000)</u>	<u>(7,864,448)</u>	<u>(7,864,448)</u>	<u>-</u>
Net other financing sources (uses)	<u>34,631,000</u>	<u>28,516,552</u>	<u>22,041,678</u>	<u>(6,474,874)</u>
Net change in fund balance	10,104,195	(399,615)	(8,013,050)	(7,613,435)
Fund balance - beginning	<u>12,732,765</u>	<u>12,732,765</u>	<u>12,732,765</u>	<u>-</u>
Fund balance - ending	\$ <u>22,836,960</u>	\$ <u>12,333,150</u>	\$ <u>4,719,715</u>	\$ <u>(7,613,435)</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

**CITY OF BUFORD, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Utilities Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,703,135	\$ -	\$ 8,703,135
Investments	24,948,723	-	24,948,723
Accounts receivable, net	5,353,212	-	5,353,212
Due from other funds	-	66,683	66,683
Prepaid expenses	<u>304,532</u>	<u>9,944</u>	<u>314,476</u>
Total current assets	<u>39,309,602</u>	<u>76,627</u>	<u>39,386,229</u>
Noncurrent assets:			
Restricted assets:			
Restricted investments	7,077,379	-	7,077,379
Capital assets - net	<u>59,656,726</u>	<u>212,673</u>	<u>59,869,399</u>
Total noncurrent assets	<u>66,734,105</u>	<u>212,673</u>	<u>66,946,778</u>
Total assets	<u>106,043,707</u>	<u>289,300</u>	<u>106,333,007</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	600,974	-	600,974
Deferred outflows of resources related to pensions	<u>1,674,547</u>	<u>72,542</u>	<u>1,747,089</u>
Total deferred outflows of resources	<u>2,275,521</u>	<u>72,542</u>	<u>2,348,063</u>
LIABILITIES			
Current liabilities:			
Bank overdrafts	-	14,180	14,180
Accounts payable	2,703,873	8,461	2,712,334
Other accrued liabilities	276,628	6,579	283,207
Unearned revenue	<u>1,562,685</u>	<u>37,410</u>	<u>1,600,095</u>
Total current liabilities	<u>4,543,186</u>	<u>66,630</u>	<u>4,609,816</u>
Noncurrent liabilities:			
Customer deposits payable	7,077,379	-	7,077,379
Accrued compensated absences	165,185	-	165,185
Net OPEB liability	5,527,886	-	5,527,886
Net pension liability	<u>3,380,020</u>	<u>146,424</u>	<u>3,526,444</u>
Total noncurrent liabilities	<u>16,150,470</u>	<u>146,424</u>	<u>16,296,894</u>
Total liabilities	<u>20,693,656</u>	<u>213,054</u>	<u>20,906,710</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	765,132	-	765,132
Deferred inflows of resources related to pensions	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>765,132</u>	<u>-</u>	<u>765,132</u>
NET POSITION			
Investment in capital assets	59,656,726	212,673	59,869,399
Unrestricted	<u>27,203,714</u>	<u>(63,885)</u>	<u>27,139,829</u>
Total net position	<u>\$ 86,860,440</u>	<u>\$ 148,788</u>	<u>\$ 87,009,228</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

CITY OF BUFORD, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Utilities Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
OPERATING REVENUES			
Charges for services:			
Gas	\$ 40,289,140	\$ -	\$ 40,289,140
Electric	22,070,852	-	22,070,852
Solid waste and recycling	7,029,913	-	7,029,913
Wastewater	3,520,324	-	3,520,324
Water	1,216,053	-	1,216,053
Penalties	904,476	-	904,476
Service charges	190,321	-	190,321
Buford Community Center	<u>-</u>	<u>445,677</u>	<u>445,677</u>
Total charges for services	<u>75,221,079</u>	<u>445,677</u>	<u>75,666,756</u>
Miscellaneous:			
Other	<u>94,276</u>	<u>3,734</u>	<u>98,010</u>
Total miscellaneous	<u>94,276</u>	<u>3,734</u>	<u>98,010</u>
Total operating revenues	<u>75,315,355</u>	<u>449,411</u>	<u>75,764,766</u>
OPERATING EXPENSES			
Utilities purchased for resale	26,046,385	-	26,046,385
Personal services	8,720,747	438,879	9,159,626
Depreciation	5,377,597	23,287	5,400,884
Contractual services	4,322,791	205,076	4,527,867
Materials and supplies	2,563,517	41,440	2,604,957
Utilities	787,972	121,661	909,633
Repairs and maintenance	500,072	63,760	563,832
Event expenses	-	526,507	526,507
Other operating	<u>86,341</u>	<u>14,593</u>	<u>100,934</u>
Total operating expenses	<u>48,405,422</u>	<u>1,435,203</u>	<u>49,840,625</u>
Income (loss) from operations	26,909,933	(985,792)	25,924,141
NONOPERATING REVENUES (EXPENSES)			
Refunds and rebates	2,542,917	-	2,542,917
Investment income	<u>543,328</u>	<u>8</u>	<u>543,336</u>
Total nonoperating revenues (expenses)	<u>3,086,245</u>	<u>8</u>	<u>3,086,253</u>
Income (loss) before transfers	29,996,178	(985,784)	29,010,394
TRANSFERS	<u>(29,682,465)</u>	<u>981,511</u>	<u>(28,700,954)</u>
Total transfers	<u>(29,682,465)</u>	<u>981,511</u>	<u>(28,700,954)</u>
Change in net position	313,713	(4,273)	309,440
Total net position at beginning of year	<u>86,546,727</u>	<u>153,061</u>	<u>86,699,788</u>
Total net position at end of year	\$ <u>86,860,440</u>	\$ <u>148,788</u>	\$ <u>87,009,228</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

**CITY OF BUFORD, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Utilities Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>			
Receipts from customers	\$ 74,745,427	\$ 380,402	\$ 75,125,829
Receipts from other operating sources	94,276	3,734	98,010
Receipts from interfund services provided	515,313	-	515,313
Payments to suppliers for goods and services	(34,698,310)	(908,896)	(35,607,206)
Payments for personal services	(7,001,417)	(365,450)	(7,366,867)
Net cash provided (used) by operating activities	<u>33,655,289</u>	<u>(890,210)</u>	<u>32,765,079</u>
<i>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</i>			
Transfers from other funds	-	981,511	981,511
Proceeds from refunds and rebates	1,975,218	-	1,975,218
Transfers to other funds	(29,682,465)	-	(29,682,465)
Net cash provided (used) by noncapital financing activities	<u>(27,707,247)</u>	<u>981,511</u>	<u>(26,725,736)</u>
<i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</i>			
Proceeds from refunds and rebates	567,699	-	567,699
Purchases of capital assets	(7,384,112)	(85,963)	(7,470,075)
Net cash provided (used) by capital and related financing activities	<u>(6,816,413)</u>	<u>(85,963)</u>	<u>(6,902,376)</u>
<i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>			
Purchases of investments	(2,148,827)	-	(2,148,827)
Income from investments	<u>543,328</u>	<u>8</u>	<u>543,336</u>
Net cash provided (used) by investing activities	<u>(1,605,499)</u>	<u>8</u>	<u>(1,605,491)</u>
Increase (decrease) in cash and cash equivalents	(2,473,870)	5,346	(2,468,524)
Cash and cash equivalents at beginning of year	<u>11,177,005</u>	<u>(19,526)</u>	<u>11,157,479</u>
Cash and cash equivalents at end of year	\$ <u>8,703,135</u>	\$(<u>14,180)</u>	\$ <u>8,688,955</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

**CITY OF BUFORD, GEORGIA
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Utilities Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Income (loss) from operations	\$ 26,909,933	\$(985,792)	\$ 25,924,141
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Cash flows reported in other categories:			
Depreciation	5,377,597	23,287	5,400,884
Changes in assets and liabilities:			
Accounts receivable	(652,160)	-	(652,160)
Due from other funds	-	23,934	23,934
Prepaid expenses	(19,234)	43,401	24,167
Deferred outflows OPEB	(519,887)	-	(519,887)
Deferred outflows pension	(269,001)	(25,690)	(294,691)
Accounts payable	(357,112)	(2,332)	(359,444)
Other accrued liabilities	5,309	4,194	9,503
Unearned revenue	493,441	(65,275)	428,166
Customer deposits payable	198,380	-	198,380
Compensated absences	38,863	-	38,863
Net OPEB liability	795,312	-	795,312
Net pension liability	2,132,396	104,837	2,237,233
Deferred inflows OPEB	(155,329)	-	(155,329)
Deferred inflows of pension	(323,219)	(10,774)	(333,993)
Net cash provided (used) by operating activities	\$ <u>33,655,289</u>	\$(<u>890,210</u>)	\$ <u>32,765,079</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:			
Cash and cash equivalents	\$ 8,703,135	\$ -	\$ 8,703,135
Restricted cash and cash equivalents	-	-	-
Bank overdrafts	<u>-</u>	(<u>14,180</u>)	(<u>14,180</u>)
Total cash and cash equivalents at end of year	\$ <u>8,703,135</u>	\$(<u>14,180</u>)	\$ <u>8,688,955</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

**CITY OF BUFORD, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Custodial Funds
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 1,105,399
Investments	<u>8,254,715</u>
Total assets	\$ <u>9,360,114</u>
 NET POSITION	
Restricted for:	
City of Buford Board of Education	\$ <u>9,360,114</u>
Total net position	\$ <u>9,360,114</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

**CITY OF BUFORD, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Custodial Funds
ADDITIONS	
Investment income	\$ <u>415,245</u>
Total additions	<u>415,245</u>
DEDUCTIONS	
Intergovernmental	<u>2,418,023</u>
Total deductions	<u>2,418,023</u>
Net increase (decrease) in fiduciary net position	(2,002,778)
Total net position at beginning of year, as restated	<u>11,362,892</u>
Total net position at end of year	\$ <u>9,360,114</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Buford, Georgia (the "City") have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

These financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. This Statement established financial reporting requirements for state and local governments throughout the United States. As part of the implementation of GASB Statement No. 34, the City has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the financial statements.

REPORTING ENTITY

The City was incorporated December 23, 1937, under Code of Georgia Annotated Title 69-1 and reincorporated under a revised City Charter in 2003. The City operates under a Commission-Manager form of government and is vested with all rights, powers, and privileges incident to a Municipal corporation. The City's charter authorizes the following services: public safety (public safety, marshal and code enforcement), highways and streets, culture and recreation, maintenance, sanitation and utility services, education and general administrative services.

The City for financial reporting purposes includes all of the funds relevant to the operations of the City of Buford. The Government Accounting Standards Board has set forth criteria to determine if legally separate organizations are considered to be component units in which the City is considered to be financially accountable or other organizations whose nature and significant relationship with the City is such that exclusion would cause the City's financial statements to be incomplete or misleading. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and accordingly, data from these units are combined with data of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The component units discussed below should be included in the City's reporting entity because of their operational or financial relationship with the City.

Discretely Presented Component Units

City of Buford Board of Education - The City of Buford Board of Education ("BOE") is the governing authority of the City School System. There are five members on the Board. Four of them are elected by the public, and one is the Chairman of the City of Buford Board of Commissioners. The BOE is a legally separate entity with the power to sue or be sued. The BOE has decision-making authority, the power to designate management, the power to incur indebtedness, and the ability to significantly influence operations. The BOE controls the employment of all personnel and has the final decision on how its funds are disbursed. However, the City Commission holds the authority to levy taxes and determines the amount of tax revenue flowing to the BOE. The City approves the property tax millage, levies the tax and remits the school portion of the tax to the board. In addition, the City provides additional funds as necessary to ensure that the quality of educational facilities and services provided are maintained at the highest level possible. Finally, the City may, and has, approved the issuance of bonded debt for the use of the BOE and is legally responsible for that debt. Thus, the BOE is a component unit of the City because it is fiscally dependent on the City. The amounts on the government-wide financial statements are from the BOE's audited financial statements for the year ending June 30, 2018, which were released on August 20, 2020 and are the latest available as of the date of our report.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

REPORTING ENTITY - CONTINUED

Discretely Presented Component Units - Continued

The financial statements of the City of Buford Board of Education noted above were audited by other independent auditors. These component financial statements can be obtained from the City of Buford Board of Education at 2625 Sawnee Avenue, Buford, Georgia 30518.

Note information in these Notes to Basic Financial Statements does not include any data related to the City of Buford Board of Education. GASBS No. 14, paragraph 63 states that "determining which discretely presented component unit disclosures are essential to fair presentation is a matter of professional judgment and should be done on a component unit-by-component unit basis." Because of the fact that these financial statements are primarily concerned with the Primary Government of the City of Buford, and due to the fact that the BOE has separately issued financial statements that are readily available to users, this information is not included in these notes.

City of Buford Downtown Development Authority – The City of Buford Downtown Development Authority ("DDA") is governed by a board appointed by the City of Buford Board of Commissioners. The DDA is responsible for the revitalization and redevelopment of the geographical area within the corporate limits of the City.

The DDA did not issue separate financial statements for the year ended June 30, 2020.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

Government-Wide Financial Statements

The City of Buford's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position and report information on all of the activities of the City. The statements present summaries of governmental and business-type activities of the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the City's assets and liabilities, including capital assets as well as infrastructure assets acquired after July 1, 1980 and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues of the City are reported in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. Governmental activities, which normally are 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.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. In the Statement of Activities, transactions of a service type nature between the governmental activities and the business-type activities have not been eliminated.

The City applies all applicable GASB pronouncements, including all NCGA Statements and Interpretations currently in effect.

CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION - CONTINUED

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental funds. An accompanying schedule is presented to reconcile and explain differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The City has presented all funds that meet those qualifications.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures in the current period. Accordingly, revenues are recorded when received in cash, except those revenues that are subject to accrual (generally sixty days after year-end) which are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City are property tax, sales tax, intergovernmental revenues and other taxes. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The City has presented the following major governmental funds:

General Fund - The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Other governmental funds that are not considered major include the following:

Special Revenue Funds

Special revenue funds are used by the City to account for the accumulation and disbursement of restricted resources. The following is a description of the City’s special revenue funds:

Hotel/Motel Tax Fund - used to account for receipt and allocation of the City’s hotel/motel tax. Use of this tax is limited by law to promotion of tourism. The City hotel/motel tax rate for its three hotels was 7% during the fiscal year ending June 30, 2020.

Auto Rental Excise Tax Fund – used to account for receipt and allocation of the City’s rental motor vehicle excise tax. Use of this tax is limited by law to promote industry, trade, commerce, and tourism; for the provision of convention, trade, sports, and recreational facilities. The City’s rental motor vehicle excise tax rate was 3% during the fiscal year ending June 30, 2020.

CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION - CONTINUED

Governmental Fund Financial Statements - Continued

Debt Service Funds

The debt service funds account for the accumulation of resources for, and the payment of governmental long-term debt principal, interest, and fiscal charges. The following is a description of the City's debt service funds:

2010 General Obligation Bond Debt Service Fund – used to service the governmental long-term debt related to the 2010 General Obligation Bonds used to finance the construction of the Buford Community Center, Town Park and Theatre.

2015 General Obligation Bond Debt Service Fund – used to service the governmental long-term debt related to the 2015 General Obligation Bonds used to finance the construction of educational facilities related to the City of Buford Board of Education.

2017 General Obligation Bond Debt Service Fund – This fund is used to service the governmental long-term debt related to the 2017 General Obligation Bonds used to finance the construction of educational facilities related to the City of Buford Board of Education.

Capital Project Funds

Capital project funds account for all resources used for the acquisition and/or construction of major capital facilities by the City, except those financed by the General and Enterprise Funds. The following is a description of the City's capital projects funds:

Gwinnett County 2009 SPLOST Fund - used to account for the construction and financing of projects funded by the Gwinnett County 2009 SPLOST.

Gwinnett County 2014 SPLOST Fund - used to account for the construction and financing of projects funded by the City of Buford 2014 SPLOST.

Gwinnett County 2017 SPLOST Fund - used to account for the construction and financing of projects funded by the Gwinnett County 2017 SPLOST.

Hall County 2009 SPLOST Fund - used to account for the construction and financing of projects funded by the Hall County 2009 SPLOST.

Hall County 2015 SPLOST Fund - used to account for the construction and financing of projects funded by the Hall County 2015 SPLOST.

Rest Haven 2001 SPLOST Fund - used to account for the construction and financing of projects funded by the City of Rest Haven 2001 SPLOST.

Rest Haven 2005 SPLOST Fund - used to account for the construction and financing of projects funded by the City of Rest Haven 2005 SPLOST.

2015 General Obligation Bond Capital Project Fund – This fund is used to account for the construction and financing of projects funded by the City of Buford 2015 General Obligation Bonds.

2017 General Obligation Bond Capital Project Fund – This fund is used to account for the construction and financing of projects funded by the City of Buford 2017 General Obligation Bonds.

CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION - CONTINUED

Proprietary Funds Financial Statements

Proprietary funds financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund and aggregated non-major funds.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the funds. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the funds. All other expenses are reported as non-operating expenses.

The City has presented the following major proprietary fund:

Utilities Fund - used to account for the provision of electric, gas, water, waste water, sanitation and recycling services to the residents of the City of Buford and its surrounding areas. Activities of the fund include administration, operations and maintenance of the utility systems, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for enterprise fund debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure the integrity of the fund.

Other proprietary funds that are not considered major include the following:

Buford Community Center Fund - used to account for the activity of the Buford Community Center, Town Park and Theatre.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's Fiduciary Funds represent custodial funds. The custodial funds use the "*economic resources*" measurement focus and the accrual basis of accounting like the proprietary funds explained above. Custodial funds of the City are related to Buford Board of Education SPLOST funds from Gwinnett and Hall Counties.

USE OF RESTRICTED/UNRESTRICTED NET POSITION

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

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FICAL YEAR ENDING JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for the General, Special Revenue, and Proprietary (Enterprise) Funds. Capital Projects are budgeted over the life of the projects. Debt Service is budgeted through either the General or Proprietary (Enterprise) Fund depending on the type of debt. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Proprietary (Enterprise) Fund is adopted on a GAAP basis, except that depreciation expense is not budgeted. Budget amounts are as originally adopted, or as amended by the Board of Commissioners.

Budgeting Policy

- The prior year's actual revenues and expenditures/expenses for the General and Proprietary (Enterprise) Funds are compared to budget amounts for that year.
- Adjustments are made to the prior year's budgeted revenues and expenditures/expenses to make budgeted amounts agree with actual amounts. These are the proposed budgets for the coming year.
- The proposed budgets are submitted to the Board of Commissioners, who make adjustments to the proposed budgets as it deems necessary.
- The proposed budgets are revised in accordance with the Board of Commissioners recommendations and resubmitted to the Board of Commissioners for their approval.
- After reviewing the budget revisions, the Board of Commissioners approves and adopts the budgets.
- All budget amendments must be approved by the Board of Commissioners.
- All appropriations lapse at the end of the fiscal year.

CASH, CASH EQUIVALENTS AND INVESTMENTS

For purposes of the Statement of Cash Flows, the City considers cash, demand deposits, certificates of deposit, cash with agents and all highly liquid investments with original maturities of three months or less when purchased to be cash and cash equivalents. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The City generally holds all investments until maturity.

INTERFUND RECEIVABLES AND PAYABLES

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

TRANSACTIONS BETWEEN FUNDS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both the Governmental and Proprietary Funds.

PAYMENTS BETWEEN CITY AND BUFORD BOARD OF EDUCATION CUSTODIAL FUNDS

Resource flows between the City and the custodial funds related to the Buford Board of Education SPLOST funds are reported as external transactions - that is, as revenues and expenses/expenditures in the financial statements.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ACCOUNTS RECEIVABLE AND UNEARNED REVENUES

Accounts receivable are recorded in the General, Special Revenue, Capital Project and Proprietary Funds. Receivables are stated at their net realizable value (face value less the allowance for uncollectible accounts). Delinquent taxes receivable are fully reserved by the deferral of the related revenues until payment is received. Utility revenue is recorded when earned. The accrual of earned, but unbilled receivables is made at year-end and included in the accompanying financial statements. The Utilities Fund grants credit to utility customers, all of whom are located in North Georgia Counties. Allowances for doubtful accounts totaled \$425,623 for the General Fund and \$3,828,692 for the Utilities Fund. No allowance was considered necessary for any receivables in the special revenue or capital project funds.

PREPAID ITEMS

Prepaid balances are for payments made by the City in the current year for services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of the fund balance is not available for subsequent expenditures ("nonspendable fund balance").

RESTRICTED CASH AND INVESTMENTS

Certain funds are held in the Capital Project Funds, Debt Service Funds, and Utilities Fund in accounts restricted for capital outlay and debt service. These funds are held in cash or investments as allowed by State law and the requirements of the related debt agreements. The investments are stated at fair value and the City records all investment revenue earned on these investments in the appropriate fund.

INVENTORIES

There are no inventories of supplies or materials recorded at June 30, 2020, as amounts stored for supplies and materials were not of a material nature at that date.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The 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 then. The amounts that qualify for reporting in this category are related to pensions and other post-employment benefits (OPEB).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The amounts that qualify for reporting in this category are related to deferred gain on bond refunding, pensions, and other post-employment benefits (OPEB).

In addition to liabilities, governmental activities fund balance will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The amounts that qualify for reporting in this category are related to property taxes.

MANAGEMENT ESTIMATES

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

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

PROPERTY TAX

Property Taxes - City property tax revenues are recognized when levied to the extent that they result in current receivables. Receivables outstanding more than 60 days after the fiscal year-end are recorded as deferred revenue in governmental funds. Taxes were levied on August 5, 2019, which is the date that the millage rate was established. Taxes are payable by December 20 and become delinquent and attach as an enforceable lien on that date. The City bills and collects property taxes through the General Fund and the funds are entirely related to and for the use of the Buford Board of Education and transferred along with additional funding appropriations as set by the City Commission in the budget process. The millage rate for the 2019 tax digest was set at 12.70 mills.

CAPITAL ASSETS

Capital assets, which include property, plant and equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expense is recorded in the government-wide financial statements and in the fund financial statements for proprietary funds. Repairs and maintenance are recorded as expenses and expenditures; renewal and betterments are capitalized.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over one year of useful life. Infrastructure assets capitalized have an original cost of \$10,000 or more. Depreciation has been calculated on depreciable assets using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	15-50 years
Park improvements	5-25 years
Equipment	5-10 years
Furniture and fixtures	10 years
Sidewalks	16 years
Streets, streetscapes and hardscapes	20 years
Utility Plant - Electric	10-25 years
Utility Plant - Gas	10-25 years
Utility Plant - Waste Water	10-25 years
Utility Plant - Water	10-25 years
Vehicles	5-10 years

The City has elected not to capitalize collections and works of art. Collections such as works of art and historical artifacts meet the definition of a capital asset. The requirement for capitalization is waived, however, for collections that meet the following conditions:

- The collection is held for reasons other than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

The sale or disposal of capital assets is recorded by removing the cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, drainage, sidewalks, etc. The City finalized implementation of the general provisions of GASB Statement No. 34 related to retroactive infrastructure provisions in the fiscal year ending June 30, 2007. All infrastructure acquired after years ending June 30, 1980 is included in these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

COMPENSATED ABSENCES

Compensated absences are recorded on the statement of activities in the government-wide financial statements and the statement of revenues, expenses, and changes in net position in the proprietary fund financial statements. The City's policy for compensated absences is as follows. Vacation is accrued at the rate of five days per year for employees with zero through three years of service, at a rate of ten days per year for employees with four years to nine years of service and at a rate of fifteen days per year for employees with ten or more years of service. Unused vacation leave, not to exceed thirty days, may be carried into the next calendar year. Any annual vacation leave above thirty days will be paid at the end of the calendar year. Sick leave accrues at the rate of five days per year. Unused sick leave may be carried into the next calendar year, not to exceed ten days.

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. Long-term liabilities expected to be financed from governmental fund types are not recorded in the governmental fund financial statements. Any related interest expense is recorded on the statement of activities in the government-wide financial statements and the statement of revenues, expenses, and changes in net position in the proprietary fund financial statements. Payments of principal and interest are recorded as expenditures on the statement of revenues, expenditures and changes in fund balance in the governmental fund financial statements.

Bond discounts and premiums are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. In the fund financial statements, governmental fund types report the face amount of debt issued and related premiums or discounts as other financing sources. Bond issuance costs are reported as debt service expenditures.

GOVERNMENTAL FUND BALANCES

In accordance with GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable fund balance - amounts that cannot be spent because they are not in a spendable form, such as prepaid expenses or inventory, or because they are legally or contractually required to be maintained intact.

Restricted fund balance - constraints are placed on the use of specific purposes by their providers, such as grantors, creditors and bondholders, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City of Buford Board of Commissioners. The Board of Commissioners is the City's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. Committed fund balance should also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - amounts that are constrained by the City's intent to use for a specific purpose, but are neither restricted nor committed. The intent should be expressed by the Board of Commission.

Unassigned fund balance - the residual classification representing fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the fund. These are amounts that are available for any purpose; positive amounts are reported only in the General Fund.

CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

GOVERNMENTAL FUND BALANCES - CONTINUED

The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the City Commission through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service, or for other purposes).

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: Committed, then Assigned, and lastly, Unassigned.

ADOPTION OF ACCOUNTING STANDARD

The City has adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* (GASB 89). GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period for the City's proprietary funds. GASB 89 requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result of the implementation of GASB 89, all interest incurred is reported as an expense in the Statement of Revenues, Expenses, and Changes in Net Position. There was no interest cost incurred by the City's proprietary funds for the year ended June 30, 2020.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk - the risk that, in the event of the failure of a depository institution, the City 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 to be 110% collateralized by depository insurance, obligations of the United States or certain obligations guaranteed by the U.S. Government, obligations of the State of Georgia, or industrial revenue bonds or bonds of public or development authorities, counties, or municipalities of the State of Georgia. The collateral pledged by the banks' trust department in the City's name is composed of bonds of U.S. Government Agencies. The City's policy on custodial credit risk is to comply with the requirements of the State of Georgia.

Deposits of the City's reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging financial institution's trust department or agent in the name of the City or applicable public trust. The City has not adopted a formal deposit policy.

Investments

State statutes authorize the City to invest only in certificates of deposit of banks and savings and loan associations which have deposits insured by the FDIC with any uninsured amounts collateralized by direct obligations of the United States or the State of Georgia; obligations of the United States and of its agencies and instrumentalities; or bonds or certificates of indebtedness of the State of Georgia and of its agencies and its instrumentalities. The City has not adopted a formal investment policy.

At June 30, 2020, the City's primary government investments were classified as follows:

Investments	\$ 32,041,141
Restricted investments	<u>7,077,379</u>
Total primary government investments	\$ <u>39,118,520</u>

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 - DEPOSITS AND INVESTMENTS - CONTINUED

Investments - Continued

As of June 30, 2020, the City had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
<u>Primary Government</u>			
<u>Governmental activities</u>			
Certificates of Deposit	N/A	365 day	\$ 7,092,418
<u>Business-type activities</u>			
Certificates of Deposit	N/A	365 day	17,147,037
Municipal Competitive Trust:			
Flexible Operating Account	N/A	07/01/20-10/02/20	11,149,960
Intermediate Extended Maturity	N/A	07/01/20-10/01/40	<u>3,729,105</u>
Total primary government			\$ <u>39,118,520</u>
<u>Component Unit</u>			
<u>Downtown Development Authority</u>			
Certificates of Deposit	N/A	365 day	\$ <u>2,310,243</u>
Total Downtown Development Authority			\$ <u>2,310,243</u>

The City is involved in an external investment pool, the Municipal Competitive Trust, which is administered by the Municipal Electric Authority of Georgia ("MEAG"), a governmental entity. The City entered into a Municipal Competitive Trust agreement with MEAG. The City purchases for resale, electric power from MEAG. The City is a beneficiary of this trust, and the City and MEAG deposit monies in the trust from time to time. All monies are held by the trustee, Municipal Competitive Trust, for the City's benefit and are invested in investment securities. The City has recorded the assets in the Enterprise Fund. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, direct and general obligations of states, certain Federal agency discount notes and repurchase agreements collateralized by securities, which would otherwise be permissible under the laws of the State of Georgia. The fair value of the City's position in the pool changes with market conditions, and is calculated based on the fair market value of net position held in the pool at the close of each business day.

Credit Risk - the City's policy regarding credit risk is to follow state statute. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, direct and general obligations of states, certain Federal agency discount notes and repurchase agreements collateralized by securities, which would otherwise be permissible under the laws of the State of Georgia.

Custodial Credit Risk - for an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in the funds. Fund shares are not guaranteed by the US Government. The fund is a managed portfolio and its holdings are subject to change. The fund shares are held in an investment account in the City's name. Custodial Credit Risk is not required for external investment pools; therefore, the Municipal Competitive Trust is exempt from this requirement. The City has no policy on custodial credit risk.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 - DEPOSITS AND INVESTMENTS - CONTINUED

Investments - Continued

Interest Rate Risk - interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rates. The US Treasury Money Market interest rate risk is based on WAM. The Municipal Competitive Trust interest rate risk is based on the maximum duration of maturity of its investments.

Concentration of Credit Risk - the City places no limit on the amount that the City may invest in any one issuer. External investment pools are excluded from the concentration of credit risk requirement; therefore, the Municipal Competitive Trust is exempt from this requirement.

Foreign Currency Risk - The City has no foreign currency risk as all investments are in U.S. dollar-denominated assets.

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

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>Primary Government</u>				
Municipal Competitive Trust:				
Short-term Portfolio	\$ -	\$ 11,149,960	\$ -	\$ 11,149,960
Intermediate Extended Maturity	-	<u>3,729,105</u>	-	<u>3,729,105</u>
Total investments measured at fair value	\$ -	\$ <u>14,879,065</u>	\$ -	\$ 14,879,065
Investments recorded at cost:				
Certificates of deposit				<u>24,239,455</u>
Total primary government investments				\$ <u>39,118,520</u>

Component Unit

Downtown Development Authority – All investments of the Downtown Development Authority were invested in certificates of deposit, and were recorded at cost, which was \$2,310,243 at June 30, 2020.

NOTE 3 - RECEIVABLES

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Current receivables:			
Property taxes	\$ 594,333	\$ -	\$ 594,333
Sales and excise tax receivable	36,187	-	36,187
Accounts	-	5,353,212	5,353,212
Other	<u>119,733</u>	-	<u>119,733</u>
Total current receivables	\$ <u>750,253</u>	\$ <u>5,353,212</u>	\$ <u>6,103,465</u>

Component Unit

Downtown Development Authority - The Downtown Development Authority had current receivables of \$39,000 classified as other receivables at June 30, 2020.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 - RECEIVABLES - CONTINUED

Intergovernmental contracts receivable

The City has entered into intergovernmental contracts with the City of Buford Board of Education (BOE) regarding the issuance, use of proceeds, and payment of General Obligation Bonds Series 2015, 2017A, 2017B, and GO Refunding Bonds Series 2017C. The Bonds were issued to provide funds, together with other available funds of the BOE to finance the costs of acquiring, constructing, and equipping certain capital outlay projects of the BOE and the costs of issuance of the bonds including capitalized interest. The intergovernmental contracts state that the BOE's payment obligations consist of the payments of all amounts coming due as principal and interest on the Bonds. The BOE will fund the bonds with ESPLOST revenues, and thus the City has an intergovernmental contracts receivable from the BOE for the outstanding Bonds. The outstanding principal balance on the Bonds was \$54,200,000 with a premium outstanding of \$4,995,085 for total intergovernmental contracts receivable of \$59,195,085 at June 30, 2020. The City's two capital project funds 2015 GOB Capital Project and 2017 GOB Capital Project account for the sources and uses of the Bond proceeds. At June 30, 2020, the City had restricted assets available to use for the BOE capital projects of \$704 in the 2017 GOB Capital Project Fund.

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES AND TRANSACTIONS

Interfund balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded, and payment between funds are made. All interfund receivable/payable amounts are classified as short-term.

Interfund receivables/payables are as follows at June 30, 2020:

Fund	Interfund Receivables	Interfund Payables
General Fund		
Due from Other Governmental Funds	\$ <u>110,302</u>	\$ <u>-</u>
Total General Fund	<u>110,302</u>	<u>-</u>
Other Governmental Funds		
Due to General Fund	-	110,302
Due to Buford Community Center Enterprise Fund	<u>-</u>	<u>66,683</u>
Total Non-Major Governmental Funds	<u>-</u>	<u>176,985</u>
Non-Major Proprietary Fund – Buford Community Center Fund		
Due from Other Governmental Funds	<u>66,683</u>	<u>-</u>
Total Non-Major Proprietary Fund	<u>66,683</u>	<u>-</u>
Total	\$ <u>176,985</u>	\$ <u>176,985</u>

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES AND TRANSACTIONS - CONTINUED

Interfund transactions consisted of the following for the year ending June 30, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>General Fund:</u>		
Utilities Fund	\$ 29,682,465	\$ -
Other Governmental Funds	223,540	6,949,620
Buford Community Center Fund	<u>-</u>	<u>914,828</u>
Total General Fund	<u>29,906,005</u>	<u>7,864,448</u>
<u>Other Governmental Funds:</u>		
General Fund	6,949,620	223,540
Buford Community Center Fund	<u>-</u>	<u>66,683</u>
Total Other Governmental Funds	<u>6,949,620</u>	<u>290,223</u>
<u>Proprietary Funds:</u>		
<u>Utilities Fund:</u>		
General Fund	<u>-</u>	<u>29,682,465</u>
Total Utilities Fund	<u>-</u>	<u>29,682,465</u>
<u>Buford Community Center Fund:</u>		
General Fund	914,828	-
Other Governmental Funds	<u>66,683</u>	<u>-</u>
Total Buford Community Center Fund	<u>981,511</u>	<u>-</u>
Totals	\$ <u>37,837,136</u>	\$ <u>37,837,136</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund and Utilities Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. (c) Transfer funds to finance the debt service funds in fulfillment of the 2010, 2015, and 2017 General Obligation Bond obligations.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 - CAPITAL ASSETS

Following is a summary of changes in the capital assets of governmental activities:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
GOVERNMENTAL ACTIVITIES:				
Not being depreciated:				
Land	\$ 13,045,334	\$ 2,935,063	\$ (558,106)	\$ 15,422,291
Land - schools	8,085,162	-	-	8,085,162
Construction in progress	<u>4,716,294</u>	<u>11,935,605</u>	<u>(836,266)</u>	<u>15,815,633</u>
Subtotal	<u>25,846,790</u>	<u>14,870,668</u>	<u>(1,394,372)</u>	<u>39,323,086</u>
Other capital assets:				
Buildings and improvements	39,089,580	238,228	-	39,327,808
City parks	4,661,579	65,323	-	4,726,902
Equipment	345,048	104,079	(17,990)	431,137
Furniture and fixtures	639,349	-	-	639,349
Sidewalks	1,488,738	35,017	-	1,523,755
Streets	23,219,178	2,861,784	-	26,080,962
Streetscapes and hardscapes	10,560,013	-	-	10,560,013
Vehicles	<u>339,893</u>	<u>87,679</u>	<u>(74,614)</u>	<u>352,958</u>
Subtotal	<u>80,343,378</u>	<u>3,392,110</u>	<u>(92,604)</u>	<u>83,642,884</u>
Accumulated depreciation:				
Buildings and improvements	(9,820,671)	(1,293,910)	-	(11,114,581)
City parks	(1,281,119)	(188,994)	-	(1,470,113)
Equipment	(184,446)	(46,238)	17,990	(212,694)
Furniture and fixtures	(639,349)	-	-	(639,349)
Sidewalks	(423,286)	(94,870)	-	(518,156)
Streets	(8,948,993)	(1,186,712)	-	(10,135,705)
Streetscapes and hardscapes	(3,418,401)	(524,876)	-	(3,943,277)
Vehicles	<u>(128,015)</u>	<u>(63,390)</u>	<u>74,614</u>	<u>(116,791)</u>
Subtotal	<u>(24,844,280)</u>	<u>(3,398,990)</u>	<u>92,604</u>	<u>(28,150,666)</u>
Net other capital assets	<u>55,499,098</u>	<u>(6,880)</u>	<u>-</u>	<u>55,492,218</u>
Total capital assets	\$ <u>81,345,888</u>	\$ <u>14,863,788</u>	\$ <u>(1,394,372)</u>	\$ <u>94,815,304</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 250,670
Financial and administration	10,359
Public safety, Marshal and Code enforcement	2,265
Highway and street	1,926,702
Building inspection	-
Culture and recreation	1,161,170
Maintenance	<u>47,824</u>
Total governmental activities depreciation expense	\$ <u>3,398,990</u>

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 - CAPITAL ASSETS - CONTINUED

Following is a summary of changes in the capital assets of business-type activities:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
BUSINESS-TYPE ACTIVITIES:				
<u>Not being depreciated:</u>				
Land - Gas	\$ 11,183	\$ -	\$ -	\$ 11,183
Land - Sanitation	85,000	-	-	85,000
Land - Water & waste water	106,480	-	-	106,480
Construction in progress - Gas	70,322	408,713	-	479,035
Construction in progress - Water & wastewater	<u>1,974,790</u>	<u>1,412,029</u>	<u>(1,086,332)</u>	<u>2,300,487</u>
Subtotal	<u>2,247,775</u>	<u>1,820,742</u>	<u>(1,086,332)</u>	<u>2,982,185</u>
<u>Other capital assets:</u>				
Buildings and improvements - BCC	146,773	-	-	146,773
Equipment - Electric	19,866	-	-	19,866
Equipment - Gas	134,289	28,665	-	162,954
Equipment - Water & wastewater	186,203	172,000	-	358,203
Equipment - BCC	71,361	85,963	-	157,324
Utility plant - Electric	18,668,096	104,880	-	18,772,976
Utility plant - Gas	68,491,834	3,217,258	(539,744)	71,169,348
Utility plant - Water & wastewater	30,704,021	2,867,977	(202,679)	33,369,319
Vehicles - Electric	163,681	182,633	(46,162)	300,152
Vehicles - Gas	514,923	-	(64,473)	450,450
Vehicles - Solid waste & recycling	476,656	76,289	-	552,945
Vehicles - Water & wastewater	<u>91,503</u>	<u>-</u>	<u>(1,248)</u>	<u>90,255</u>
Subtotal	<u>119,669,206</u>	<u>6,735,665</u>	<u>(854,306)</u>	<u>125,550,565</u>
<u>Accumulated depreciation:</u>				
Buildings and improvements - BCC	(39,140)	(9,784)	-	(48,924)
Equipment - Electric	(6,280)	(1,987)	-	(8,267)
Equipment - Gas	(45,181)	(17,448)	-	(62,629)
Equipment - Water & wastewater	(16,139)	(27,220)	-	(43,359)
Equipment - BCC	(28,997)	(13,503)	-	(42,500)
Utility plant - Electric	(12,908,241)	(909,166)	-	(13,817,407)
Utility plant - Gas	(34,828,574)	(2,725,762)	539,744	(37,014,592)
Utility plant - Water & wastewater	(15,630,228)	(1,533,564)	202,679	(16,961,113)
Vehicles - Electric	(104,602)	(17,126)	46,162	(75,566)
Vehicles - Gas	(348,792)	(79,607)	64,473	(363,926)
Vehicles - Solid waste & recycling	(150,537)	(47,666)	-	(198,203)
Vehicles - Water & waste water	<u>(10,062)</u>	<u>(18,051)</u>	<u>1,248</u>	<u>(26,865)</u>
Subtotal	<u>(64,116,773)</u>	<u>(5,400,884)</u>	<u>854,306</u>	<u>(68,663,351)</u>
Net other capital assets	<u>55,552,433</u>	<u>1,334,781</u>	<u>-</u>	<u>56,887,214</u>
Net capital assets	<u>\$ 57,800,208</u>	<u>\$ 3,155,523</u>	<u>\$ (1,086,332)</u>	<u>\$ 59,869,399</u>

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 - CAPITAL ASSETS - CONTINUED

Depreciation was charged to functions as follows:

Business-type activities:

Electric	\$ 928,278
Gas	2,822,817
Solid Waste and Recycling System	47,666
Waste Water	789,418
Water	789,418
Buford Community Center	<u>23,287</u>

Total business-type activities depreciation expense \$ 5,400,884

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

<u>Type of Debt</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due within One Year</u>
Governmental activities:					
General Obligation Bonds direct placement	\$ 5,003,236	\$ -	\$ (500,000)	\$ 4,503,236	\$ 500,000
General Obligation Bonds	54,200,000	-	-	54,200,000	-
Reoffering premium	<u>5,525,048</u>	<u>-</u>	<u>(529,963)</u>	<u>4,995,085</u>	<u>529,964</u>
General Obligation Bonds - net	64,728,284	-	(1,029,963)	63,698,321	1,029,964
Compensated absences	196,469	-	(4,349)	192,120	-
Net OPEB liability	5,445,005	1,044,253	-	6,489,258	-
Net pension liability	<u>1,483,286</u>	<u>2,656,453</u>	<u>-</u>	<u>4,139,739</u>	<u>-</u>
Total governmental activities					
Long-term liabilities	<u>\$ 71,853,044</u>	<u>\$ 3,700,706</u>	<u>\$ (1,034,312)</u>	<u>\$ 74,519,438</u>	<u>\$ 1,029,964</u>
Business-type activities:					
Compensated absences	\$ 126,322	\$ 38,863	\$ -	\$ 165,185	\$ -
Net OPEB liability	4,732,574	795,312	-	5,527,886	-
Net pension liability	<u>1,289,211</u>	<u>2,237,233</u>	<u>-</u>	<u>3,526,444</u>	<u>-</u>
Total business-type activities					
Long-term liabilities	<u>\$ 6,148,107</u>	<u>\$ 3,071,408</u>	<u>\$ -</u>	<u>\$ 9,219,515</u>	<u>\$ -</u>

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

For governmental activities, compensated absences, net OPEB liability, and net pension liability are liquidated by the General Fund.

For business-type activities, compensated absences and net pension liability are liquidated by the Utilities Fund and the Buford Community Center Fund. Net OPEB liability is liquidated by the Utilities Fund.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - LONG-TERM DEBT - CONTINUED

GOVERNMENTAL ACTIVITIES

As of June 30, 2020, the governmental long-term debt of the financial reporting entity consisted of the following:

GENERAL OBLIGATION BONDS PAYABLE

City of Buford General Obligation Bonds Series 2010

On October 21, 2010 the City issued City of Buford General Obligation Bonds Series 2010 payable in the original amount of \$10,000,000 in a direct placement. The bonds were issued for the purpose of providing funds to be used to pay the cost of acquiring, constructing, and equipping certain additional facilities, including a multi-purpose facility to house and in furtherance of the following: (i) recreation and athletics, including, but not limited to a passive park, (ii) fine arts, including, but not limited to a theater, (iii) education, (iv) public meeting space and community-wide events and programs, and (v) administrative offices, and other buildings and facilities useful in connection therewith and acquiring property, real and personal, necessary therefor, and paying expenses incident thereto, including the costs of issuing the bonds. The City has pledged its full faith and credit and taxing power to the bonds. The bonds bear an interest rate of 3.50%, with a final maturity date of July 1, 2030.

The following is a summary of the maturity of the bonds and interest thereon:

Amount of original issue	\$ 10,000,000
Less: amount redeemed	<u>(5,496,764)</u>
Net amount outstanding June 30, 2020 - total general obligation bonds payable	4,503,236
Less: current maturities	<u>500,000</u>
Long-term maturities	\$ <u>4,003,236</u>

Annual debt service requirements

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds, Series 2010 long-term debt as of June 30, 2020, are as follows:

	<u>Governmental Activities</u>		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 500,000	\$ 153,238	\$ 653,238
2022	500,000	135,738	635,738
2023	500,000	118,238	618,238
2024	500,000	100,738	600,738
2025	500,000	83,238	583,238
2026-2028	<u>2,003,236</u>	<u>157,954</u>	<u>2,161,190</u>
Total	\$ <u>4,503,236</u>	\$ <u>749,144</u>	\$ <u>5,252,380</u>

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - LONG-TERM DEBT - CONTINUED

City of Buford General Obligation Bonds Series 2015

On June 17, 2015, the City issued City of Buford General Obligation Bonds Series 2015 payable in the original amount of \$33,050,000. The bonds were issued for the purpose of providing funds, together with other available funds of the Board of Education of the City of Buford ("BOE") to finance the costs of acquiring, constructing, and equipping certain capital outlay projects of the School System and the costs of issuance of the Bonds including capitalized interest, more specifically for the purpose of acquisition, construction and equipping certain additional Buford City School facilities, the addition of classrooms to existing schools, renovation of existing facilities and technology and preventive maintenance thereto in furtherance of K-12 education in the Buford City School district and other buildings and facilities useful in connection therewith, and acquiring property, real and personal, necessary thereof, and paying expenses incident thereto; to provide for the date and the maximum interest rate or rates of interest which such bonds shall bear, and the schedule of maturities of said bond issue; to provide for the levy of and collection of taxes to service said bond issue, and for other related purposes. On December 6, 2017, \$22,350,000 of the bonds were advance refunded by the issuance of the City of Buford General Obligation Refunding Bonds Series 2017C. The proceeds of this advance refunding were deposited into an escrow fund to refund and defease the refunded bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the City's financial statements. The remaining bonds from the 2015 issue bear an interest rate of 5.250%, with a final maturity date of January 1, 2029. The City has pledged its full faith and credit and taxing power to the bonds.

The City previously entered into an intergovernmental contract with the BOE in regards to issuance, use of proceeds and payment of the City of Buford General Obligation Bonds Series 2015. This contract was replaced in its entirety by an amended and restated contract entered into on December 1, 2017 as part of the issuance of the City of Buford General Obligation Refunding Bonds Series 2017C.

The BOE has assigned SPLOST revenues from the Intergovernmental Agreement with the Board of Education of Gwinnett County dated July 17, 2015 for use in payment of the Bonds.

The following is a summary of the maturity of the bonds and interest thereon:

Amount of original issue at par	\$ 33,050,000
Less: amount redeemed	(22,350,000)
Net amount outstanding June 30, 2020 - total general obligation bonds payable	10,700,000
Less: current maturities	-
Long-term maturities	\$ 10,700,000

Annual debt service requirements

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds, Series 2015 long-term debt as of June 30, 2020, are as follows:

<u>Governmental Activities</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 561,750	\$ 561,750
2022	-	561,750	561,750
2023	-	561,750	561,750
2024	-	561,750	561,750
2025	-	561,750	561,750
2026-2029	<u>10,700,000</u>	<u>2,247,000</u>	<u>12,947,000</u>
Total	\$ <u>10,700,000</u>	\$ <u>5,055,750</u>	\$ <u>15,755,750</u>

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - LONG-TERM DEBT - CONTINUED

City of Buford General Obligation Bonds Series 2017A and Series 2017B

On November 22, 2017, the City issued The City of Buford General Obligation Bonds – Series 2017A and Series 2017B in the total amount of \$30,000,000. The City has pledged its full faith and credit and taxing power to the bonds. The Series 2017A and 2017B bonds were issued for the purpose of providing funds, together with other available funds of the Board of Education of the City of Buford ("BOE") to finance the costs of acquiring, constructing, and equipping certain capital outlay projects of the School System and the costs of issuance of the Bonds including capitalized interest, more specifically for the purpose of acquisition, construction and equipping certain additional Buford City School facilities, the addition of classrooms to existing schools, renovation of existing facilities and technology and preventive maintenance thereto in furtherance of K-12 education in the Buford City School district and other buildings and facilities useful in connection therewith, and acquiring property, real and personal, necessary thereof, and paying expenses incident thereto; to provide for the date and the maximum interest rate or rates of interest which such bonds shall bear, and the schedule of maturities of said bond issue; to provide for the levy of and collection of taxes to service said bond issue, and for other related purposes. The bonds bear an interest rate of 5.00%, with a final maturity date of January 1, 2029.

The City entered into an intergovernmental contract with the BOE in regards to issuance, use of proceeds and payment of the City of Buford General Obligation Bonds Series 2017A and Series 2017B. The contract stipulates that the BOE's payment obligations consist of the payments of all amounts coming due as principal and interest on the Bonds as set forth in the Bonds and the Bond Ordinance directly to and for the applicable account of the City as so designated by the City. The obligation of the BOE to pay promptly its obligations shall be absolute and unconditional and shall not be subject to any defense or right of setoff, counterclaim, or recoupment arising from any breach by the City of any obligation to the BOE or the breach by the BOE of any obligation to the City. In addition, the BOE has notified the State Board of Education of the issuance of the Bonds and has authorized and directed the State Board to withhold and transfer any state appropriation to which the BOE is entitled to. The Sinking Fund Custodian shall be required to transfer to the paying agent for the Bonds such amounts of monies as are necessary to provide for the payment of the principal and/or interest on the Bonds coming due each payment date.

The BOE has assigned SPLOST revenues from the Intergovernmental Agreement with the Board of Education of Gwinnett County dated July 17, 2015 for use in payment of the Bonds.

The following is a summary of the maturity of the bonds and interest thereon:

Amount of original issue at par	\$ 30,000,000
Less: amount redeemed	(10,770,000)
Net amount outstanding June 30, 2020 - total general obligation bonds payable	19,230,000
Less: current maturities	-
Long-term maturities	\$ 19,230,000

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - LONG-TERM DEBT - CONTINUED

City of Buford General Obligation Bonds Series 2017A and Series 2017B - Continued

Annual debt service requirements

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Bonds Series 2017A and Series 2017B long-term debt as of June 30, 2020, are as follows:

	<u>Governmental Activities</u>		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 961,500	\$ 961,500
2022	-	961,500	961,500
2023	-	961,500	961,500
2024	9,420,000	961,500	10,381,500
2025	-	490,500	490,500
2025-2029	<u>9,810,000</u>	<u>1,962,000</u>	<u>11,772,000</u>
Total	\$ <u>19,230,000</u>	\$ <u>6,298,500</u>	\$ <u>25,528,500</u>

City of Buford General Obligation Refunding Bonds Series 2017C

On December 6, 2017, the City issued The City of Buford General Obligation Refunding Bonds Series 2017C in the amount of \$24,270,000. The City has pledged its full faith and credit and taxing power to the bonds. The Series 2017C bonds were issued to advance refund \$22,350,000 of the City's previously issued City of Buford General Obligation Bonds Series 2015. The bonds bear interest rates averaging from 3.00% to 4.00%, with a final maturity date of January 1, 2048. The City advance refunded a portion of the Series 2015 bonds in order to issue additional bonds for the construction of BOE facilities and to extend the maturity of the bonds by 19 years, which will result in an increase in total scheduled debt service payments of \$17,921,571 and an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$982,127. The proceeds of the Series 2017C issue resulted in a gain on advance refunding as follows:

Net carrying amount of City of Buford G.O. Bonds Series 2015 refunded:	
Principal balance	\$ 22,350,000
Unamortized bond issue premium	<u>2,600,808</u>
City of Buford G.O. Bonds Series 2015 Bonds refunded	\$ 24,950,808
Reacquisition price of City of Buford G.O. Bonds Series 2015	<u>24,754,238</u>
Gain on advance refunding	\$ <u>196,570</u>

The City entered into an amended and restated intergovernmental contract with the BOE in regards to issuance, use of proceeds and payment of the City of Buford General Obligation Bonds Series 2015 and City of Buford General Obligation Refunding Bonds Series 2017C as of December 1, 2017. The amended and restated contract replaced the 2015 intergovernmental contract in its entirety. The contract stipulates that the BOE's payment obligations consist of the payments of all amounts coming due as principal and interest on the Bonds as set forth in the Bonds and the Bond Ordinance directly to and for the applicable account of the City as so designated by the City. The obligation of the BOE to pay promptly its obligations shall be absolute and unconditional and shall not be subject to any defense or right of setoff, counterclaim, or recoupment arising from any breach by the City of any obligation to the BOE or the breach by the BOE of any obligation to the City. In addition, the BOE has notified the State Board of Education of the issuance of the Bonds and has authorized and directed the State Board to withhold and transfer any state appropriation to which the BOE is entitled to. The Sinking Fund Custodian shall be required to transfer to the paying agent for the Bonds such amounts of monies as are necessary to provide for the payment of the principal and/or interest on the Bonds coming due each payment date.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - LONG-TERM DEBT - CONTINUED

City of Buford General Obligation Refunding Bonds Series 2017C - Continued

Annual debt service requirements

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Refunding Bonds Series 2017C long-term debt as of June 30, 2020, are as follows:

	<u>Governmental Activities</u>		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 896,294	\$ 896,294
2022	-	896,294	896,294
2023	-	896,294	896,294
2024	-	896,294	896,294
2025	-	896,294	896,294
2026-2030	890,000	4,481,469	5,371,469
2031-2035	5,020,000	3,917,869	8,937,869
2036-2040	6,055,000	2,890,519	8,945,519
2041-2045	7,280,000	1,656,988	8,936,988
2046-2048	<u>5,025,000</u>	<u>342,898</u>	<u>5,367,898</u>
Total	\$ <u>24,270,000</u>	\$ <u>17,771,213</u>	\$ <u>42,041,213</u>

The annual debt service requirements to maturity, including principal and interest, for total General Obligation Bonds as of June 30, 2020, are as follows:

DEBT SERVICE REQUIREMENTS - TOTAL GENERAL OBLIGATION BONDS PAYABLE, SERIES 2010, SERIES 2015, AND SERIES 2017

	<u>Governmental Activities</u>				
	<u>Direct Placement General Oblig. Bonds</u>				
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 500,000	\$ 153,238	\$ -	\$ 2,419,544	\$ 3,072,782
2022	500,000	135,738	-	2,419,544	3,055,282
2023	500,000	118,238	-	2,419,544	3,037,782
2024	500,000	100,738	9,420,000	2,419,544	12,440,282
2025	500,000	83,238	-	1,948,544	2,531,782
2026-2030	2,003,236	157,954	21,400,000	8,690,469	32,251,659
2031-2035	-	-	5,020,000	3,917,869	8,937,869
2036-2040	-	-	6,055,000	2,890,519	8,945,519
2041-2045	-	-	7,280,000	1,656,988	8,936,988
2046-2048	<u>-</u>	<u>-</u>	<u>5,025,000</u>	<u>342,898</u>	<u>5,367,898</u>
Total	\$ <u>4,503,236</u>	\$ <u>749,144</u>	\$ <u>54,200,000</u>	\$ <u>29,125,463</u>	\$ <u>88,577,843</u>

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 7 - FUND BALANCES

The City's governmental fund balance classifications are nonspendable, restricted for specific purposes, as required by bond ordinances, higher levels of government, or unassigned. As of June 30, 2020, the City's classifications of governmental fund balances are as follows:

Governmental Funds

Nonspendable:

Prepaid items	\$ 1,529,428
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Restricted for:

Capital Projects – City of Buford Board of Education	704
Capital Projects – SPLOST Construction	11,148,012
Debt Service	383,675
Education	609,190

Unassigned

3,838,585

Total governmental fund balances	\$ <u>17,509,594</u>
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NOTE 8 - RESTRICTED NET POSITION

Governmental Activities

Restricted net position is comprised of the following at June 30, 2020:

Restricted for:

Capital Projects - SPLOST	\$ 11,148,012
Debt service	383,675
Education	<u>609,190</u>

Total net position restricted for governmental-type activities	\$ <u>12,140,877</u>
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**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9 - PENSION PLAN

Plan Description

The City's defined benefit pension plan, City of Buford Retirement Plan ("The BRP"), provides retirement and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by the City Commission. The BRP is affiliated with the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association assigns the authority to establish and amend the benefit provisions of the plans that participate in GMEBS to the respective employer entities; for the BRP, that authority rests with the City of Buford. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by written request to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Membership of the plan

Retirees and beneficiaries receiving benefits	66
Terminated vested participants	11
Active plan members	<u>113</u>
Total	<u>190</u>

Funding Policy

BRP members are not required and do not contribute to BRP. BRP is a noncontributory plan. The City is required to contribute 100% of the amount necessary to fund BRP at an actuarially determined rate; the current rate is 20.54% of expected payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

BRP is subject to minimum funding standards of the Georgia Public Retirement Systems Standards Law. The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. The funding policy for the plan is to contribute an amount equal to the recommended contribution each year. The recommended contribution is developed under the actuarial funding policy each year, and meets applicable state funding standards. These contributions are determined under the entry age normal actuarial cost method and the asset valuation method for developing the actuarial value of assets. The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions, and 30 years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base. These amortization periods, if applicable, are closed for this plan year.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9 - PENSION PLAN - CONTINUED

Investment Data

The market value of assets is based on current values as of three months preceding the valuation date (September 30, 2019) as is assumed to be current through that date. All asset data that was used in the actuarial valuation has been supplied by GMEBS. Net investment return is assumed to be 7.375% on an ongoing basis, based on the long-term expected rate of return on pension plan investments. The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Cash	<u>0%</u>	
Total	<u>100%</u>	

NET PENSION LIABILITY

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019.

Net pension liability is calculated as follows:

Total pension liability	\$ 24,013,100
Fiduciary net position	<u>(16,346,917)</u>
Net pension liability	\$ <u>7,666,183</u>
Fiduciary net position as a percentage of total pension liability	68.07%

Total pension liability uses Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2020 are used to measure total pension liability as of September 30, 2019. The balances as of September 30, 2019 constitute measurements of the net pension liability for the fiscal year ending June 30, 2020.

The mortality and economic actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019. Mortality rates were based on the sex-distinct Pri-2012 head count rated Healthy Mortality Table with rates multiplied by 1.25.

CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 9 - PENSION PLAN - CONTINUED

Assumptions on which the cost of BRP is calculated include investment return, mortality rates, retirement rates, disability rates, withdrawal rates, and salary increase rates.

Total pension liability, fiduciary net position, and net pension liability are based on a September 30, 2019 measurement date which would make them applicable to the fiscal year beginning July 1, 2019 and ending June 30, 2020.

Benefit Terms

The eligibility requirement is immediate for employees and officials. Employees and officials are vested after 10 years. The type of benefit payment is a life annuity. Death benefits are term vested Auto A death benefit effective January 1, 2003. Previously eligibility was "early or normal". The benefit formula is 2.00%. All participants are eligible to receive an annual variable cost-of-living adjustment not to exceed 3.0%. The Georgia Municipal Association has assigned the authority to the City to establish and amend the benefit provisions of the plan.

Actuarial Assumptions

The total pension liability in the January 1, 2020 actuarial valuation was based on the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The actuarial assumptions included the following:

- Rate of return on investment 7.375% per year
- Projected salary increases 2.25% per year plus age and service based on merit increases
- Inflation rate assumption 2.25%
- Cost of living adjustments 2.10%

Changes in Assumptions

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9 - PENSION PLAN - CONTINUED

Changes in Assumptions - Continued

- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased to 30%.
- Where normal retirement is available at age 60 to 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased to 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.
- The cost-of-living assumption of 2.10% was introduced in conjunction with the plan change to offer an annual variable COLA not to exceed 3.00%.

Benefit Changes

Amounts reported for fiscal years ending in 2020 and later reflect that effective July 15, 2019, all participants are eligible to receive an annual variable cost-of-living adjustment not to exceed 3.00%.

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the difference between actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability. The discount rate was changed from 7.50% to 7.375% since the plan's prior fiscal year.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9 - PENSION PLAN - CONTINUED

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2020, were as follows:

	Total Pension Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability (Asset) <u>(a) – (b)</u>
Beginning balance	\$ 17,978,334	\$ 15,205,836	\$ 2,772,498
Changes for the year:			
Service cost	260,982	-	260,982
Interest	1,325,206	-	1,325,206
Differences between expected and actual experience	75,920	-	75,920
Contributions – employer	-	1,851,747	(1,851,747)
Contributions – employee	-	-	-
Net investment income	-	455,009	(455,009)
Benefit payments, including refunds of employee contributions	(1,139,797)	(1,139,797)	-
Administrative expense	-	(25,878)	25,878
Other changes	<u>5,512,455</u>	<u>-</u>	<u>5,512,455</u>
Ending balance	\$ <u>24,013,100</u>	\$ <u>16,346,917</u>	\$ <u>7,666,183</u>

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes of the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as, what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.375%) or 1 percentage point higher (8.375%) than the current rate:

1% Decrease <u>(6.375%)</u>	Current Discount Rate <u>(7.375%)</u>	1% Increase <u>(8.375%)</u>
\$ <u>11,048,541</u>	\$ <u>7,666,183</u>	\$ <u>4,890,225</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2019 and the current sharing pattern of costs between employer and employee.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9 - PENSION PLAN - CONTINUED

PENSION EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS

Pension expense for the year ended June 30, 2020 is \$5,237,478.

Deferred outflows/inflows of resource related to pensions:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 820,387	\$ -
Changes in assumptions	1,407,550	-
Changes in benefit terms	-	-
Net difference between projected and actual earnings on pension plan		
Investments	18,465	-
City contributions subsequent to the measurement date	<u>1,551,618</u>	<u>-</u>
Total	\$ <u>3,798,020</u>	\$ <u>-</u>

Employer contributions made subsequent to the measurement date of the net pension liability of \$1,551,618 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Projected recognition of deferred outflows/(inflows):

<u>Year Ended</u>	<u>Recognition</u>
June 30, 2021	\$ 613,011
June 30, 2022	592,033
June 30, 2023	559,803
June 30, 2024	481,555
June 30, 2025	-
Thereafter	<u>-</u>
Total	\$ <u>2,246,402</u>

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THEN PENSIONS - OPEB

Summary of Significant Accounting Policies

The City uses accounting policies consistent with recognition of liabilities and expenses in the Government-Wide financial statements as described in Note 1 and with GASB Statement No. 75. The City has chosen the pay-as-you-go method of funding the Plan, and as of June 30, 2020, the Plan reported no assets.

General Information about the OPEB Plan

Plan administration. The City of Buford Other Postemployment Benefit Plan (OPEB) is a defined benefit postretirement healthcare, prescription drug, and life insurance plan. The Plan is administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer OPEB plan administered by the Georgia Municipal Association (GMA). The authority to establish and amend benefit provisions of the Plan rests with the City and is established by ordinance. The Plan does not issue separate financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THEN PENSIONS - OPEB - CONTINUED

Benefits Provided. The Plan allows employees to continue medical, prescription drug, dental and life insurance coverage beyond retirement, depending on whether the retiree had those coverages at the time they retire. Spouse benefits are the same as benefits for retirees except for life insurance. Benefits are payable to a spouse regardless of when the retiree dies. Retiree and spouse contribution rates are periodically reset by City ordinance.

City Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulated restricted funds. The plan is noncontributory in that the City contributes 100% of the benefit payments to the plan. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS.

Employees eligible for the plan include the following:

Elected officials: officials and their dependents are eligible for a period equal to their years of service.

Appointed positions and department heads: employees and their dependents are eligible for a period equal to their years of service in which they held an appointed position.

Regular employees: After thirty years of service, the employee and their dependents are eligible for life.

Employees covered by the benefit terms. At January 1, 2018, City plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	9
Vested terminated members entitled to but not yet receiving benefits	0
Active members	<u>112</u>
Total	<u>121</u>

Total OPEB Liability

The City's Net OPEB liability was measured as of June 30, 2019 and 2018. The Plan Fiduciary Net Positions (plan assets, if any) were valued as of the measurement dates and the Total OPEB liability was determined from actuarial valuations using data as of January 1, 2018.

Actuarial assumptions and other inputs. The total OPEB liability was measured as of June 30, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise noted:

Inflation	2.25%
Salary increases	2.25%, plus service-based merit increases
Discount rate	3.50%
Healthcare cost trends	Medical and Prescription Drug: 6.50% Trended down to 4.50% over 4 years Dental and Administrative Expenses: 5.00%
Mortality rates	Sex-distinct Pri-2002 head-count weighted Healthy Mortality Table with rate multiplied by 1.25.

The discount rate was based on the index of the General Obligation, 20-year, Municipal Bond Rate as of each measurement date.

The actuarial assumptions used for the June 30, 2019 measurement date were based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THEN PENSIONS - OPEB - CONTINUED

Changes in the Total OPEB Liability of the City. The changes in the components of the total OPEB liability of the City for the year ended June 30, 2020, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Beginning balance	\$ 10,177,579	\$ -	\$ 10,177,579
Changes for the year:			
Service cost	303,320	-	303,320
Interest	402,317	-	402,317
Differences between expected and actual experience	18,451	-	18,451
Changes of assumptions	1,285,673	-	1,285,673
Contributions – employer	-	170,196	(170,196)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(170,196)	(170,196)	-
Administrative expense	-	-	-
Ending balance	\$ <u>12,017,144</u>	\$ <u>-</u>	\$ <u>12,017,144</u>

Benefit Changes

There were no changes in benefit provisions since GASB 75 implementation.

Changes of Assumptions: A comprehensive Actuarial Experience Review, was conducted November-December 2019. As a result of that study, the following assumption changes were proposed and subsequently approved. These changes are reflected for the first time in this valuation.

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The retirement assumption was revised with the new rates based on expected Normal Retirement age.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation rate was changed from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The discount rate from the 20-year Bond GO Index for June 30, 2019 was 3.50%. For June 30, 2018 it was 3.87%.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THEN PENSIONS - OPEB - CONTINUED

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate.

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB liability	\$ <u>15,133,955</u>	\$ <u>12,017,144</u>	\$ <u>9,692,952</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

	<u>1% Decrease In Healthcare Cost Trend Rates</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase in Healthcare Cost Trend Rates</u>
Total OPEB liability	\$ <u>9,400,105</u>	\$ <u>12,017,144</u>	\$ <u>15,665,549</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recognized OPEB expense of \$553,115. At June 30, 2020, the City reported deferred outflows/inflows of resource related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,712	\$ -
Changes in assumptions or other inputs	1,124,963	1,663,330
City contributions subsequent to the measurement date	<u>161,791</u>	<u>-</u>
Total	\$ <u>1,306,466</u>	\$ <u>1,663,330</u>

Employer contributions made subsequent to the measurement date of the total OPEB liability of \$161,791 are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Projected recognition of deferred outflows/(inflows):

<u>Year Ended</u>	<u>Recognition</u>
June 30, 2021	\$(152,526)
June 30, 2022	(152,526)
June 30, 2023	(152,526)
June 30, 2024	(152,526)
June 30, 2025	(152,526)
Thereafter	<u>243,975</u>
Total	\$(<u>518,655</u>)

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 11 - HOTEL/MOTEL LODGING TAX

The City has levied a hotel/motel lodging tax under OCGA 48-13-51(b). The City levies excise taxes at the rate of 7%. 3/7 (42.86%) goes into the general fund; 2/7 (28.57%) is remitted to the Cities destination marketing organizations (e.g. Gwinnett Convention and Visitors Bureau and Lake Lanier Convention and Visitors Bureau); the remaining 2/7 (28.57%) is spent on "tourism product development" such as the Buford Community Center or as defined in 48-13-50.2 under the definition tourism product development. A summary of the transactions for the year ending June 30, 2020 follows:

Total hotel/motel tax receipts collected @ 7%	\$ 232,996
Less: 71.43% of hotel/motel tax collected @ 7% to be remitted to City of Buford General Fund and Buford Community Center Fund	(166,485)
Tax collected to be expended for the promotion of tourism, conventions and trade shows	66,511
Expenditures for promotion of tourism, conventions and trade shows remitted to the Gwinnett and Lake Lanier Convention & Visitors Bureaus	(66,511)
Collections over (under) expenditures for year ended June 30, 2020	\$ _____ -

NOTE 12 – AUTO RENTAL EXCISE TAX

The City has levied a rental motor vehicle excise tax. OCGA 48-13-93 requires that all motor rental vehicle excise taxes be expended for the purpose of promoting industry, trade, commerce, and tourism; for the provision of convention, trade, sports, and recreational facilities. During the year ended June 30, 2020, the City recognized \$123,603 in revenue from rental motor vehicle excise tax. Of this amount \$123,603, was expended for these purposes.

NOTE 13 - EXCESS EXPENDITURES OR EXPENSES OVER APPROPRIATIONS

The City had no excess expenditures or expenses over appropriations for the year ending June 30, 2020.

NOTE 14 - DEFICIT FUND BALANCES/NET POSITION

The City had no deficits in fund balances or net position as of June 30, 2020.

NOTE 15 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plan is not available to employees until termination, retirement, death or unforeseeable emergencies.

In accordance with Section 457 of the Internal Revenue Code, plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and liabilities of the deferred compensation plans are not included in the accompanying financial statements.

NOTE 16 - LITIGATION

The City is a party to one claim with no legal proceedings, which normally occurs in the course of governmental operations. This claim is not likely to have a material adverse impact on the affected funds of the City, and accordingly, no provision for losses has been recorded.

CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 17 – COMMITMENTS AND CONTINGENCIES

The City has *Potential Liability under MEAG Contracts* as follows:

Electrical System. The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia ("MEAG") pursuant to which the City purchases electric power and energy for resale to its customers. MEAG was created by the State of Georgia for the purpose of owning and operating electric generation and transmission facilities to supply bulk electric power to political subdivisions of Georgia which owned and operated electric distribution systems as of March 18, 1975.

Under the terms of its Power Sales Contracts with MEAG, the City is obligated to take from MEAG, and MEAG is obligated to provide, all electric power and energy required by the City in excess of the amount received by the City as an allotment from federally owned projects through the Southeastern Power Administration ("SEPA"). Such allotment of SEPA power has been assigned by the City to MEAG and is transmitted to the City by MEAG through Georgia's Integrated Transmission System for a separate charge. Under its Power Sales Contracts with MEAG, the City has the right to receive additional power as needed from the Integrated Transmission System. The price paid by the City to MEAG under its Power Sales Contracts is intended to cover the City's share of all the costs of MEAG, including debt service on MEAG's long-term debt. The amounts required to be paid to MEAG under the Power Sales Contracts are payable first from revenues of the City's electrical system. To the extent the required payments are not made from revenues of the City's electric system or other funds, the City is required to include in its general revenue or appropriation measure or annual tax levy amounts sufficient to make such payments. Payments by the City are required to be made by the City whether or not MEAG's facilities or any part thereof are operating or operable or the output there from is interrupted, interfered with, curtailed or terminated in whole or in part. In addition, the City may be obligated to purchase additional power, subject to contractual limitations, in the event other MEAG participants default.

MEAG has issued bonds for the purpose of providing power generation and transmission and telecommunication facilities. The City is contingently liable for their pro rata share of the bonds as a power purchase cost until they are retired. The City's contingent contractual obligation varies by individual MEAG project and totals approximately \$105,774,139 as of June 30, 2020. The contingent obligations of the City are general obligations of the City to which the City's full faith credit and taxing powers are pledged.

The City has *Potential Liability under MGAG Contracts* as follows:

Gas System. The City has entered into the Gas Supply Contract and certain Supplemental Gas Supply Contracts with the Municipal Gas Authority of Georgia ("MGAG") under which the City buys natural gas for resale to its customers. Under such contracts with MGAG, the City is obligated to take from MGAG, and MGAG is obligated to provide, all of the City's natural gas requirements. The price paid by the City to MGAG under its contracts is intended to cover the City's share of all the costs of MGAG, including scheduled debt service of MGAG. Such payments are required to be made by the City whether or not MGAG's facilities or natural gas properties or any part thereof are operating or operable or the output there from is interrupted, interfered with, curtailed or terminated in whole or in part, or whether or not any of its natural gas suppliers or transporters defaults in its obligations under its gas supply or transportation contracts with MGAG. To the extent the required payments are not made from the revenues of the System or other funds, the City is required to include in its general revenue or appropriation measure or annual tax levy amounts sufficient to make such payments. The City is contingently liable for its pro-rata share of MGAG's debt in the amount of \$12,709,751 of as June 30, 2020. The contingent obligations of the City are general obligations of the City to which the City's full faith credit and taxing powers are pledged.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 17 – COMMITMENTS AND CONTINGENCIES - CONTINUED

Gwinnett County and City of Buford Wholesale Sewage Agreement

The City entered into an agreement with Gwinnett County on May 2, 2018 to purchase water reclamation services from Gwinnett. The agreement is for a period of 50 years, or until it is dissolved or revised by mutual consent by both Gwinnett and the City. The payment terms of the agreement are for the City to make an annual payment to Gwinnett in the amount of \$1,375,000 per year over 12 years totaling \$16,500,000. The agreement provides for an annual increase in the amount of instantaneous daily flow that the City can send to Gwinnett with an initial daily flow maximum of 83,333 gallons per day increasing annually by 83,333 gallons per day until the daily maximum flow reaches 1,000,000 gallons per day in year 12. Payments are to be made annually unless the daily max flow sent from the City to Gwinnett exceeds the current allotted daily max flow. If the City exceeds its daily maximum flow then the City will be required to make a payment to Gwinnett that corresponds with the daily max flow tier level that occurred in the previous month. The City has made payments totaling \$5,500,000 as of June 30, 2020.

Current Economic Environment

The current economic environment presents municipalities with circumstances and challenges, which in some cases could result in declines in the volume of tax collections, other general revenues, municipal utility billings; constraints on liquidity and difficulty obtaining financing. These financial statements have been prepared using fair values and information currently available to the City, which are susceptible to change in the future based on economic conditions.

Worldwide Coronavirus Pandemic

The City has been negatively impacted by the effects of the worldwide coronavirus pandemic. The City is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. The City has obtained CARES Act funding subsequent to the date of these financial statements in order to help offset some expenses during the outbreak. As of the date of the issuance of these financial statements, the full impact to the City's financial position is not known.

NOTE 18 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses in these areas are all covered by commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 19 - TRANSACTIONS WITH COMPONENT UNITS AND OTHER RELATED ENTITIES

For the year ended June 30, 2020, The City incurred the following intergovernmental revenues, expenditures and transfers relating to the City of Buford Board of Education, a component unit of the City. For additional information, see Note 1.

General Fund

Operating transfers to City of Buford Board of Education	\$ 28,900,000
Other transfers for expenditures to City of Buford Board of Education	778,096

GOB 2017 Capital Project Fund

Capital project expenditures by the GOB 2017 Construction fund	2,596,441
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GOB 2015 Capital Project Fund

Intergovernmental expenditures by the GOB 2015 Construction fund	<u>2,746</u>
Total intergovernmental expenditures relating to City of Buford Board of Education	\$ <u>32,277,283</u>

Fiduciary Custodial Funds

Amounts from Education SPLOST funds held in trust for the City of Buford Board of Education totaled \$9,360,114 as of June 30, 2020.

Component Unit - Downtown Development Authority

For the year ended June 30, 2020, The City transferred property with a book value of \$558,106 to the City of Buford Downtown Development Authority, a component unit of the City.

In addition, The City of Buford Housing Authority is a related organization of the City. The Authority provides safe and sanitary dwelling accommodations for persons of low income. The City appoints a voting majority of the Authority's board, but is not financially accountable for the Authority. The City has no significant influence over the management, budget, or policies of the Authority. The Authority reports independently. The City received payment in lieu of taxes from the Authority for the year ended June 30, 2020 totaling \$6,195.

NOTE 20 - JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the 10 county metro Atlanta area, is a member of the Atlanta Regional Commission ("ARC"). The City pays no annual dues to ARC. Membership in a Regional Commission ("RC") is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of an RC in Georgia. The ARC Board membership includes each county commission chairman in the region, one mayor from each county (except Fulton County) chosen by a caucus of mayors, one mayor from the northern half and one mayor from the southern half of Fulton County elected by a caucus of mayors within northern and southern Fulton County, the mayor of the City of Atlanta, one member of the Atlanta City Council, fifteen private citizens, one from each of the 15 multi-jurisdictional districts of roughly equal population, elected by the 23 public officials, and one member appointed by the Board of the Georgia Department of Community Affairs. OCGA Section 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 Atlanta Regional Commission, 40 Courtland St, NE, Atlanta, GA 30303 or the Northeast Georgia Regional Commission, 305 Research Drive, Athens, GA 30605-2725.

**CITY OF BUFORD, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 21 - GRANTS

In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed by management to have a direct and material effect on the financial statements taken as a whole.

NOTE 22 - MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE

The City's municipal solid waste landfill located at Peachtree Industrial Boulevard and McEver Road (The "landfill") ceased accepting waste in 1986. In 1998 the landfill was capped with a minimum of two-foot thick soil cover to close the site under existing EPD rules and regulations, then grassed, and has since been routinely maintained by the City to preserve its integrity. According to state and federal laws and regulations, the City must perform certain maintenance and monitoring functions at the site for a minimum of 30 years from the time of closure, and since 1997, the landfill has been the subject of routine ground water and methane monitoring and reporting in conformance with EPD rules and regulations. The City previously recognized a liability for closure and postclosure care costs, which was fully amortized as of June 30, 2018. There is no remaining estimated total current cost of closure and postclosure care remaining to be recognized. The percentage of landfill capacity used to date is 100%, and it has an estimated remaining landfill life of zero years. The City is and will maintain the landfill as a grassed area to discourage erosion. There are no assets restricted for payment of closure and postclosure care costs. The City continued to perform routine ground water and methane monitoring and testing at the site during the current year, and expended \$115,076 on the monitoring and testing. Even though there is no remaining liability for closure and postclosure care costs, the City could potentially be subject to additional costs due to changes in requirements of and decisions made by the EPD in relation to the landfill, inflation, or changes in technology.

The City is listed on the State of Georgia's Hazardous Site Inventory and, as such, is eligible for reimbursement of certain costs. Any reimbursable amounts have not been included in cost estimates due to the uncertainty of amounts to be reimbursed. The City is not under any closure and post closure financial assurance requirements per EPD rule 391-3-4-.13 due to its closing prior to October 8, 1993.

NOTE 23 - SUBSEQUENT EVENTS

The City issued Combined Utility System Revenue Bonds Series 2020 in the total amount of \$17,435,000 to be applied to the financing of the costs of the acquisition, construction and installation of certain additions, extensions and improvements to the water and sewerage portions of its Combined Utility System, including, without limitation, the construction and development of a new water plant and improvements to one or more existing sewer main service lines. The closing date of the bonds was July 21, 2020 and the bonds mature July 1, 2040.

NOTE 24 - CHANGE IN ACCOUNTING PRINCIPLE

The City has implemented Government Accounting Standards Board Statement No. 84, *Fiduciary Activities*. This Standard has required the City to reevaluate the accounting treatment of fiduciary activities. The new standard requires the City to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84. The City identified three funds, formerly agency funds, which meet the definition of custodial funds under the new standard.

As agency funds did not report net position prior to GASB Statement No. 84, a restatement of beginning fiduciary net position was required as of July 1, 2019. The City recognized the beginning net position of \$10,608,959, \$720,697, and \$33,236 for the Gwinnett County E-SPLOST V, Hall County E-SPLOST IV, and Hall County E-SPLOST V funds, in accordance with GASB Statement No. 84.

**SUPPLEMENTARY INFORMATION
REQUIRED BY GASB**

**CITY OF BUFORD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	CITY OF BUFORD RETIREMENT PLAN					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 260,982	\$ 295,792	\$ 290,915	\$ 282,761	\$ 242,345	\$ 229,426
Interest	1,325,206	1,237,995	1,141,107	1,064,758	860,448	814,082
Differences between Expected and actual Experience	75,920	705,887	643,809	392,980	910,203	74,088
Changes in assumptions	1,620,701	-	277,477	-	-	23,680
Changes of benefit terms	3,891,754	-	-	-	1,281,817	-
Benefit payments, including Refunds of employee Contributions	(1,139,797)	(944,292)	(788,624)	(722,078)	(595,041)	(490,971)
Net change in total pension Liability	6,034,766	1,295,382	1,564,684	1,018,421	2,699,772	650,305
Total pension liability – Beginning	<u>17,978,334</u>	<u>16,682,952</u>	<u>15,118,268</u>	<u>14,099,847</u>	<u>11,400,075</u>	<u>10,749,770</u>
Total pension liability – Ending (a)	<u>\$ 24,013,100</u>	<u>\$ 17,978,334</u>	<u>\$ 16,682,952</u>	<u>\$ 15,118,268</u>	<u>\$ 14,099,847</u>	<u>\$ 11,400,075</u>
Plan Fiduciary Net Position						
Contributions – employer	\$ 1,851,747	\$ 1,926,160	\$ 1,991,281	\$ 1,966,440	\$ 806,632	\$ 740,510
Contributions – employee	-	-	-	-	-	-
Net Investment income	455,009	1,320,193	1,593,046	953,798	80,385	770,232
Benefit payments, including Refunds of employee Contributions	(1,139,797)	(944,292)	(788,624)	(722,078)	(595,041)	(490,971)
Administrative expense	(25,878)	(25,152)	(25,331)	(14,366)	(15,919)	(12,688)
Other	-	-	-	-	-	-
Net change in fiduciary Net position	1,141,081	2,276,909	2,770,372	2,183,794	276,057	1,007,083
Plan fiduciary net position – Beginning	<u>15,205,836</u>	<u>12,928,927</u>	<u>10,158,555</u>	<u>7,974,761</u>	<u>7,698,704</u>	<u>6,691,621</u>
Plan fiduciary net position – Ending (b)	<u>\$ 16,346,917</u>	<u>\$ 15,205,836</u>	<u>\$ 12,928,927</u>	<u>\$ 10,158,555</u>	<u>\$ 7,974,761</u>	<u>\$ 7,698,704</u>
Net Position Liability						
Net pension liability – Ending (a) – (b)	<u>\$ 7,666,183</u>	<u>\$ 2,772,498</u>	<u>\$ 3,754,025</u>	<u>\$ 4,959,713</u>	<u>\$ 6,125,086</u>	<u>\$ 3,701,371</u>
Plan's fiduciary net position As a percentage of the Total pension liability	68.07%	84.58%	77.50%	67.19%	56.56%	67.53%
Covered-employee payroll	\$ 5,785,007	\$ 5,477,581	\$ 6,066,224	\$ 5,655,240	\$ 5,475,883	\$ 5,393,065
Net pension liability as a Percentage of covered- Employee payroll	132.52%	50.62%	61.88%	87.70%	111.86%	68.63%

**CITY OF BUFORD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		<u>CITY OF BUFORD RETIREMENT PLAN</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	*	\$ 888,965	\$ 938,559	\$ 1,008,855	\$ 757,901	\$ 758,076
Contributions in relation to The actuarially determined Contribution	*	1,888,965	1,938,559	2,008,855	1,952,301	758,076
Contribution deficiency (excess)	*	(1,000,000)	(1,000,000)	(1,000,000)	(1,194,400)	-
Covered-employee payroll	*	\$ 5,477,581	\$ 6,066,224	\$ 5,655,240	\$ 5,475,883	\$ 5,393,065
Contributions as a percentage Of covered-employee Payroll	*	34.49%	31.96%	35.52%	35.65%	14.06%

* 2020 information will be determined after fiscal year end and will be included in the 2021 audit report.

**CITY OF BUFORD, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - RECOMMENDED CONTRIBUTION

The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the BRP. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly).

NOTE 2 – VALUATION DATE

The actuarially determined contribution rate was determined as of January 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2021.

NOTE 3 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Actuarial Cost Method – Entry Age Normal

Amortization Method – Closed level dollar for remaining unfunded liability

Remaining Amortization Period – Remaining amortization period varies for the bases, with a net effective amortization period of 15 years

Asset Valuation Method – Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

- Rate of return on investment 7.375% per year
- Projected salary increases 2.25% per year plus age and service based on merit increases
- Cost of living adjustments 2.10%

Normal Retirement Age – 65+5 or 60+30 or Rule of 75

Early Retirement Age – 55+10

The mortality and economic actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019. Mortality rates were based on the Pri-2012 head-count weighted Healthy Mortality Table with rates multiplied by 1.25.

**CITY OF BUFORD, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 - CHANGES OF ASSUMPTIONS

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased to 30%.
- Where normal retirement is available at age 60 to 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased to 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.
- The cost-of-living assumption of 2.10% was introduced in conjunction with the plan change to offer an annual variable COLA not to exceed 3.00%.

NOTE 5 - BENEFIT CHANGES

Amounts reported for fiscal years ending in 2020 and later reflect that effective July 15, 2019, all participants are eligible to receive an annual variable cost-of-living adjustment not to exceed 3.00%.

**CITY OF BUFORD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>CITY OF BUFORD OPEB PLAN</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 303,320	\$ 329,837	\$ 421,379
Interest	402,317	377,047	338,642
Changes of benefit terms	-	-	-
Differences between Expected and actual Experience	18,451	4,002	909
Changes in assumptions	1,285,673	(660,436)	(1,868,799)
Benefit payments, including Refunds of employee Contributions	(170,196)	(150,158)	(151,309)
Net change in total OPEB Liability	1,839,565	(99,708)	(1,259,178)
Total OPEB liability – Beginning	<u>10,177,579</u>	<u>10,277,287</u>	<u>11,536,465</u>
Total OPEB liability – Ending (a)	<u>\$ 12,017,144</u>	<u>\$ 10,177,579</u>	<u>\$ 10,277,287</u>
Plan fiduciary net position			
Contributions – employer	\$ 170,196	\$ 150,158	\$ 151,309
Net investment income	-	-	-
Benefit payments	(170,196)	(150,158)	(151,309)
Administrative expense	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in plan fiduciary Net position	-	-	-
Plan fiduciary net position – Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position – Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability – Ending (a) - (b)	<u>\$ 12,017,144</u>	<u>\$ 10,177,579</u>	<u>\$ 10,277,287</u>
Plan's fiduciary net position As a percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 5,785,007	\$ 5,477,581	\$ 6,066,224
Total OPEB liability as a Percentage of covered- Employee payroll	207.73%	185.80%	169.42%

**CITY OF BUFORD, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - CONTRIBUTION RATE

Actuarially determined contribution rates are calculated as of the middle of the fiscal year, based on the most recent valuation date.

Methods and assumptions used to determine contribution rates:

Discount rate	3.50%
Actuarial cost method	Entry Age Level Percent of Pay Actuarial Cost Method
Amortization method	Open 30 years, level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market Value
Payroll increase assumption	2.25%

NOTE 2 - PLAN ASSETS

There were no assets accumulated in a trust that meets the criteria in GASB 75, Paragraph 4 to pay related benefits.

NOTE 3 - CHANGES OF ASSUMPTIONS

Changes of Assumptions: A comprehensive Actuarial Experience Review, was conducted November-December 2019. As a result of that study, the following assumption changes were proposed and subsequently approved. These changes are reflected for the first time in this valuation.

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The retirement assumption was revised with the new rates based on expected Normal Retirement age.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation rate was changed from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The discount rate from the 20-year Bond GO Index for June 30, 2019 was 3.50%. For June 30, 2018 it was 3.87%.

NOTE 4 - BENEFIT CHANGES

There have been no benefit changes since GASB 75 implementation.

COMBINING FINANCIAL STATEMENTS NON-MAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds are funds in which total fund assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures are less than 10% of total governmental funds, and total fund assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures are less than 5% of total governmental and business-type funds. These funds are made up of funds used to account for resources, which are required legally or by sound financial management to be accounted for in a fund other than the General Fund.

SPECIAL REVENUE FUND

The Special Revenue Funds are used by the City to account for the accumulation and disbursement of restricted resources. The following is a description of the City's Special Revenue Fund:

Hotel/Motel Tax Fund - used to account for receipt and allocation of the City's hotel/motel tax. Use of this tax is limited by law to promotion of tourism. The City hotel/motel tax rate for its three hotels was 7% during the fiscal year ending June 30, 2020.

Auto Rental Excise Tax Fund – used to account for the receipt and allocation of the City's auto rental excise tax. Use of this tax is limited by law to promote industry, trade, commerce, and tourism, certain capital outlay projects, and maintenance and operating expenses or security and public safety expenses associated with those capital outlay projects. The City auto rental excise tax rate was 3% during the fiscal year ending June 30, 2020.

DEBT SERVICE FUNDS

The Debt Service Funds account for the accumulation of resources for, and the payment of governmental long-term debt principal, interest, and fiscal charges. The governmental long-term debt serviced by the Debt Service Funds consist of the 2010 General Obligation Bonds, 2015 General Obligation Bonds, and 2017 General Obligation Bonds.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for all resources used for the acquisition and/or construction of major capital facilities by the City, except those financed by the General and Proprietary Funds. The following is a description of the City's non-major Capital Projects Funds.

Gwinnett County 2009 SPLOST Fund - used to account for the construction and financing of projects funded by the City of Buford 2009 SPLOST.

Gwinnett County 2014 SPLOST Fund - used to account for the construction and financing of projects funded by the City of Buford 2014 SPLOST.

Gwinnett County 2017 SPLOST Fund - used to account for the construction and financing of projects funded by the City of Buford 2017 SPLOST.

Hall County 2009 SPLOST Fund - used to account for the construction and financing of projects funded by the Hall County 2009 SPLOST.

Hall County 2015 SPLOST Fund - used to account for the construction and financing of projects funded by the Hall County 2015 SPLOST.

Rest Haven 2001 SPLOST Fund - used to account for the construction and financing of projects funded by the City of Rest Haven 2001 SPLOST.

Rest Haven 2005 SPLOST Fund - used to account for the construction and financing of projects funded by the City of Rest Haven 2005 SPLOST.

2015 General Obligation Bond Capital Project Fund - used to account for the construction of the new Buford high school funded by the issuance of the 2015 General Obligation Bonds.

2017 General Obligation Bond Capital Project Fund - used to account for the construction of the new Buford high school funded by the issuance of the 2017 General Obligation Bonds.

**CITY OF BUFORD, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 163,486	\$ -	\$ 11,481,179	\$ 11,644,665
Sales, excise, and other tax receivable	36,187	-	-	36,187
Due from other governments	-	-	397,927	397,927
Prepaid items	-	1,257,488	-	1,257,488
Restricted cash and cash equivalents	<u>-</u>	<u>383,675</u>	<u>704</u>	<u>384,379</u>
Total assets	\$ <u>199,673</u>	\$ <u>1,641,163</u>	\$ <u>11,879,810</u>	\$ <u>13,720,646</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 22,688	\$ -	\$ 731,094	\$ 753,782
Interfund balances	<u>176,985</u>	<u>-</u>	<u>-</u>	<u>176,985</u>
Total liabilities	<u>199,673</u>	<u>-</u>	<u>731,094</u>	<u>930,767</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	-	1,257,488	-	1,257,488
Restricted for:				
Tourism, conventions and trade shows	-	-	-	-
Debt Service	-	383,675	-	383,675
Capital projects - City of Buford				
Board of Education	-	-	704	704
Capital projects – SPLOST construction	<u>-</u>	<u>-</u>	<u>11,148,012</u>	<u>11,148,012</u>
Total fund balances	<u>-</u>	<u>1,641,163</u>	<u>11,148,716</u>	<u>12,789,879</u>
Total liabilities and fund balances	\$ <u>199,673</u>	\$ <u>1,641,163</u>	\$ <u>11,879,810</u>	\$ <u>13,720,646</u>

SEE INDEPENDENT AUDITOR'S REPORT.

CITY OF BUFORD, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDING JUNE 30, 2020

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes – sales, excise, and other	\$ 356,599	\$ -	\$ -	\$ 356,599
Intergovernmental revenue	-	2,418,024	2,258,707	4,676,731
Investment income	<u>135</u>	<u>99</u>	<u>23,701</u>	<u>23,935</u>
Total revenues	<u>356,734</u>	<u>2,418,123</u>	<u>2,282,408</u>	<u>5,057,265</u>
EXPENDITURES				
Current operating:				
Public services:				
Culture and recreation	66,511	-	-	66,511
Intergovernmental:				
Buford Board of Education	-	-	2,599,187	2,599,187
Capital outlay	-	-	731,094	731,094
Debt service:				
Principal retirement	-	500,000	-	500,000
Interest and fiscal agent fees	<u>-</u>	<u>2,591,496</u>	<u>-</u>	<u>2,591,496</u>
Total expenditures	<u>66,511</u>	<u>3,091,496</u>	<u>3,330,281</u>	<u>6,488,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>290,223</u>	<u>(673,373)</u>	<u>(1,047,873)</u>	<u>(1,431,023)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	663,706	6,285,914	6,949,620
Transfers out	<u>(290,223)</u>	<u>-</u>	<u>-</u>	<u>(290,223)</u>
Net other financing sources (uses)	<u>(290,223)</u>	<u>663,706</u>	<u>6,285,914</u>	<u>6,659,397</u>
Net change in fund balance	-	(9,667)	5,238,041	5,228,374
Fund balance - beginning	<u>-</u>	<u>1,650,830</u>	<u>5,910,675</u>	<u>7,561,505</u>
Fund balance - ending	\$ <u>-</u>	\$ <u>1,641,163</u>	\$ <u>11,148,716</u>	\$ <u>12,789,879</u>

SEE INDEPENDENT AUDITOR'S REPORT.

**CITY OF BUFORD, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2020**

NON-MAJOR SPECIAL REVENUE FUNDS			
	Hotel/ Motel Tax Fund	Auto Rental Excise Tax Fund	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and cash equivalents	\$ 163,486	\$ -	\$ 163,486
Sales, excise, and other taxes receivable	<u>25,822</u>	<u>10,365</u>	<u>36,187</u>
Total assets	\$ <u>189,308</u>	\$ <u>10,365</u>	\$ <u>199,673</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 22,688	\$ -	\$ 22,688
Interfund balances	<u>166,620</u>	<u>10,365</u>	<u>176,985</u>
Total liabilities	<u>189,308</u>	<u>10,365</u>	<u>199,673</u>
FUND BALANCE			
Restricted for:			
Tourism, conventions, and trade shows	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	\$ <u>189,308</u>	\$ <u>10,365</u>	\$ <u>199,673</u>

SEE INDEPENDENT AUDITOR'S REPORT.

CITY OF BUFORD, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2020

NON-MAJOR SPECIAL REVENUE FUNDS			
	Hotel/ Motel Tax Fund	Auto Rental Excise Tax Fund	Total Nonmajor Special Revenue Funds
REVENUES			
Taxes – sales, excise, and other	\$ 232,996	\$ 123,603	\$ 356,599
Investment income	<u>135</u>	<u>-</u>	<u>135</u>
Total revenues	<u>233,131</u>	<u>123,603</u>	<u>356,734</u>
EXPENDITURES			
Culture and recreation	<u>66,511</u>	<u>-</u>	<u>66,511</u>
Total expenditures	<u>66,511</u>	<u>-</u>	<u>66,511</u>
Excess (deficiency) of revenues over(under) expenditures	<u>166,620</u>	<u>123,603</u>	<u>290,223</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(<u>166,620</u>)	(<u>123,603</u>)	(<u>290,223</u>)
Net other financing sources (uses)	(<u>166,620</u>)	(<u>123,603</u>)	(<u>290,223</u>)
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

SEE INDEPENDENT AUDITOR'S REPORT.

**CITY OF BUFORD, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
AS OF JUNE 30, 2020**

	NON-MAJOR DEBT SERVICE FUNDS			
	2010 GOB Debt Service Fund	2015 GOB Debt Service Fund	2017 GOB Debt Service Fund	Total Nonmajor Debt Service Funds
ASSETS				
Prepaid items	\$ 328,591	\$ -	\$ 928,897	\$ 1,257,488
Restricted cash and cash equivalents	<u>65,372</u>	<u>288,075</u>	<u>30,228</u>	<u>383,675</u>
Total assets	\$ <u>393,963</u>	\$ <u>288,075</u>	\$ <u>959,125</u>	\$ <u>1,641,163</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	\$ 328,591	\$ -	\$ 928,897	\$ 1,257,488
Restricted for:				
Debt Service	<u>65,372</u>	<u>288,075</u>	<u>30,228</u>	<u>383,675</u>
Total fund balances	\$ <u>393,963</u>	\$ <u>288,075</u>	\$ <u>959,125</u>	\$ <u>1,641,163</u>

SEE INDEPENDENT AUDITOR'S REPORT.

CITY OF BUFORD, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 AS OF JUNE 30, 2020

	NON-MAJOR DEBT SERVICE FUNDS			
	2010 GOB Debt Service Fund	2015 GOB Debt Service Fund	2017 GOB Debt Service Fund	Total Nonmajor Debt Service Funds
REVENUES				
Intergovernmental	\$ -	\$ 560,230	\$ 1,857,794	\$ 2,418,024
Investment income	<u>-</u>	<u>56</u>	<u>43</u>	<u>99</u>
Total revenues	<u>-</u>	<u>560,286</u>	<u>1,857,837</u>	<u>2,418,123</u>
EXPENDITURES				
Debt service:				
Principal retirement	500,000	-	-	500,000
Interest and fiscal charges	<u>170,702</u>	<u>562,250</u>	<u>1,858,544</u>	<u>2,591,496</u>
Total expenditures	<u>670,702</u>	<u>562,250</u>	<u>1,858,544</u>	<u>3,091,496</u>
Excess (deficiency) of revenues over (under) expenditures	(<u>670,702</u>)	(<u>1,964</u>)	(<u>707</u>)	(<u>673,373</u>)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>662,456</u>	<u>500</u>	<u>750</u>	<u>663,706</u>
Net other financing sources (uses)	<u>662,456</u>	<u>500</u>	<u>750</u>	<u>663,706</u>
Net change in fund balance	(8,246)	(1,464)	43	(9,667)
Fund balance - beginning	<u>402,209</u>	<u>289,539</u>	<u>959,082</u>	<u>1,650,830</u>
Fund balance - ending	\$ <u>393,963</u>	\$ <u>288,075</u>	\$ <u>959,125</u>	\$ <u>1,641,163</u>

SEE INDEPENDENT AUDITOR'S REPORT.

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**CITY OF BUFORD, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AS OF JUNE 30, 2020**

NON-MAJOR CAPITAL PROJECTS FUNDS					
	GWINNETT COUNTY 2009 SPLOST	GWINNETT COUNTY 2014 SPLOST	GWINNETT COUNTY 2017 SPLOST	HALL COUNTY 2009 SPLOST	HALL COUNTY 2015 SPLOST
ASSETS					
Cash and cash equivalents	\$ 2,771,204	\$ 1,124,445	\$ 6,180,399	\$ 91,991	\$ 724,115
Due from other governments	-	-	366,521	-	31,406
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	\$ 2,771,204	\$ 1,124,445	\$ 6,546,920	\$ 91,991	\$ 755,521
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 731,094	\$ -	\$ -	\$ -
Interfund balances	-	-	-	-	-
Total liabilities	-	731,094	-	-	-
FUND BALANCES					
Restricted for:					
Capital projects - City of Buford Board of Education	-	-	-	-	-
Capital projects - SPLOST construction	2,771,204	393,351	6,546,920	91,991	755,521
Total fund balances	2,771,204	393,351	6,546,920	91,991	755,521
Total liabilities and fund balances	\$ 2,771,204	\$ 1,124,445	\$ 6,546,920	\$ 91,991	\$ 755,521

REST HAVEN 2001 SPLOST	REST HAVEN 2005 SPLOST	2015 GOB CAPITAL PROJECT	2017 GOB CAPITAL PROJECT	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
\$ 19,137	\$ 569,888	\$ -	\$ -	\$ 11,481,179
-	-	-	-	397,927
<u>-</u>	<u>-</u>	<u>-</u>	<u>704</u>	<u>704</u>
\$ <u>19,137</u>	\$ <u>569,888</u>	\$ <u>-</u>	\$ <u>704</u>	\$ <u>11,879,810</u>
\$ -	\$ -	\$ -	\$ -	\$ 731,094
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,094</u>
-	-	-	704	704
<u>19,137</u>	<u>569,888</u>	<u>-</u>	<u>-</u>	<u>11,148,012</u>
<u>19,137</u>	<u>569,888</u>	<u>-</u>	<u>704</u>	<u>11,148,716</u>
\$ <u>19,137</u>	\$ <u>569,888</u>	\$ <u>-</u>	\$ <u>704</u>	\$ <u>11,879,810</u>

SEE INDEPENDENT AUDITOR'S REPORT.

CITY OF BUFORD, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	NON-MAJOR CAPITAL PROJECTS FUNDS				
	GWINNETT COUNTY 2009 SPLOST	GWINNETT COUNTY 2014 SPLOST	GWINNETT COUNTY 2017 SPLOST	HALL COUNTY 2009 SPLOST	HALL COUNTY 2015 SPLOST
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ 2,088,179	\$ -	\$ 170,528
Investment income	<u>3,328</u>	<u>1,133</u>	<u>5,279</u>	<u>92</u>	<u>646</u>
Total revenues	<u>3,328</u>	<u>1,133</u>	<u>2,093,458</u>	<u>92</u>	<u>171,174</u>
EXPENDITURES					
Intergovernmental:					
Buford Board of Education	-	-	-	-	-
Capital outlay	<u>-</u>	<u>731,094</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>731,094</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of					
Revenues over (under)					
Expenditures	<u>3,328</u>	<u>(729,961)</u>	<u>2,093,458</u>	<u>92</u>	<u>171,174</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>3,328</u>	<u>(729,961)</u>	<u>2,093,458</u>	<u>92</u>	<u>171,174</u>
Fund balance - beginning	<u>2,767,876</u>	<u>1,123,312</u>	<u>4,453,462</u>	<u>91,899</u>	<u>584,347</u>
Fund balance - ending	<u>\$ 2,771,204</u>	<u>\$ 393,351</u>	<u>\$ 6,546,920</u>	<u>\$ 91,991</u>	<u>\$ 755,521</u>

REST HAVEN 2001 SPLOST	REST HAVEN 2005 SPLOST	2015 GOB CAPITAL PROJECT	2017 GOB CAPITAL PROJECT	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
\$ -	\$ -	\$ -	\$ -	\$ 2,258,707
<u>19</u>	<u>575</u>	<u>1</u>	<u>12,628</u>	<u>23,701</u>
<u>19</u>	<u>575</u>	<u>1</u>	<u>12,628</u>	<u>2,282,408</u>
-	-	2,746	2,596,441	2,599,187
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,094</u>
<u>-</u>	<u>-</u>	<u>2,746</u>	<u>2,596,441</u>	<u>3,330,281</u>
<u>19</u>	<u>575</u>	(<u>2,745</u>)	(<u>2,583,813</u>)	(<u>1,047,873</u>)
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,285,914</u>	<u>6,285,914</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,285,914</u>	<u>6,285,914</u>
19	575	(2,745)	3,702,101	5,238,041
<u>19,118</u>	<u>569,313</u>	<u>2,745</u>	(<u>3,701,397</u>)	<u>5,910,675</u>
\$ <u>19,137</u>	\$ <u>569,888</u>	\$ <u>-</u>	\$ <u>704</u>	\$ <u>11,148,716</u>

SEE INDEPENDENT AUDITOR'S REPORT.

**CITY OF BUFORD, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Taxes – sales, excise, and other	\$ 340,000	\$ 232,996	\$(107,004)
Investment income	<u>200</u>	<u>135</u>	<u>(65)</u>
Total revenues	<u>340,200</u>	<u>233,131</u>	<u>(107,069)</u>
EXPENDITURES			
Current operating:			
Public services:			
Culture and recreation	<u>66,511</u>	<u>66,511</u>	<u>-</u>
Total expenditures	<u>66,511</u>	<u>66,511</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>273,689</u>	<u>166,620</u>	<u>(107,069)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(166,620)</u>	<u>(166,620)</u>	<u>-</u>
Net other financing sources (uses)	<u>(166,620)</u>	<u>(166,620)</u>	<u>-</u>
Net change in fund balance	107,069	-	(107,069)
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	\$ <u>107,069</u>	\$ <u>-</u>	\$(<u>107,069</u>)

**CITY OF BUFORD, GEORGIA
 AUTO RENTAL EXCISE TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Taxes – sales, excise, and other	\$ <u>125,000</u>	\$ <u>123,603</u>	\$(<u>1,397</u>)
Total revenues	<u>125,000</u>	<u>123,603</u>	(<u>1,397</u>)
EXPENDITURES			
Current operating:			
Public services:			
Culture and recreation	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>125,000</u>	<u>123,603</u>	(<u>1,397</u>)
OTHER FINANCING SOURCES (USES)			
Transfers out	(<u>123,603</u>)	(<u>123,603</u>)	-
Net other financing sources (uses)	(<u>123,603</u>)	(<u>123,603</u>)	-
Net change in fund balance	1,397	-	(<u>1,397</u>)
Fund balance - beginning	-	-	-
Fund balance - ending	\$ <u>1,397</u>	\$ <u>-</u>	\$(<u>1,397</u>)

**CITY OF BUFORD, GEORGIA
2010 GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
Total revenues	<u> -</u>	<u> -</u>	<u> -</u>
EXPENDITURES			
Debt service:			
Principal retirement	500,000	500,000	-
Interest and fiscal charges	<u>170,702</u>	<u>170,702</u>	<u> -</u>
Total expenditures	<u>670,702</u>	<u>670,702</u>	<u> -</u>
Excess (deficiency) of revenues over (under) expenditures	(<u>670,702</u>)	(<u>670,702</u>)	<u> -</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>700,000</u>	<u>662,456</u>	(<u>37,544</u>)
Net other financing sources (uses)	<u>700,000</u>	<u>662,456</u>	(<u>37,544</u>)
Net change in fund balance	29,298	(8,246)	(37,544)
Fund balance - beginning	<u>402,209</u>	<u>402,209</u>	<u> -</u>
Fund balance - ending	\$ <u>431,507</u>	\$ <u>393,963</u>	\$ (<u>37,544</u>)

**CITY OF BUFORD, GEORGIA
2015 GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental	\$ -	\$ 560,230	\$ 560,230
Investment income	<u>-</u>	<u>56</u>	<u>56</u>
Total revenues	<u>-</u>	<u>560,286</u>	<u>560,286</u>
EXPENDITURES			
Debt service:			
Interest & fiscal charges	<u>562,250</u>	<u>562,250</u>	<u>-</u>
Total expenditures	<u>562,250</u>	<u>562,250</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(<u>562,250</u>)	(<u>1,964</u>)	<u>560,286</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>500</u>	<u>500</u>
Net other financing sources (uses)	<u>-</u>	<u>500</u>	<u>500</u>
Net change in fund balance	(562,250)	(1,464)	560,786
Fund balance - beginning	<u>289,539</u>	<u>289,539</u>	<u>-</u>
Fund balance - ending	\$(<u>272,711</u>)	\$ <u>288,075</u>	\$ <u>560,786</u>

**CITY OF BUFORD, GEORGIA
2017 GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental	\$ -	\$ 1,857,794	\$ 1,857,794
Investment income	<u>-</u>	<u>43</u>	<u>43</u>
Total revenues	<u>-</u>	<u>1,857,837</u>	<u>1,857,837</u>
EXPENDITURES			
Debt service:			
Interest and fiscal charges	<u>1,858,544</u>	<u>1,858,544</u>	<u>-</u>
Total expenditures	<u>1,858,544</u>	<u>1,858,544</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(<u>1,858,544</u>)	(<u>707</u>)	<u>1,857,837</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>750</u>	<u>750</u>
Net other financing sources (uses)	<u>-</u>	<u>750</u>	<u>750</u>
Net change in fund balance	(1,858,544)	43	1,858,587
Fund balance - beginning	<u>959,082</u>	<u>959,082</u>	<u>-</u>
Fund balance - ending	\$(<u>899,462</u>)	\$ <u>959,125</u>	\$ <u>1,858,587</u>

**CITY OF BUFORD, GEORGIA
GWINNETT COUNTY 2009 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Investment income	<u>-</u>	<u>3,328</u>	<u>3,328</u>
Total revenues	<u>-</u>	<u>3,328</u>	<u>3,328</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>3,328</u>	<u>3,328</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	3,328	3,328
Fund balance - beginning	<u>2,767,876</u>	<u>2,767,876</u>	<u>-</u>
Fund balance - ending	\$ <u>2,767,876</u>	\$ <u>2,771,204</u>	\$ <u>3,328</u>

**CITY OF BUFORD, GEORGIA
GWINNETT COUNTY 2014 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Investment income	<u>-</u>	<u>1,133</u>	<u>1,133</u>
Total revenues	<u>-</u>	<u>1,133</u>	<u>1,133</u>
EXPENDITURES			
Capital outlay	<u>731,094</u>	<u>731,094</u>	<u>-</u>
Total expenditures	<u>731,094</u>	<u>731,094</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(<u>731,094</u>)	(<u>729,961</u>)	<u>1,133</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(731,094)	(729,961)	1,133
Fund balance - beginning	<u>1,123,312</u>	<u>1,123,312</u>	<u>-</u>
Fund balance - ending	\$ <u><u>392,218</u></u>	\$ <u><u>393,351</u></u>	\$ <u><u>1,133</u></u>

**CITY OF BUFORD, GEORGIA
GWINNETT COUNTY 2017 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ 2,088,179	\$ 2,088,179
Investment income	<u>-</u>	<u>5,279</u>	<u>5,279</u>
Total revenues	<u>-</u>	<u>2,093,458</u>	<u>2,093,458</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,093,458</u>	<u>2,093,458</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	2,093,458	2,093,458
Fund balance - beginning	<u>4,453,462</u>	<u>4,453,462</u>	<u>-</u>
Fund balance - ending	\$ <u>4,453,462</u>	\$ <u>6,546,920</u>	\$ <u>2,093,458</u>

**CITY OF BUFORD, GEORGIA
HALL COUNTY 2009 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Investment income	<u>-</u>	<u>92</u>	<u>92</u>
Total revenues	<u>-</u>	<u>92</u>	<u>92</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>92</u>	<u>92</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	92	92
Fund balance - beginning	<u>91,899</u>	<u>91,899</u>	<u>-</u>
Fund balance - ending	\$ <u><u>91,899</u></u>	\$ <u><u>91,991</u></u>	\$ <u><u>92</u></u>

**CITY OF BUFORD, GEORGIA
HALL COUNTY 2015 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ 170,528	\$ 170,528
Investment income	<u>-</u>	<u>646</u>	<u>646</u>
Total revenues	<u>-</u>	<u>171,174</u>	<u>171,174</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>171,174</u>	<u>171,174</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	171,174	171,174
Fund balance - beginning	<u>584,347</u>	<u>584,347</u>	<u>-</u>
Fund balance - ending	\$ <u>584,347</u>	\$ <u>755,521</u>	\$ <u>171,174</u>

**CITY OF BUFORD, GEORGIA
REST HAVEN 2001 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Investment income	<u>-</u>	<u>19</u>	<u>19</u>
Total revenues	<u>-</u>	<u>19</u>	<u>19</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>19</u>	<u>19</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	19	19
Fund balance - beginning	<u>19,118</u>	<u>19,118</u>	<u>-</u>
Fund balance - ending	\$ <u><u>19,118</u></u>	\$ <u><u>19,137</u></u>	\$ <u><u>19</u></u>

**CITY OF BUFORD, GEORGIA
REST HAVEN 2005 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Investment income	<u>-</u>	<u>575</u>	<u>575</u>
Total revenues	<u>-</u>	<u>575</u>	<u>575</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>575</u>	<u>575</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	575	575
Fund balance - beginning	<u>569,313</u>	<u>569,313</u>	<u>-</u>
Fund balance - ending	\$ <u>569,313</u>	\$ <u>569,888</u>	\$ <u>575</u>

**CITY OF BUFORD, GEORGIA
2015 GOB CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Investment income	<u>-</u>	<u>1</u>	<u>1</u>
Total revenues	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES			
Intergovernmental: Buford Board of Education	<u>2,746</u>	<u>2,746</u>	<u>-</u>
Total expenditures	<u>2,746</u>	<u>2,746</u>	<u>-</u>
Excess (deficiency) of Revenues over (under) Expenditures	(<u>2,746</u>)	(<u>2,745</u>)	<u>1</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,746)	(2,745)	1
Fund balance - beginning	<u>2,745</u>	<u>2,745</u>	<u>-</u>
Fund balance - ending	\$ (<u>1</u>)	\$ <u>-</u>	\$ <u>1</u>

**CITY OF BUFORD, GEORGIA
2017 GOB CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget Over (Under)</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Investment income	<u>-</u>	<u>12,628</u>	<u>12,628</u>
Total revenues	<u>-</u>	<u>12,628</u>	<u>12,628</u>
EXPENDITURES			
Intergovernmental:			
Buford Board of Education	<u>2,596,441</u>	<u>2,596,441</u>	<u>-</u>
Total expenditures	<u>2,596,441</u>	<u>2,596,441</u>	<u>-</u>
Excess (deficiency) of Revenues over (under) Expenditures	(<u>2,596,441</u>)	(<u>2,583,813</u>)	<u>12,628</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>6,285,914</u>	<u>6,285,914</u>
Net other financing sources (uses)	<u>-</u>	<u>6,285,914</u>	<u>6,285,914</u>
Net change in fund balance	(2,596,441)	3,702,101	6,298,542
Fund balance - beginning	(<u>3,701,397</u>)	(<u>3,701,397</u>)	<u>-</u>
Fund balance - ending	\$ (<u>6,297,838</u>)	\$ <u>704</u>	\$ <u>6,298,542</u>

COMBINING FINANCIAL STATEMENTS FIDUCIARY FUNDS

CUSTODIAL FUNDS

The Custodial Funds account for all resources held by the City in trust for use by the City of Buford Board of Education. They are Educational SPLOST funds used for the acquisition and/or construction of major capital facilities and assets, or debt service on debt issued for the acquisition and/or construction of major capital facilities for the BOE. The following is a description of the City's Custodial Fiduciary Funds.

Gwinnett County E-SPLOST V Fund - used to account for the construction and financing of projects funded by the City of Buford Board of Education Gwinnett County E-SPLOST V.

Hall County E-SPLOST IV Fund - used to account for the construction and financing of projects funded by the City of Buford Board of Education Hall County E-SPLOST IV.

Hall County E-SPLOST V Fund - used to account for the construction and financing of projects funded by the City of Buford Board of Education Hall County E-SPLOST V.

**CITY OF BUFORD, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
CITY OF BUFORD BOARD OF EDUCATION SPLOST FUNDS
JUNE 30, 2020**

	CUSTODIAL FUNDS			
	Gwinnett County E-SPLOST V Fund	Hall County E-SPLOST IV Fund	Hall County E-SPLOST V Fund	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ 366,158	\$ 721,564	\$ 17,677	\$ 1,105,399
Investments	<u>8,254,715</u>	<u>-</u>	<u>-</u>	<u>8,254,715</u>
Total assets	<u>\$ 8,620,873</u>	<u>\$ 721,564</u>	<u>\$ 17,677</u>	<u>\$ 9,360,114</u>
NET POSITION				
Restricted for:				
City of Buford Board of Education	<u>\$ 8,620,873</u>	<u>\$ 721,564</u>	<u>\$ 17,677</u>	<u>\$ 9,360,114</u>
Total net position	<u>\$ 8,620,873</u>	<u>\$ 721,564</u>	<u>\$ 17,677</u>	<u>\$ 9,360,114</u>

SEE INDEPENDENT AUDITOR'S REPORT.

CITY OF BUFORD, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
CITY OF BUFORD BOARD OF EDUCATION SPLOST FUNDS
JUNE 30, 2020

	CUSTODIAL FUNDS			
	Gwinnett County E-SPLOST V Fund	Hall County E-SPLOST IV Fund	Hall County E-SPLOST V Fund	Total Custodial Funds
ADDITIONS				
Investment income	\$ <u>414,378</u>	\$ <u>867</u>	\$ <u>-</u>	\$ <u>415,245</u>
Total additions	<u>414,378</u>	<u>867</u>	<u>-</u>	<u>415,245</u>
DEDUCTIONS				
Intergovernmental	<u>2,402,464</u>	<u>-</u>	<u>15,559</u>	<u>2,418,023</u>
Total deductions	<u>2,402,464</u>	<u>-</u>	<u>15,559</u>	<u>2,418,023</u>
Net increase (decrease) in fiduciary net position	(1,988,086)	867	(15,559)	(2,002,778)
Total net position at beginning of year, as restated	<u>10,608,959</u>	<u>720,697</u>	<u>33,236</u>	<u>11,362,892</u>
Total net position at end of year	\$ <u>8,620,873</u>	\$ <u>721,564</u>	\$ <u>17,677</u>	\$ <u>9,360,114</u>

SEE INDEPENDENT AUDITOR'S REPORT.

**REPORT REQUIRED BY GOVERNMENTAL AUDITING
STANDARDS**

WILCOX & BIVINGS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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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*

**To the Honorable Members of the Board of Commissioners
City of Buford, 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Buford, Georgia, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Buford, Georgia's basic financial statements and have issued our report thereon dated December 18, 2020. Our report includes a reference to other auditors who audited the financial statements of the City of Buford Board of Education, as described in our report on the City of Buford, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Buford, Georgia'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 of Buford, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Buford, Georgia'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 of Buford, Georgia'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*.

To the Honorable Members of the Board of Commissioners
City of Buford, Georgia

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.

Wilcox & Birings, P.C.

Suwanee, Georgia
December 18, 2020

**SCHEDULE REQUIRED BY THE
STATE OF GEORGIA**

CITY OF BUFORD, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PROJECT DESCRIPTION	Original Estimate Amount	Current Estimate Amount	Amount Expended In Prior Years	Amount Expended In Current Year	Total	Estimated Percentage of Completion
REST HAVEN 2001 SPLOST						
Recreational Facilities	\$ <u> -</u>	\$ <u> 91,016 </u>	\$ <u> 71,879 </u>	\$ <u> -</u>	\$ <u> 71,879 </u>	78.97%
Total Rest Haven 2001 SPLOST	\$ <u> -</u>	\$ <u> 91,016 </u>	\$ <u> 71,879 </u>	\$ <u> -</u>	\$ <u> 71,879 </u>	
REST HAVEN 2005 SPLOST						
Transportation	\$ <u> 296,785 </u>	\$ <u> 569,888 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	0.00%
Total Rest Haven 2005 SPLOST	\$ <u> 296,785 </u>	\$ <u> 569,888 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	
HALL COUNTY 2009 SPLOST						
Transportation	\$ <u> 25,732 </u>	\$ <u> 91,991 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	0.00%
Total Hall County 2009 SPLOST	\$ <u> 25,732 </u>	\$ <u> 91,991 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	
GWINNETT COUNTY 2009 SPLOST						
Transportation	\$ <u> 5,960,000 </u>	\$ <u> 4,731,391 </u>	\$ <u> 2,179,281 </u>	\$ <u> -</u>	\$ <u> 2,179,281 </u>	46.06%
Recreational Facilities	\$ <u> 1,677,101 </u>	\$ <u> 1,331,379 </u>	\$ <u> 1,200,000 </u>	\$ <u> -</u>	\$ <u> 1,200,000 </u>	90.13%
Water & Sewer	\$ <u> 2,000,000 </u>	\$ <u> 1,587,715 </u>	\$ <u> 1,500,000 </u>	\$ <u> -</u>	\$ <u> 1,500,000 </u>	94.48%
Total Gwinnett County 2009 SPLOST	\$ <u> 9,637,101 </u>	\$ <u> 7,650,485 </u>	\$ <u> 4,879,281 </u>	\$ <u> -</u>	\$ <u> 4,879,281 </u>	
GWINNETT COUNTY 2014 SPLOST						
Recreational Facilities & Equipment	\$ <u> 4,172,696 </u>	\$ <u> 3,810,404 </u>	\$ <u> 3,810,404 </u>	\$ <u> -</u>	\$ <u> 3,810,404 </u>	100.00%
Transportation	\$ <u> 1,788,299 </u>	\$ <u> 1,473,050 </u>	\$ <u> 348,605 </u>	\$ <u> 731,094 </u>	\$ <u> 1,079,699 </u>	73.30%
Total Gwinnett County 2014 SPLOST	\$ <u> 5,960,995 </u>	\$ <u> 5,283,454 </u>	\$ <u> 4,159,009 </u>	\$ <u> 731,094 </u>	\$ <u> 4,890,103 </u>	
HALL COUNTY 2015 SPLOST						
Transportation	\$ <u> 111,249 </u>	\$ <u> 111,249 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	0.00%
Water & Sewer	\$ <u> 600,000 </u>	\$ <u> 600,000 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	0.00%
Total Hall County 2015 SPLOST	\$ <u> 711,249 </u>	\$ <u> 711,249 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	
GWINNETT COUNTY 2017 SPLOST						
Parking Facilities	\$ <u> 3,765,543 </u>	\$ <u> 3,765,543 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	0.00%
Recreational Facilities & Equipment	\$ <u> 6,932,788 </u>	\$ <u> 6,932,788 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	0.00%
Transportation	\$ <u> 941,677 </u>	\$ <u> 941,677 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	0.00%
Total Gwinnett County 2017 SPLOST	\$ <u> 11,640,008 </u>	\$ <u> 11,640,008 </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	

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Appendix D

PROPOSED FORM OF LEGAL OPINIONS OF BOND COUNSEL

The form of Legal Opinions included in this Appendix D has been prepared by Alston & Bird, LLP, Atlanta, Georgia, Bond Counsel, and are substantially the forms to be given in connection with the delivery of the Bonds.

December 21, 2021

U.S. Bank National Association
Atlanta, Georgia

Board of Education of the City of Buford, Georgia
Buford, Georgia

Re: \$40,565,000 Board of Education of the City of Buford, Georgia Refunding Revenue Bonds, Taxable Series 2021

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Board of Education of the City of Buford, Georgia (the “Board”) of the referenced bonds (the “Bonds”), pursuant to the Constitution and laws of the State of Georgia, including specifically the charter of the City of Buford (the “Act”), and the Revenue Bond Law of the State of Georgia, as amended (Official Code of Georgia Sections 36-82-60 through 36-82-85, the “Revenue Bond Law”), and the bond resolution of the Board adopted on December 7, 2020, as amended and restated on December 13, 2021 (the “Bond Resolution”). We have examined the law and such certified proceedings, including a certified copy of the transcript of the validation proceedings concluded in the Superior Court of Gwinnett County, Georgia (the “Validation Proceeding”), and other papers as we have deemed necessary to render this opinion. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Bond Resolution.

The Bonds are being issued to (i) to provide funds, together with other available funds of the Board, to finance the costs of advance refunding and redeeming the outstanding City of Buford General Obligation Bonds, Series 2015 and City of Buford General Obligation Bonds, Series 2017C (the “Refunded Bonds”), and (ii) to pay costs of issuance of the Bonds. Pursuant to the terms of an Intergovernmental Contract, dated as of December 1, 2021 (the “Contract”), between the Board and the City of Buford, Georgia, a municipal corporation and a political subdivision of the State of Georgia (the “City”), the Board has agreed to refinance the Refunded Bonds, and the City has agreed to make payments equal to the principal and interest on the Bonds as they come due.

The Bonds do not constitute a debt of the Board or a pledge of the faith and credit of the Board, and the Board is not subject to any pecuniary liability thereon. The Bonds shall not be payable from, nor a charge upon, any funds other than the revenues pledged to the payment thereof. The Bonds are payable solely from the Revenues (as defined in the Bond Resolution) and are secured by the Revenues (as defined in the Bond Resolution). Pursuant to the terms of the Bond Resolution, the Board has pledged to the payment of the principal of and the interest and redemption premium, if any, on the Bonds and any additional parity bonds issued pursuant to the Bond Resolution the Revenues, subject only to the provisions of the Bond Resolution permitting the application thereof for the purpose and on the terms and conditions set forth in the Bond Resolution. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the Board.

As to matters of fact material to our opinion, we have relied upon the representations of the Board contained in the Bond Resolution and of the City and the Board contained in the Contract and in the certified proceedings and other certifications of public officials furnished to us, including the Validation Proceeding, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Board is a duly created and validly existing public school system and local school board with the corporate power to adopt the Bond Resolution, to perform the agreements on its part contained therein and to issue the Bonds. The City is a duly created and validly existing municipal corporation and political subdivision of the State of Georgia with the corporate power to perform the agreements on its part contained in the Contract.

2. The Bond Resolution has been adopted by the Board and constitutes a valid and binding obligation of enforceable upon the Board.

3. The Contract has been authorized, executed and delivered by the Board and the City and constitutes the valid obligation of the Board and the City, respectively, enforceable against them in accordance with its terms.

4. Pursuant to the Act and the Revenue Bond Law, the Bond Resolution creates a valid lien on the Revenues and other funds pledged by the Bond Resolution for the security of the Bonds on a parity with any additional parity bonds to be issued under the terms of the Bond Resolution.

5. The Bonds have been duly authorized, executed, issued and delivered by the Board and are valid and binding limited obligations of the Board, payable solely from the Revenues as provided for in the Bond Resolution.

6. Interest on the Bonds is included in gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. Interest on the Bonds is exempt from present state income taxation within the State of Georgia.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Bond Resolution and the Contract may be limited by bankruptcy, insolvency,

reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We have not been engaged and have not undertaken to examine the accuracy, completeness or sufficiency of any offering material of the Board relating to the Bonds, and we express no opinion relating thereto, nor do we express any opinion as to the compliance by the Board or the purchaser of the Bonds with any federal or state statute, regulation or ruling with respect to the sale (other than the initial sale by the Board) or distribution of the Bonds except as specifically set forth in this opinion. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof and we assume no obligations to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

ALSTON & BIRD LLP

By: _____
Partner

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Appendix E

FORM OF DISCLOSURE DISSEMINATION AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 20____, is executed and delivered by Board of Education of the City of Buford, Georgia (the “Issuer”), the City of Buford (an Obligated Person) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer and Obligated Person in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer and Obligated Person through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer, Obligated Person or anyone on the Issuer’s or Obligated Person’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Issuer and Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer or Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer and Obligated Person pursuant to Section 9 hereof.

“Disclosure Representative” for the Board of Education means _____, _____ or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Representative” for the City means _____, _____ or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s or Obligated Person’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer and each Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent[, together with a copy for the Trustee,] not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later nine months following the end of each fiscal year of the Issuer, commencing with the fiscal year ending **June 30, 2022**. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer and Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer or Obligated Person will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer or Obligated Person irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer and Obligated Person are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer or Obligated Person pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"
2. "Non-Payment related defaults, if material;"
3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"
 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 7. "Modifications to rights of securities holders, if material;"
 8. Bond calls, if material, and tender offers;
 9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. "Rating changes;"
 12. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
 15. "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
 16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer or Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. "amendment to continuing disclosure undertaking;"
 2. "change in obligated person;"

3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;” other than those communications included in the Rule;
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;” and
 10. “other event-based disclosures.”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer or Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”
 7. “information provided to rating agency, credit/liquidity provider or other third party;”
 8. “consultant reports;” and
 9. “other financial/operating data.”
- (viii) provide the Issuer and Obligated Person evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer and Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before [10:00 a.m.] Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused

by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the financial and statistical information provided in the Official Statement under the headings: **“SCHOOL SYSTEM FINANCIAL INFORMATION – Five-Year General Fund History”**.

(b) Each Annual Report shall contain Annual Financial Information with respect to the City, including the financial and statistical information provided in the Official Statement under the headings: **and “CITY OF BUFORD FINANCIAL INFORMATION - Six-Year General Fund History”**.

(c)

(d) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with **Generally Accepted Accounting Principles** as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer and Obligated Person is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer and Obligated Person shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer or Obligated Person desires to make, contain the written authorization of the Issuer or Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer or Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer, Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer or Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer or Obligated Person desires to make, contain the written authorization of the Issuer or Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the

Issuer or Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer and Obligated Person will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer and Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer and Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer and Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer and Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer or Obligated Person desires to make, contain the written authorization of the Issuer or Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer and Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer or Obligated Person desires to make, contain the written authorization of the Issuer or Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer or Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer and Obligated Person are not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(f) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer or Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer or Obligated Person chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure

to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer or Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer and Obligated Person have appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer and Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer, Obligated Person or DAC, the Issuer and Obligated Person agree to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer and Obligated Person shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer, Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer and Obligated Person have provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer and Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's and Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer and Obligated Person have complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer and Obligated Person at all times.

The obligations of the Issuer and Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer or Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer, Obligated Person and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Issuer, Obligated Person and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer, Obligated Person or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer and Obligated Person. No such amendment shall become effective if the Issuer and Obligated Person shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Obligated Person, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent, the Issuer and Obligated Person have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

BOARD OF EDUCATION OF THE CITY OF BUFORD,
GEORGIA,
as Issuer and as an Obligated Person

By: _____
Name: _____
Title: _____

Acknowledged and Agreed to by:

CITY OF BUFORD, GEORGIA,
an Obligated Person

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Board of Education of the City of Buford, Georgia
Obligated Person(s)	Issuer and the City of Buford, Georgia
Name of Bond Issue:	Refunding Revenue Bonds, Taxable Series 2021
Date of Issuance:	December 21, 2021
Date of Official Statement	December 13, 2021

CUSIP				
Issuer Num	Issue Num	Issue check Digit	Rate	Maturity
120004	AA	4	.886	01/01/2024
120004	AB	2	1.132	01/01/2025
120004	AC	0	1.364	01/01/2026
120004	AD	8	1.464	01/01/2027
120004	AE	6	1.635	01/01/2028
120004	AF	3	1.765	01/01/2029
120004	AG	1	1.924	01/01/2030
120004	AH	9	2.024	01/01/2031
120004	AJ	5	2.114	01/01/2032
120004	AK	2	2.244	01/01/2033
120004	AL	0	2.364	01/01/2034
120004	AM	8	2.464	01/01/2035
120004	AN	6	2.564	01/01/2036
120004	AP	1	2.674	01/01/2037
120004	AQ	9	2.713	01/01/2039
120004	AR	7	2.813	01/01/2041

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: [B1]_____

Obligated Person: [B2]_____

Name(s) of Bond Issue(s): [B3]_____

Date(s) of Issuance: [B4]_____

Date(s) of Disclosure Agreement: [B5]_____

CUSIP Number: [B6]_____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by [B7]_____].

Dated: [B8]_____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc: [B9]
[B10]

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

[C1] _____

Issuer's Six-Digit CUSIP Number:

[C2] _____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

[C3] _____

Number of pages attached: [C4] _____

____ Description of Notice Events (Check One): [C5]

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;" Tender offers;
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required. [C6]

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: [C7] _____ Title: [C8] _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: [C9]

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [C10] _____ between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name:

[C1] _____

Issuer’s Six-Digit CUSIP Number:

[C2] _____

_____ or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

[C3] _____

Number of pages attached: [C4] _____

_____ Description of Voluntary Event Disclosure (Check One): [C11]

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party; and”
10. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: [C7] _____ Title: [C8] _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: [C9] _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [C9] _____ between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name:

[C1] _____

Issuer’s Six-Digit CUSIP Number:

[C2] _____

_____ or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

[C3] _____

Number of pages attached: [C4] _____

_____ Description of Voluntary Financial Disclosure (Check One): [C12]

1. _____ “quarterly/monthly financial information;”
2. _____ “change in fiscal year/timing of annual disclosure;”
3. _____ “change in accounting standard;”
4. _____ “interim/additional financial information/operating data;”
5. _____ “budget;”
6. _____ “investment/debt/financial policy;”
7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
8. _____ “consultant reports;” and
9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: [C7] _____ Title: [C8] _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: [C9]

