



NEW ISSUE

Book-Entry Only

RATING:

Moody's: Aa1

See, "MISCELLANEOUS – Rating" herein.

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. Based upon representations of the Issuer and the City, the Series 2020A Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. In the opinion of Bond Counsel interest earned on the Series 2020B Bonds is not excludable from gross income of the holders of the Series 2020B Bonds for federal income tax purposes. In the opinion of Bond Counsel, interest on the Series 2020 Bonds is exempt from present State of Georgia income taxation. See APPENDIX D herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2020 Bonds. For a more complete discussion of the tax status of the Series 2020 Bonds and certain other tax consequences relating to the Series 2020 Bonds, see "LEGAL MATTERS – Tax Matters" herein.

CITY OF PEACHTREE CORNERS PUBLIC FACILITIES AUTHORITY (GEORGIA)

\$4,420,000

Refunding Revenue Bonds

(Public Facilities Project), Series 2020A

\$8,105,000

Taxable Refunding Revenue Bonds

(Public Facilities Project), Series 2020B

Dated: Date of Issuance

Due: July 1, as shown on inside front cover.

The City of Peachtree Corners Public Facilities Authority Refunding Revenue Bonds (Public Facilities Project), Series 2020A (the "Series 2020A Bonds") and the City of Peachtree Corners Public Facilities Authority Taxable Refunding Revenue Bonds (Public Facilities Project), Series 2020B (the "Series 2020B Bonds" and together with the Series 2020A Bonds the, "Series 2020 Bonds") are being issued by the City of Peachtree Corners Public Facilities Authority (the "Issuer"), a public body corporate and politic of the State of Georgia. The Series 2020 Bonds will be issued in book-entry form registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2020 Bonds. Individual purchases may be made only in book-entry form through DTC participants in DTC in the principal amounts of \$5,000 or any integral multiple thereof. No physical delivery of the Series 2020 Bonds will be made to beneficial owners of the Series 2020 Bonds. So long as Cede & Co. is the registered owner of the Series 2020 Bonds, payment of the principal of the Series 2020 Bonds and interest thereon will be made to Cede & Co., as nominee for DTC, which in turn will remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2020 Bonds. See "DESCRIPTION OF THE SERIES 2020 BONDS – Book-Entry System of Registration."

The Series 2020 Bonds are limited obligations of the Issuer. The Series 2020 Bonds are payable solely from payments to be made by the City of Peachtree Corners, Georgia (the "City") pursuant to a Lease Agreement, dated as of November 1, 2020, between the Issuer and the City (the "Lease Agreement"). The City's obligation to make payments to the Issuer sufficient in time and amount to enable the Issuer to pay the principal of and interest on the Series 2020 Bonds is absolute and unconditional, is secured by a pledge of the City's full faith and credit and taxing powers and will not expire so long as any of the Series 2020 Bonds remain outstanding and unpaid. Under the Lease Agreement, the City has agreed to levy an annual tax on all taxable property located within the corporate limits of the City, at such rates, not to exceed one (1) mill per dollar (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters in the City by referendum), as may be necessary to make the payments required by the Lease Agreement. The City has agreed to make payments directly into the Sinking Fund created pursuant to the Bond Resolution, adopted by the Issuer on September 22, 2020, as supplemented on October 27, 2020. See "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2020 BONDS" and "THE CITY – Ad Valorem Taxation."

Interest on the Series 2020 Bonds is payable semiannually on January 1 and July 1 (each such date, an "Interest Payment Date"), commencing January 1, 2021, by check or draft mailed by first class mail on the date due by U.S. Bank National Association, Atlanta, Georgia, as paying agent (the "Paying Agent"), to the owners thereof as shown on the registration books maintained by the Paying Agent, as bond registrar. The Series 2020 Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. The Series 2020 Bonds will bear interest at the rates and will mature on the dates set forth on the inside front cover page herein. See "DESCRIPTION OF THE SERIES 2020 BONDS."

The Series 2020 Bonds are subject to optional redemption, at the times, under the conditions and at the prices set forth in "DESCRIPTION OF THE SERIES 2020 BONDS – Redemption Provisions" herein.

The Series 2020 Bonds will be issued for the purpose of providing funds to: (i) refund and prepay the outstanding Downtown Development Authority of the City of Peachtree Corners Taxable Revenue Bond (Economic Development Project), Series 2018, (ii) refund and prepay the payment obligations of the City under that certain Installment Sale Agreement, dated May 5, 2017 (the "Installment Sale Agreement"), between the City and the Georgia Municipal Association, Inc., a Georgia nonprofit corporation, and (iii) pay the costs of issuing the Series 2020 Bonds.

SEE MATURITY, RATE AND YIELD SCHEDULES ON INSIDE FRONT COVER.

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

The Series 2020 Bonds are offered when, as, and if issued by the Issuer and accepted by the original purchaser, subject prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinion of Gray Pannell & Woodward LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed upon for the Issuer and the City by their counsel, Riley McLendon, LLC, Marietta, Georgia; and for the City by its disclosure counsel, Gray Pannell & Woodward LLP, Atlanta, Georgia. The Series 2020 Bonds in definitive form are expected to be delivered to DTC in New York, New York, on November 10, 2020.

Stephens Inc.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

\$4,420,000

**CITY OF PEACHTREE CORNERS PUBLIC FACILITIES AUTHORITY (GEORGIA)
Refunding Revenue Bonds (Public Facilities Project), Series 2020A**

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.⁽¹⁾</u>
2024	\$185,000	4.00%	0.50%	70470RAA2
2025	460,000	4.00%	0.61%	70470RAB0
2026	480,000	4.00%	0.78%	70470RAC8
2027	500,000	4.00%	0.95%	70470RAD6
2028	520,000	4.00%	1.12%	70470RAE4
2029	540,000	4.00%	1.29%	70470RAF1
2030	560,000	3.00%	1.42%	70470RAG9
2031	580,000	3.00%	1.54% [†]	70470RAH7
2032	595,000	3.00%	1.64% [†]	70470RAJ3

[†] Priced to first call date of July 1, 2031.

\$8,105,000

**CITY OF PEACHTREE CORNERS PUBLIC FACILITIES AUTHORITY (GEORGIA)
Taxable Refunding Revenue Bonds (Public Facilities Project), Series 2020B**

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.⁽¹⁾</u>
2021	\$985,000	0.48%	0.48%	70470RAK0
2022	990,000	0.58%	0.58%	70470RAL8
2023	995,000	0.73%	0.73%	70470RAM6
2024	480,000	0.97%	0.97%	70470RAN4
2025	485,000	1.06%	1.06%	70470RAP9
2026	495,000	1.35%	1.35%	70470RAQ7
2027	500,000	1.45%	1.45%	70470RAR5
2028	505,000	1.69%	1.69%	70470RAS3
2029	515,000	1.79%	1.79%	70470RAT1
2030	525,000	1.89%	1.89%	70470RAU8
2031	530,000	1.99%	1.99%	70470RAV6
2032	545,000	2.09%	2.09%	70470RAW4
2033	555,000	2.19%	2.19%	70470RAX2

⁽¹⁾ CUSIP data presented herein has been provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. Copyright 2020. American Bankers Association.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon. 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 Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been obtained from representatives of the City, public documents, records and other sources considered to be reliable. The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2020 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AGENCY. THE SERIES 2020 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved. The Series 2020 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

CITY OF PEACHTREE CORNERS PUBLIC FACILITIES AUTHORITY (GEORGIA)

Weare Gratwick, *Chairman*
Phil Sadd
Eric Christ
Alex Wright
Jeanne Aulbach
Lorri Christopher
Mike Mason

CITY OF PEACHTREE CORNERS, GEORGIA

Elected Officials

Mike Mason, *Mayor*
Phil Sadd, District 1 Council
Eric Christ, District 2 Council
Alex Wright, District 3 Council
Jeanne Aulbach, District 4 Council
Lorri Christopher, At Large Council
Weare Gratwick, At Large Council

Administration

Brian Johnson, City Manager
Brandon Branham, Assistant City Manager
Cory Salley, Finance Director
Kym Chereck, City Clerk

CITY'S AND ISSUER'S COUNSEL

Riley McLendon, LLC
Marietta, Georgia

UNDERWRITER

Stephens Inc.
Atlanta, Georgia

BOND AND DISCLOSURE COUNSEL

Gray Pannell & Woodward LLP
Atlanta, Georgia

TABLE OF CONTENTS

INTRODUCTION	1
General	1
The Issuer	1
The City	2
Security and Source of Payment for the Series 2020 Bonds	2
Purpose of the Series 2020 Bonds	2
Description of the Series 2020 Bonds	2
Tax Matters	3
Professionals Involved in the Offering	3
Bond Registrar, Paying Agent and Custodians	3
Legal Authority for Issuance	4
Offering and Delivery of the Series 2020 Bonds	4
Continuing Disclosure	4
Other Information	4
PLAN OF FINANCING	6
Estimated Sources and Applications of Funds	6
Refunding	6
DESCRIPTION OF THE SERIES 2020 BONDS	8
General	8
Authority for Issuance	8
Redemption Provisions	8
Registration Provisions; Transfer and Exchange	9
Book-Entry System of Registration	9
SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2020 BONDS	12
Enforceability of Remedies	12
PRINCIPAL AND INTEREST REQUIREMENTS	14
THE ISSUER	15
THE CITY	16
General	16
City Government	16
City Services	17
Insurance	17
Employees	17
Defined Contribution Pension Plan	17
Population	19
Labor and Employment Statistics	19
Building Permits	19
Per Capita Income	20
Median Home Value	20
Largest Employers	20
Banking Deposits	21
Industry Mix	22
General Fund History	23
Management’s Discussion and Analysis of Results of Operations	24
Accounting System and Policies	24
Budgetary Process	26
Budget	27

Ad Valorem Taxation.....	28
Historic Property Tax Information.....	30
Tax Rates – Mills.....	31
Principal Tax Payers and Property Tax Levies and Collections.....	31
Summary of City Debt and Overlapping Debt by Category.....	32
Tax Supported Debt Ratios.....	33
Proposed Debt.....	33
Limitations on City Debt.....	33
LEGAL MATTERS.....	34
Pending Litigation.....	34
Validation Proceedings and Approving Opinions.....	34
Tax Matters.....	34
Transportation Funding Act.....	35
IMPACT OF COVID-19 PANDEMIC.....	36
MISCELLANEOUS.....	36
Rating.....	36
Underwriting.....	37
Independent Professionals.....	37
Additional Information.....	38
AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFERING STATEMENT.....	39
Appendix A	Audited Financial Statements
Appendix B	Summary of Bond Resolution and Lease Agreement
Appendix C	Form of Continuing Disclosure Certificate
Appendix D	Form of Bond Counsel Opinion

OFFICIAL STATEMENT

Relating to

\$4,420,000

**CITY OF PEACHTREE CORNERS PUBLIC FACILITIES AUTHORITY (GEORGIA)
Refunding Revenue Bonds (Public Facilities Project), Series 2020A**

and

\$8,105,000

**CITY OF PEACHTREE CORNERS PUBLIC FACILITIES AUTHORITY (GEORGIA)
Taxable Refunding Revenue Bonds (Public Facilities Project), Series 2020B**

INTRODUCTION

General

The purpose of this Official Statement (the “Official Statement”), which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by the City of Peachtree Corners Public Facilities Authority (Georgia) (the “Issuer”) of \$4,420,000 in aggregate principal amount of its Refunding Revenue Bonds (Public Facilities Project), Series 2020A (the “Series 2020A Bonds”) and of \$8,105,000 in aggregate principal amount of its Taxable Refunding Revenue Bonds (Public Facilities Project), Series 2020B (the “Series 2020B Bonds”) and, together with the Series 2020A Bonds, the “Series 2020 Bonds”). Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth in Appendix B of this Official Statement under the heading “SUMMARY OF BOND RESOLUTION AND LEASE AGREEMENT.”

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices hereto, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement. The offering of the Series 2020 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.

The Issuer

The Issuer is a public body corporate and politic organized and existing under the Constitution and laws of the State of Georgia, including specifically an Act of the General Assembly of Georgia, Ga. Laws 2017, p. 3622 *et seq.* (the “Act”). For more complete information, see “THE ISSUER” herein.

The Series 2020 Bonds will be special limited obligations of the Issuer as described under the caption “SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2020 BONDS” herein.

[Remainder of Page Intentionally Left Blank.]

The City

The City of Peachtree Corners, Georgia (the “City”) is a municipal corporation of the State of Georgia, created by an Act of the General Assembly of the State of Georgia in 2011, Ga. Laws 2011, p. 3729 *et seq.* For more complete information, see “THE CITY” herein.

Security and Source of Payment for the Series 2020 Bonds

The Series 2020 Bonds are limited obligations of the Issuer. The Series 2020 Bonds are payable solely from payments to be made by the City pursuant to a Lease Agreement, dated as of November 1, 2020, between the Issuer and the City (the “Lease Agreement”). The City’s obligation to make payments to the Issuer sufficient in time and amount to enable the Issuer to pay the principal of and interest on the Series 2020 Bonds is absolute and unconditional, is secured by a pledge of the City’s full faith and credit and taxing powers and will not expire so long as any of the Series 2020 Bonds remain outstanding and unpaid. Under the Lease Agreement, the City has agreed to levy an annual tax on all taxable property located within the corporate limits of the City, at such rates, not to exceed one (1) mill per dollar (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters in the City by referendum), as may be necessary to make the payments required by the Lease Agreement. The City has agreed to make payments directly into the Sinking Fund created pursuant to the Bond Resolution. For more complete information, see “SECURITY AND SOURCE OF PAYMENT OF THE SERIES 2020 BONDS” herein, “THE CITY – Ad Valorem Taxation” and APPENDIX B – SUMMARY OF THE BOND RESOLUTION AND THE LEASE AGREEMENT hereto.

Purpose of the Series 2020 Bonds

The Series 2020 Bonds will be issued for the purpose of providing funds to: (i) refund and prepay the outstanding Downtown Development Authority of the City of Peachtree Corners Taxable Revenue Bond (Economic Development Project), Series 2018 (the “Series 2018 Bond”), (ii) refund and prepay the payment obligations of the City under that certain Installment Sale Agreement, dated May 5, 2017 (the “Installment Sale Agreement”), between the City and the Georgia Municipal Association, Inc., a Georgia nonprofit corporation, and (iii) pay the costs of issuing the Series 2020 Bonds.

Description of the Series 2020 Bonds

Redemption. The Series 2020 Bonds are subject to optional redemption prior to their stated maturity. At least thirty and not more than sixty days before the date upon which redemption is to be made, a redemption notice will be mailed by first class mail to all registered owners of Series 2020 Bonds to be redeemed. See “DESCRIPTION OF THE SERIES 2020 BONDS -- Redemption Provisions.”

Denominations. The Series 2020 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Registration, Transfers and Exchanges. The registered owner of the Series 2020 Bonds as shown on the registration books maintained by U.S. Bank National Association, Atlanta Georgia, as bond registrar (the “Bond Registrar”), will be treated as the owner of the Series 2020 Bonds for all purposes, including payment. The Series 2020 Bonds will be issued in fully registered form. When in book-entry form, the purchasers of the Series 2020 Bonds (the “Beneficial Owners”) will not receive certificates representing their ownership interest in the Series 2020 Bonds. Instead, such Series 2020 Bonds will be held by a securities depository, initially The Depository Trust Company (“DTC”) and registered in the name of DTC or its nominee, Cede & Co. Any registration of transfer or exchange of the ownership interest in Series 2020 Bonds held in book-entry form will be made through computerized book-entry changes on the books of DTC through DTC’s Direct and Indirect Participants in the manner described herein under “DESCRIPTION OF SERIES 2020 BONDS – Book-Entry System of Registration.” When not in book-entry form, ownership of any Series 2020 Bond may be registered as transferred upon surrender of such Series 2020 Bond to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, subject to the conditions hereinafter described. When not in book-entry form, the Series 2020 Bonds are exchangeable for a like aggregate principal amount of Series 2020 Bonds of the same maturity in denominations

of \$5,000 or integral multiples thereof, subject to the conditions hereinafter described. See “DESCRIPTION OF SERIES 2020 BONDS -- Registration Provisions; Transfer and Exchange.”

Payments. Interest on the Series 2020 Bonds is payable on January 1 and July 1 of each year (each such date, an “Interest Payment Date”), commencing January 1, 2021. Payment of the principal of and interest on the Series 2020 Bonds will be made by the U.S. Bank National Association, Atlanta, Georgia, as paying agent, directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Participants (hereinafter defined) and thereafter to Beneficial Owners of the Series 2020 Bonds. When not in book-entry form, interest on the Series 2020 Bonds is payable by check or draft mailed by first class mail on the Interest Payment Date to the owners thereof as shown on the books and records of the Bond Registrar, on the 15th day of the calendar month next preceding the Interest Payment Date. When not in book-entry form, principal on the Series 2020 Bonds is payable upon surrender thereof at the corporate trust office of the Paying Agent, located in Atlanta, Georgia. See “DESCRIPTION OF THE SERIES 2020 BONDS.”

For a more complete description of the Series 2020 Bonds, see “DESCRIPTION OF THE SERIES 2020 BONDS.”

Tax Matters

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not a specific preference item for purposes of the federal alternative minimum tax. **The Issuer has designated the Series 2020A Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code.**

In the Opinion of Bond Counsel, interest earned on the Series 2020B Bonds is not excludable from gross income of the holders of the Series 2020B Bonds for federal income tax purposes.

In the opinion of Bond Counsel, interest on the Series 2020 Bonds is exempt from present State of Georgia income taxation.

See APPENDIX D herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2020 Bonds. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2020 Bonds. For a more complete discussion of the tax status of the Series 2020 Bonds and certain other tax consequences relating to the Series 2020 Bonds, see “LEGAL MATTERS – Tax Matters” herein.

Professionals Involved in the Offering

Certain legal matters pertaining to the Issuer and the City and the authorization and issuance of the Series 2020 Bonds are subject to the approving opinion of Gray Pannell & Woodward LLP, Atlanta, Georgia, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2020 Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix D. Certain legal matters will be passed on for the Issuer and the City by their counsel, Riley McLendon, LLC, Marietta, Georgia and for the City by its disclosure counsel, Gray Pannell & Woodward LLP, Atlanta, Georgia.

The financial statements of the City as of June 30, 2019 and for the year then ended attached hereto as Appendix A have been audited by Mauldin & Jenkins, LLC, Atlanta, Georgia, independent certified public accountants, as indicated in their report included thereon.

Bond Registrar, Paying Agent and Custodians

U.S. Bank National Association, Atlanta, Georgia, will act as bond registrar, paying agent and sinking fund custodian for the Series 2020 Bonds.

Legal Authority for Issuance

The Series 2020 Bonds are being issued in accordance with and pursuant to the Constitution and laws of the State of Georgia, the Act, the Revenue Bond Law of Georgia Law (O.C.G.A. § 36-82-60 et seq., as amended) and pursuant to a resolution of the Issuer authorizing the issuance of the Series 2020 Bonds adopted on September 22, 2020, as supplemented on October 27, 2020 (collectively, the “Bond Resolution”). For more complete information, see “DESCRIPTION OF THE SERIES 2020 BONDS—Authority for Issuance” herein.

Offering and Delivery of the Series 2020 Bonds

The Series 2020 Bonds are offered when, as and if issued by the Issuer and the City and accepted by the purchasers thereof. The Series 2020 Bonds in definitive form are expected to be delivered through The Depository Trust Company in New York, New York, on November 10, 2020.

Continuing Disclosure

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold, or sell the Series 2020 Bonds, and the Issuer will not provide any such information. The City has undertaken all responsibilities for any continuing disclosure to Beneficial Owners of the Series 2020 Bonds, as described below, and the Issuer will have no liability to the Beneficial Owners of the Series 2020 Bonds or any other person with respect to such disclosures.

The City has covenanted for the benefit of the owners of the Series 2020 Bonds in a Continuing Disclosure Certificate (the “Disclosure Certificate”) to provide (a) certain financial information and operating data relating to the City (the “Operating and Financial Data”) annually and (b) notices of the occurrence of certain events within 10 business days of their occurrence (the “Events Notices”). The Operating and Financial Data and the Events Notices will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB (which, as of the date hereof, is the Electronic Municipal Market Access (“EMMA”) system of the MSRB). The City’s undertaking to provide Operating and Financial Data and Events Notices pursuant to the Disclosure Certificate is described in Appendix C. The covenants have been made in order to assist the underwriter of the Series 2020 Bonds in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

The City has not entered into any previous continuing disclosure undertaking with respect to the Rule for the past five years.

Digital Assurance Certification, L.L.C. (DAC) serves as the continuing disclosure dissemination agent for the City.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the City, the Series 2020 Bonds, and the security and sources of payment for the Series 2020 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Lease Agreement, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2020 Bonds are qualified in their entirety to the form thereof included in the Bond Resolution.

Copies of all documents described herein are available upon request and upon payment to the City of a charge for copying, mailing and handling, from the City of Peachtree Corners, Georgia, 310 Technology Parkway NW, Peachtree Corners, GA 30092, Attention: Cory Salley, Finance Director, telephone (470) 359-3896.

The Series 2020 Bonds have not been registered under the Securities Act of 1933, and the Bond Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

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 Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer or the City 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 representations should not be relied upon as having been authorized by the Issuer or the City. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer and the City. The information set forth herein has been obtained by the Issuer and the City from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by the Issuer or the City. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer or the City or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

[Remainder of Page Intentionally Left Blank.]

PLAN OF FINANCING

Estimated Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Series 2020 Bonds are estimated below.

Series 2020A Bonds

Estimated Sources of Funds:

Series 2020A Bonds Par Amount	\$4,420,000.00
Plus: Net Original Issue Premium:	<u>733,257.45</u>
Total Sources of Funds	<u>\$5,153,257.45</u>

Estimated Application of Funds:

Prepayment of Portion of Installment Sale Agreement	\$5,049,270.83
Cost of Issuance ⁽¹⁾	<u>103,986.62</u>
Total Application of Funds	<u>\$5,153,257.45</u>

Series 2020B Bonds

Estimated Sources of Funds:

Series 2020B Bonds Par Amount	<u>\$8,105,000.00</u>
Total Sources of Funds	<u>\$8,105,000.00</u>

Estimated Application of Funds:

Refunding of Series 2018 Bond	\$6,479,591.56
Prepayment of Portion of Installment Sale Agreement	1,492,281.53
Cost of Issuance ⁽¹⁾	<u>133,126.91</u>
Total Application of Funds	<u>\$8,105,000.00</u>

⁽¹⁾ Includes Underwriter’s discount, legal and accounting fees, rating agency fees, printing and engraving costs, validation court costs and other costs of issuance.

Refunding

At the request of the City, and pursuant to a resolution adopted by the Downtown Development Authority of the City of Peachtree Corners (the “DDA”), on January 16, 2018, the DDA issued its Downtown Development Authority of the City of Peachtree Corners Taxable Revenue Bond (Economic Development Project), Series 2018, in the original aggregate principal amount of \$7,175,000 (the “Series 2018 Bond”), for the purpose of providing funds to finance, in whole or in part, the cost of acquiring land to be used as an economic development project (the “1998 Project”). The DDA entered into an Intergovernmental Contract, dated as of February 1, 2018 (the “2018 Contract”) with the City, pursuant to which the City agreed to pay the debt service on the Series 2018 Bond (the “2018 Contract Payments”), and the Series 2018 Bond is secured and payable from by a first lien on 2018 Contract and the 2018 Contract Payments. The Series 2018 Bond is currently outstanding in the aggregate principal amount of \$6,405,000. The City has determined that the 2018 Project will no longer be used for economic purposes, and that it will use the 2018 Project for governmental purposes.

The City has previously entered into an Installment Sale Agreement, dated May 5, 2017 (the “Installment Sale Agreement”), with the Georgia Municipal Association, Inc., a Georgia nonprofit corporation, to provide financing for the acquisition of certain real property and the renovation of the facilities located thereon to be used as a new city hall building for the City (the “City Hall Project”). The principal payment obligations of the City under the Installment Sale Agreement are currently outstanding in the amount of \$5,000,000.

A portion of the proceeds from the sale of the Series 2020A Bonds will be used to refund and prepay in full the outstanding amount of Tax-Exempt Principal Payments (as such term is defined in the Installment Sale Agreement) under the Installment Sale Agreement. The amount required to refund and prepay in full, on behalf of the City, all of the outstanding amount of Tax-Exempt Principal Payments under the Installment Sale Agreement, plus accrued but unpaid interest thereon, will be paid on the date of issuance of the Series 2020A Bonds.

A portion of the proceeds from the sale of the Series 2020B Bonds will be used to refund and redeem the Series 2018 Bond and refund and prepay in full the outstanding amount of Taxable Principal Payments (as such term is defined in the Installment Sale Agreement) under the Installment Sale Agreement. The amount required to refund and redeem in full the Series 2018 Bond will be deposited with the City Clerk of the City, as paying agent for the Series 2018 Bond, to refund and redeem the 2018 Bond on the date of the issuance and delivery of the Series 2020B Bonds. The amount required to refund and prepay in full, on behalf of the City, all of the outstanding amount of the Taxable Principal Payments under the Installment Sale Agreement, plus accrued but unpaid interest thereon, will be paid on the date of issuance of the Series 2020B Bonds.

[Remainder of Page Intentionally Left Blank.]

DESCRIPTION OF THE SERIES 2020 BONDS

General

The Series 2020 Bonds will be dated as of their date of issuance. Interest on the Series 2020 Bonds is payable on January 1 and July 1 of each year (each such date, an “Interest Payment Date”), commencing January 1, 2021. The Series 2020 Bonds will bear interest from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, or unless their date of authentication is after a record date and prior to the corresponding Interest Payment Date, in which case from such corresponding Interest Payment Date or unless their date of authentication is prior to January 1, 2021 in which case from their date of issuance) at the rates per annum set forth on the inside front cover of this Official Statement (computed on the basis of a 360-day year comprised of twelve 30-day months). Payment of the principal of and interest on the Series 2020 Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC’s Direct Participants and thereafter to the Beneficial Owners of the Series 2020 Bonds. See “- Book-Entry System of Registration” below. Interest on the Series 2020 Bonds is payable by check or draft mailed by first class mail on the Interest Payment Date to the owners thereof as shown on the books and records of the Bond Registrar on the 15th day of the calendar month next preceding the Interest Payment Date. Interest on the Series 2020 Bonds is payable to any registered owner of more than \$1,000,000 in aggregate principal amount of Series 2020 Bonds by wire transfer to such registered owner if written wire transfer instructions are given to the Paying Agent prior to the 15th day of the calendar month preceding the Interest Payment Date. When not in book-entry form, principal on the Series 2020 Bonds is payable upon surrender thereof at the corporate trust office of the Paying Agent located in Atlanta, Georgia.

Authority for Issuance

The Series 2020 Bonds are being issued in accordance with and pursuant to the Constitution and laws of the State of Georgia, including specifically an Act of the General Assembly of Georgia, Ga. Laws 2017, p. 3622 *et seq.* (the “Act”) and the Revenue Bond Law (O.C.G.A. Section 36-82-60 *et seq.*, as amended), and pursuant to the Bond Resolution, as supplemented. A summary of the Bond Resolution is set forth in Appendix B.

Article IX, Section III, Paragraph I of the Constitution of the State of Georgia of 1983 authorizes any municipality of the State of Georgia to contract for any period not exceeding 50 years with any public corporation or public authority for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, if such contract deals with activities, services, or facilities which the contracting parties are authorized by law to undertake to provide.

The execution, delivery, and performance of the Lease Agreement by the City was authorized and approved pursuant to a resolution adopted by the Council of the City on September 22, 2020, as supplemented on October 27, 2020.

Redemption Provisions

Optional Redemption

The Series 2020 Bonds maturing on July 1, 2031 and thereafter are redeemable prior to maturity at the option of the City, in whole or in part at any time on or after July 1, 2030, in any order of maturity from any moneys available therefor at par plus accrued interest to the redemption date, all in the manner provided in the Bond Resolution.

Method of Redemption. In the event of a partial redemption of the Series 2020 Bonds, the particular maturity or maturities to be redeemed shall be selected by the Issuer as directed by the City. If less than all of the Series 2020 Bonds of a maturity are to be called for redemption, the particular certificates of such maturity or portions thereof in the case of certificates in principal amounts greater than \$5,000 to be redeemed shall be selected by lot in such manner as may be designated by DTC, when in book-entry form and by the Paying Agent, when not in book-entry form.

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2020 Bonds (or the portions thereof) to be prepaid and specifying the terms of such redemption, will be mailed, by first class mail, to the owners of the Series 2020 Bonds to be prepaid (in whole or in part) at their addresses appearing on the bond register maintained by the Bond Registrar not more than 60 days nor less than 30 days prior to the redemption date; provided, however, that failure to give such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided in the Bond Resolution will be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Bond Registrar moneys sufficient to redeem all Series 2020 Bonds called for redemption, which moneys are or will be available for redemption of Series 2020 Bonds, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

On or prior to the date fixed for any redemption of Series 2020 Bonds the moneys required for such redemptions are to be deposited by or on behalf of the Issuer in accordance with the Lease Agreement. All Series 2020 Bonds called for redemption will cease to bear interest after the specified redemption date, provided that sufficient funds for redemption are on deposit with the Paying Agent.

Registration Provisions; Transfer and Exchange

The Series 2020 Bonds will be issued in fully registered form in the denomination of \$5,000 each or integral multiples thereof. The Series 2020 Bonds will be registered as to principal and interest on the registration books kept by the Bond Registrar. The registered owner thereof shall be treated as the absolute owner thereof for all purposes, including payment, and payment to the registered owner thereof shall satisfy all liability thereon to the extent of sums so paid.

When in book-entry form, the purchasers of the Series 2020 Bonds (the “Beneficial Owners”) will not receive certificates representing their ownership interest in the Series 2020 Bonds. Instead, such Series 2020 Bonds will be held by a securities depository, initially The Depository Trust Company (“DTC”) and registered in the name of DTC or its nominee, Cede & Co. Any transfer or exchange of the ownership interest in Series 2020 Bonds held in book-entry form will be made through computerized book-entry changes on the books of DTC through DTC’s Direct and Indirect Participants in the manner described herein under “DESCRIPTION OF THE SERIES 2020 BONDS – Book-Entry System of Registration.”

When not in book-entry form, ownership of any Series 2020 Bond will be transferable upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney, in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Series 2020 Bond or Series 2020 Bonds registered in the name of the transferee in the authorized denomination in the same aggregate principal amount and interest rate as the Series 2020 Bonds surrendered for such transfer. The Series 2020 Bonds may be exchanged for a like principal amount of Series 2020 Bonds of the same interest rate of other authorized denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration or transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2020 Bonds. The Bond Registrar is not required to transfer or exchange any Series 2020 Bond after notice of redemption has been given or for fifteen days prior to the giving of such notice.

Book-Entry System of Registration

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 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 Series 2020 Bonds, 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 Section 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 Bond transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of Bond certificates. Direct Participants include both U.S. and non-U.S. Bond 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 received a rating of AA+ from Standard & Poor's. 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 and www.dtc.org.

Purchases of the Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 confirmations 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 Series 2020 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 Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 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 the Series 2020 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 Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 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 the Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 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 registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments and redemption proceeds on the Series 2020 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 Issuer or Paying Agent, on 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 the Series 2020 Bonds 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, Paying Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to Issuer or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer or the City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities depository). In that event, certificated Series 2020 Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the City believe to be reliable, but the Issuer and the City take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

None of the Issuer, the City, or the Paying Agent will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participants or Indirect Participants; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Series 2020 Bonds; (iii) the delivery by any such Direct Participant or Indirect Participants of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution to be given to the holders of the Series 2020 Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2020 Bonds; or (v) any consent given or other action taken by DTC as holder of the Series 2020 Bonds.

[Remainder of Page Intentionally Left Blank.]

SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2020 BONDS

Lease Agreement. Pursuant to the Lease Agreement, the City has agreed to pay to the Issuer payments in such amounts and at such times as will be sufficient to enable the Issuer to pay the principal of and interest on the Series 2020 Bonds, as and when the same become due and payable. The absolute and unconditional obligation of the City to make the payments required by the Lease Agreement is an obligation of the City, payable from any unencumbered funds, to which its full faith and credit and taxing power are pledged, subject to the millage limitation discussed below.

The City has agreed in the Lease Agreement to levy an annual tax on all taxable property located within the corporate limits of the City, at such rates, not to exceed one (1) mill per dollar (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters in the City by referendum), as may be necessary to make the payments called for by the Lease Agreement and to make available and use for such payments all taxes levied and collected for that purpose together with funds received from any other sources.

The City has also agreed in the Lease Agreement that in order to make funds available to make the payments required by the Lease Agreement in each fiscal year, it will, in its general revenue, appropriation, and budgetary measures through which its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy the payments required to be made under the Lease Agreement until all payments required to be made under the Lease Agreement have been made in full. The City's obligation to make the payments required under the Lease Agreement is absolute and unconditional and will not expire so long as any of the Series 2020 Bonds remain outstanding and unpaid. See "THE LEASE AGREEMENT – Terms; Lease Payments" in Appendix B hereto.

The obligations of the City under the Lease Agreement were determined by the Superior Court of Gwinnett County, Georgia to be legal, valid, binding, and enforceable obligations of the City. See "LEGAL MATTERS – Validation Proceedings and Approving Opinions" herein.

General. The Series 2020 Bonds are limited obligations of the Issuer. The Series 2020 Bonds are payable solely from payments to be made by the City pursuant to the Lease Agreement. The City's obligation to make payments to the Issuer sufficient in time and amount to enable the Issuer to pay the principal of and interest on the Series 2020 Bonds is absolute and unconditional, is secured by a pledge of the City's full faith and credit and taxing powers, subject to the millage limitation described above, and will not expire so long as any of the Series 2020 Bonds remain outstanding and unpaid. The City has agreed to make payments directly into the Sinking Fund created pursuant to the Bond Resolution. A summary of the Lease Agreement is set forth in Appendix B.

The Series 2020 Bonds will not constitute a general obligation of the State of Georgia, the City or any other political subdivision or municipal corporation of the State of Georgia within the meaning of any constitutional or statutory limitation upon indebtedness. Except as provided in the Lease Agreement, neither the State of Georgia, the City nor any other political subdivision or municipal corporation of the State of Georgia shall be subject to any pecuniary liability thereon. No owner of the Series 2020 Bonds shall ever have the right to compel the exercise of the taxing power of the State of Georgia, the City or any political subdivision of the State of Georgia to pay the same or the interest thereon. The Issuer has no taxing power. The Series 2020 Bonds will not be secured by a lien on any real or personal property of the Issuer or the City.

Enforceability of Remedies

The realization of value from the payments made by the City pursuant to the Lease Agreement upon any default will depend upon the exercise of various remedies specified by the Bond Resolution and the Lease Agreement. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no authority or municipality created under the Constitution or the 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 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. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, city council, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any authority or municipality created under the Constitution or laws of the State of Georgia of any petition for federal 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.

[Remainder of Page Intentionally Left Blank.]

PRINCIPAL AND INTEREST REQUIREMENTS

Set forth below are the principal and interest requirements for the City’s outstanding long term obligations, assuming the issuance of the Series 2020 Bonds and the refunding and prepayment of the Installment Sale Agreement and the Series 2018 Bond. See “THE CITY - Summary of City Debt by Category and Overlapping Debt” herein for a summary of other indebtedness of the City.

Fiscal Year Ended <u>June 30</u>	<u>Series 2020A Bonds</u>			<u>Series 2020B Bonds</u>			Aggregate <u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2021	\$--	\$22,588.75	\$22,588.75	\$--	\$14,624.32	\$14,624.32	\$37,213.07
2022	--	159,450.00	159,450.00	985,000.00	100,866.50	1,085,866.50	1,245,316.50
2023	--	159,450.00	159,450.00	990,000.00	95,631.50	1,085,631.50	1,245,081.50
2024	--	159,450.00	159,450.00	995,000.00	89,128.75	1,084,128.75	1,243,578.75
2025	185,000.00	155,750.00	340,750.00	480,000.00	83,169.00	563,169.00	903,919.00
2026	460,000.00	142,850.00	602,850.00	485,000.00	78,270.50	563,270.50	1,166,120.50
2027	480,000.00	124,050.00	604,050.00	495,000.00	72,358.75	567,358.75	1,171,408.75
2028	500,000.00	104,450.00	604,450.00	500,000.00	65,392.50	565,392.50	1,169,842.50
2029	520,000.00	84,050.00	604,050.00	505,000.00	57,500.25	562,500.25	1,166,550.25
2030	540,000.00	62,850.00	602,850.00	515,000.00	48,623.75	563,623.75	1,166,473.75
2031	560,000.00	43,650.00	603,650.00	525,000.00	39,053.25	564,053.25	1,167,703.25
2032	580,000.00	26,550.00	606,550.00	530,000.00	28,818.50	558,818.50	1,165,368.50
2033	595,000.00	8,925.00	603,925.00	545,000.00	17,849.75	562,849.75	1,166,774.75
2034	--	--	--	<u>555,000.00</u>	<u>6,077.25</u>	<u>561,077.25</u>	<u>561,077.25</u>
Total	<u>\$4,420,000.00</u>	<u>\$1,254,063.75</u>	<u>\$5,674,063.75</u>	<u>\$8,105,000.00</u>	<u>\$797,364.57</u>	<u>\$8,902,364.57</u>	<u>\$14,576,428.32</u>

THE ISSUER

The Issuer is a public body corporate and politic organized and existing under the Constitution and laws of the State of Georgia, including specifically an Act of the General Assembly of Georgia, Ga. Laws 2017, p. 3622 et seq. (the “Act”). The Issuer was created for the purposes set forth in the Act. Under the Act and the Revenue Bond Law (O.C.G.A. § 36-82-60 et seq., as amended), the Issuer has, among others, the power (a) to hold, own, lease, transfer, and convey real and personal property or interests therein; (b) to acquire, construct, purchase, own, equip, operate, extend, improve, lease, and sell any “project” defined in the Act, which includes any undertaking, project, or service for which any governmental body contracting with the Issuer is authorized by law to undertake in the performance of its governmental, administrative, or proprietary functions; (c) to issue revenue bonds and use the proceeds in the manner provided by the Revenue Bond Law for the purpose of any undertaking permitted by the Revenue Bond Law, including paying all or any part of the cost of any one or more projects, including the cost of constructing, reconstructing, equipping, extending, adding to, or improving any such project, or for the purpose of refunding, as provided in the Act, any such bonds of the Issuer or any other authority or public body previously issued to finance or refinance the cost of a project; (d) to assign or pledge any property or revenues to the payment of the principal of and interest on revenue bonds; and (e) to make and execute contracts and other instruments necessary to exercise the powers of the Issuer.

The Issuer is governed by a seven-member Board of Directors, the members of which are appointed by the Mayor and Council of the City. The current members of the Issuer, their principal occupation and the dates on which their present terms expire are as set forth below:

<u>Name</u>	<u>Expiration of Term of Office</u>	<u>Occupation</u>
Weare Gratwick, <i>Chairman</i>	December 31, 2021	Banking
Mike Mason, <i>Vice Chairman</i>	December 31, 2021	Retired CFO
Phil Sadd	December 31, 2023	Business Executive
Eric Christ	December 31, 2021	Business Executive
Alex Wright	December 31, 2023	Business Executive
Jeanne Aulbach	December 31, 2021	Software Developer
Lorri Christopher	December 31, 2023	Retired

[Remainder of Page Intentionally Left Blank.]

THE CITY

General

The City was incorporated in July of 2012. The City is a demographically diverse community and covers a 17-square mile area in southwest Gwinnett County, Georgia (the “County”). The City is the twentieth largest city in the State of Georgia, with a population of 43,905 (U.S. Census estimate for 2019). The principal office of the City is currently located 310 Technology Parkway NW, Peachtree Corners, Georgia 30092.

City Government

The City operates under a council/manager form of government, where the Council is the legislative authority and the Mayor possess all the executive powers granted to the government under the constitution and laws of the State and the City charter. The City Manager maintains all the administrative powers granted to the government under the constitution and laws of the State of Georgia and the City’s charter. The City is empowered to levy a property tax on both real and personal property located within its boundaries and is qualified to levy all other taxes granted to municipalities within the State of Georgia. Policymaking and legislative authority of the government is vested in the Mayor and six Council members, who are elected for four-year terms. Three Council members are elected by district, and the Mayor and three council members are elected at-large by popular vote. The Mayor and council members serve until their successors are qualified and certified. Terms of office begin after the certification of the election and swearing into office. Elections are held every two years. The Council has two regularly scheduled public meetings each month to conduct normal business. Additional meetings are occasionally called for specific purposes. The names and occupations of the current members of the Council and the expiration of their terms of office are as follows:

<u>Name</u>	<u>Expiration of Term of Office</u>	<u>Occupation</u>
Mike Mason, <i>Mayor</i>	December 31, 2023	Retired CFO
Phil Sadd	December 31, 2023	Business Executive
Eric Christ	December 31, 2021	Business Executive
Alex Wright	December 31, 2023	Business Executive
Jeanne Aulbach	December 31, 2021	Software Developer
Lorri Christopher	December 31, 2023	Retired
Weare Gratwick	December 31, 2021	Banking

City Manager. Brian Johnson is the City Manager of the City, responsible to City Council for the management of all City affairs. As such, he administers the policy and strategic decisions made by the City Council and oversees the day-to-day operations of City government. It is the City Manager’s responsibility to ensure that all City services are delivered in an efficient and cost-effective manner and to provide leadership to the City organization. Mr. Johnson became the City Manager on November 21, 2016. Mr. Johnson previously served as the City Manager of Garden City, Georgia and most recently of Anniston, Alabama. He is currently one of only 1,280 local government management professionals worldwide and one of only 57 in Georgia to have earned the prestigious Credentialed Manager designation from the International City/County Management Association.

Assistant City Manager. Brandon Branham is the City’s Assistant City Manager, and he has served the community of Peachtree Corners since its opening in January of 2013. He brings almost a decade of local government experience in accounting, revenue, court services and administration. Mr. Branham has a Bachelor’s of Business Administration Degree from Georgia Southwestern State University. Mr. Branham is an active member of Georgia Government Finance Officers Association.

Finance Director. Cory Salley serves as the City Finance Director. In this role he oversees accounting, budgeting, accounts payable, revenue, court services, and other administrative services. Mr. Salley has over ten years in local government finance having served in Garden City, Georgia; Roswell, Georgia; and Anniston, Alabama. He holds a Bachelor of Arts degree in Economics as well as a Master of Public Administration from the University of Georgia.

City Clerk. Kym Chereck is the City Clerk. The City Clerk preserves and provides public access to the City’s official and historical records; provides support to the Mayor and City Council; and facilitates the City’s overall

legislative process. The City Clerk also serves as Election Superintendent for Municipal Elections and qualifies all municipal candidates. Ms. Chereck has over 18 years of experience in municipal government, previously serving in the City of Alpharetta. Prior to that, Ms. Chereck worked in the private sector managing corporate travel, meeting planning, transcription services and internet research. Ms. Chereck holds a Masters of Clerk Certification from the Carl Vinson Institute at the University of Georgia and is a Certified Municipal Clerk with the International Institute of Municipal Clerks.

City Services

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

Insurance

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

<u>Type</u>	<u>Amount in Force</u>	
Property – Blanket Coverage	\$17,755,000	
Inland Marine	620,000	

<u>Type</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Public Officials and Employee Liability	\$1,000,000	\$5,000,000
Commercial Automobile	1,000,000	1,000,000
Cyber Liability	3,000,000	3,000,000
Workers’ Compensation		
Commercial General Liability	1,000,000	5,000,000
Umbrella Liability	2,000,000	2,000,000

Employees

The City has approximately 44 full-time employees and no part-time employees.

Defined Contribution Pension Plan

The City’s defined contribution retirement plan is a single employer defined contribution plan established and administered by the Georgia Municipal Association (“GMA”) and International City/County Managers Association (“ICMA”) for all City employees. At June 30, 2019, there were 4 plan members under GMA and 1 member under ICMA. The City contributes 12% of eligible employees’ base salary and matches 100% for each dollar of employee contributions up to 5% of the employee’s salary. Employees are not required to contribute to the Plan.

Employees are eligible and fully vested immediately upon entering the Plan. Plan provisions and contribution requirements are established and may be amended by the City's Council. For the fiscal year ending June 30, 2019, contributions to the Plan were \$64,899 by the employees and \$130,270 by the City.

[Remainder of Page Intentionally Left Blank.]

Population

The City's population, together with the population of the City, the County and the State of Georgia, for the decennial census years 1990 – 2010 and 2018 - 2019 estimate (the latest available information) are shown below:

<u>Year</u>	<u>City</u>	<u>County</u>	<u>Georgia</u>
2019	43,905	936,250	10,617,423
2018	43,268	927,781	10,519,475
2010	N/A ⁽¹⁾	805,321	9,687,653
2000	N/A ⁽¹⁾	588,448	8,186,453
1990	N/A ⁽¹⁾	352,910	6,478,149

⁽¹⁾ The City was founded in 2012.

Source: U.S. Bureau of Census; City of Peachtree Corners, Georgia Comprehensive Annual Financial Report 2019.

Labor and Employment Statistics

Civilian Employment Statistics of the County. Employment includes nonagricultural wage and salary employment, self-employed, unpaid family and private household workers, and agricultural workers. Persons in labor disputes are counted as employed. The use of rounded data does not imply that the numbers are exact.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gwinnett County					
Employment	428,919	445,565	461,911	467,317	474,882
Unemployment	<u>23,383</u>	<u>22,141</u>	<u>20,224</u>	<u>17,017</u>	<u>14,728</u>
Total Labor Force	452,302	467,706	482,135	484,334	489,610
Gwinnett County Unemployment Rate	5.2%	4.7%	4.2%	3.5%	3.0%
State Unemployment Rate	5.9%	5.3%	4.7%	3.9%	3.4%
U.S. Unemployment Rate	5.3%	4.9%	4.4%	3.9%	3.7%

Source: Georgia Department of Labor, Workforce Information & Analysis, Local Area Unemployment Statistics Unit.

Building Permits

The following table reflects the number and dollar value of commercial and residential building permits issued by the City during fiscal years 2015 through 2019.

<u>Year</u>	<u>Commercial</u>		<u>Residential</u>		<u>Total</u>	
	<u># Permits</u>	<u>Value</u>	<u># Permits</u>	<u>Value</u>	<u># Permits</u>	<u>Value</u>
2020	37	\$1,013,260	51	\$228,536	88	\$1,241,796
2019	13	547,561	10	143,085	23	690,646
2018	75	587,232	86	110,926	61	698,232
2017	28	447,369	57	67,043	85	514,412
2016	51	346,547	26	44,907	77	391,454

Source: City of Peachtree Corners, Georgia.

Per Capita Income

The following chart sets forth the per capita income for the County, the State of Georgia and the United States for the years 2014 through 2018.

<u>Year</u>	<u>County</u>	<u>Georgia</u>	<u>United States</u>
2018	\$41,458	\$46,482	\$54,446
2017	39,738	44,536	51,885
2016	38,629	42,693	49,870
2015	38,154	41,681	48,978
2014	36,538	39,795	47,058

Source: U.S. Department of Commerce, U.S. Bureau of Economic Analysis.

Median Home Value

The following table shows the median home value in the County, the State of Georgia and the United States for the years 2014 through 2018 (the latest available information).

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2018	\$200,400	\$166,800	\$204,900
2017	185,200	158,400	193,500
2016	173,000	152,400	184,700
2015	167,700	148,100	178,600
2014	167,700	148,000	175,700

Source: U.S. Bureau of Census; American Community Survey 5-Year Estimates.

Largest Employers

The following table shows the ten largest employers in the City for the year ended 2019 were as follows.

	<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
1.	Comcast	Telecommunications	682
2.	Immucor Inc.	Medical Devices	421
3.	Crawford & Company	Insurance	395
4.	Professional Career Development Institute	Education	350
5.	One Diversified, LLC	Digital Communication	315
6.	Centuries Communities of Georgia	Home Builders	310
7.	ACI Worldwide Corp	Payment System	302
8.	Siemens Industry Inc.	Industrial Manufacturing	263
9.	NetPlanner Systems	Telecommunications	248
10.	EMS Defense & Space	Telecommunications Supplier	246

Source: City of Peachtree Corners, Georgia Comprehensive Annual Financial Report 2019.

[Remainder of Page Intentionally Left Blank.]

Banking Deposits

The following table shows the number of institutions and banking deposits in the County for the fiscal years ending 2015 through 2019.

<u>Banking Deposits</u>		
<u>Year</u>	<u>Institutions</u>	Total Deposits as of June 30 <u>(in thousands)</u>
2019	32	\$17,717,075
2018	31	17,081,496
2017	31	16,077,703
2016	32	14,724,037
2015	33	13,658,843

Source: Federal Deposit Insurance Corporation.

[Remainder of Page Intentionally Left Blank.]

Industry Mix

The following table shows the industry mix for the County for the first quarter of 2020, the most recent information available. The table is intended to provide information regarding the types of industries employing residents in the County and the compensation paid to those employees. The tables do not provide information with respect to all industries and firms.

<u>Industry</u>	<u>Number of Firms</u>	<u>Average Monthly Employment</u>	<u>Average Weekly Wages</u>
Agriculture, forestry and fishing	22	253	\$616
Mining, quarrying, oil and gas extraction	11	**	**
Construction	2,572	22,819	1,213
Manufacturing	959	27,270	1,431
Services:			
Utilities	12	691	2,342
Wholesale Trade	2,373	31,652	1,470
Retail Trade	2,687	48,223	711
Transportation and warehousing	681	9,412	1,079
Information	464	8,044	2,032
Finance and Insurance	1,363	13,765	1,697
Real Estate, rental and leasing	1,077	6,964	1,212
Professional, scientific and technical services	3,655	29,504	1,676
Management of companies and enterprises	151	9,830	2,691
Administrative, support, waste management	1,772	29,195	770
Educational services	344	4,524	690
Health Care and social assistance	2,357	34,094	875
Arts, entertainment and recreation	376	4,057	451
Accommodation and food services	2,073	33,641	362
Other services	1,670	9,687	784
Unclassified	1,767	1,430	861
Federal Government	35	2,500	1,231
State Government	46	3,585	852
Local Government	<u>175</u>	<u>32,056</u>	<u>946</u>
Total All Industries	26,642	363,330	\$1,096

** Denotes confidential data relating to individual employers and cannot be released.

Source: Georgia Department of Labor.

[Remainder of Page Intentionally Left Blank]

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 last five fiscal years. Information in the table has been extracted from the City's audited financial statements for fiscal years ended June 30, 2016 through 2019. Information for fiscal year 2020 has been extracted from unaudited financial statements. 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 for fiscal years 2016 through 2019 copies of which are available from the City upon request.

	Fiscal Years Ended June 30				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
Revenues					
Property taxes	\$1,056,930	\$849,532	\$--	\$--	\$--
Motor vehicle taxes ⁽²⁾	--	--	\$559,032	\$728,251	884,182
Franchise taxes	3,053,324	3,220,188	4,994,280	3,702,272	4,032,511
Insurance premium tax	2,190,211	2,372,424	2,525,916	2,723,935	2,893,730
Business taxes	2,567,228	2,606,672	3,430,487	3,511,286	3,229,901
Other taxes	365,303	369,489	1,046,723	761,398	1,146,104
Licenses and permits	1,051,717	1,270,861	1,439,684	1,508,645	1,524,096
Fines and forfeitures	8,507	4,263	4,080	7,594	8,891
Intergovernmental	50,000	40,841	75,510	1,876,630	221,011
Investment income	2,399	1,101	1,708	857	1,068
Contributions	--	--	15,000	--	--
Miscellaneous income	<u>500</u>	<u>--</u>	<u>54,366</u>	<u>500,212</u>	<u>535,418</u>
Total Revenues	<u>10,346,119</u>	<u>10,735,371</u>	<u>14,146,786</u>	<u>15,321,080</u>	<u>14,476,912</u>
Expenditures					
General government	3,837,772	9,082,273	9,570,418	8,644,696	7,026,396
Public works	1,647,176	1,939,000	1,791,515	1,603,306	1,605,618
Community development	1,504,682	1,614,909	1,927,224	2,359,873	2,533,017
Debt service:					
Principal	4,983	--	--	645,000	435,000
Interest	<u>318</u>	<u>70,310</u>	<u>174,739</u>	<u>252,824</u>	<u>229,300</u>
Total expenditures	<u>6,994,931</u>	<u>12,706,492</u>	<u>13,463,896</u>	<u>13,505,699</u>	<u>11,829,331</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,351,188	(1,971,121)	682,890	1,815,381	2,647,581
Other Financing Sources (Uses)					
Proceeds from certificate of participation	--	8,000,000	---	--	--
Transfers in	--	--	850,000	219,450	219,450
Transfers out	<u>--</u>	<u>(11,228,058)</u>	<u>(121,788)</u>	<u>(3,088,253)</u>	<u>(617,208)</u>
Total other financing sources	<u>--</u>	<u>(3,228,058)</u>	<u>(728,212)</u>	<u>(2,868,803)</u>	<u>(397,758)</u>
Net Change in Fund Balance	3,351,188	(5,199,179)	1,411,102	(1,053,422)	2,249,823
Fund Balance - Beginning of Year	9,384,349	12,735,537	7,536,358	8,947,460	7,894,038
Fund Balance - End of Year	<u>\$12,735,537</u>	<u>\$7,536,358</u>	<u>\$8,947,460</u>	<u>\$7,894,038</u>	<u>\$10,143,861</u>

(1) Unaudited.

(2) See "THE CITY – Ad valorem taxation" and "LEGAL MATTERS – Transportation Funding Act" herein.

Management’s Discussion and Analysis of Results of Operations

When the City began working on the fiscal year 2021 Budget in January, staff projected revenues to be \$13.1 million. However, by mid-March, both the President and the Governor of the State of Georgia had declared emergencies, and on April 1, 2020 the Governor issued a “shelter in place” order. It became clear that the initial revenue projections needed to be adjusted. While the length of the pandemic and the full depth of the economic downturn was unknown, staff took a conservative approach and decreased revenue projections for fiscal year 2021 to \$12.1 million, which represented a decrease of \$1.6 million, or 11.7%, compared to the fiscal year 2020 Amended Budget, and a \$2.6 million, or 17.5%, decrease compared to fiscal year 2020 Actual revenues. Surprisingly, revenues exceeded expectations for the remaining three months in fiscal year 2020. In April, there was a noticeable decline in revenue tied to current business activity. However, most of those rebounded the following month and have continued to meet or exceed prior year’s collections. Revenues tied to alcohol sales in restaurants have remained down, but these sources are a small percentage of the total revenues. The City may see a larger reduction in revenues that are tied to prior year’s gross receipts, such as business and occupational taxes, insurance premiums, and franchise fees, in fiscal year 2021.

Accounting System and Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Government-wide financial statements do not provide information by fund, but distinguish between the City’s governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City’s capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. As such, property tax revenues are recognized in the current fiscal year for the previous tax year’s levy. For tax year 2017, the City levied taxes using a zero millage rate. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues

susceptible to accrual are considered available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due.

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

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Special Purpose Local Option Sales Tax Fund (SPLOST) is used to account for the revenues and expenditures relating to the City's 2014 and 2017 Special Purpose Local Option Sales Tax agreements.
- The Downtown Development Authority Fund (DDA) accounts for the land held for development and the capital improvements to land. Its sole purpose is to provide services to the City.

The City reports the following major enterprise funds:

- The Solid Waste Fund accounts for the activities associated with the collection of residential garbage, including recyclables, non-recyclables and yard waste. Activity is rendered on a user charge basis.
- The Stormwater Fund accounts for the activities associated with upgrading and maintaining the City's stormwater infrastructure.

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

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

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

Note 1 of the financial statements of the City included as Appendix A contains a detailed discussion of the City's significant accounting policies.

Budgetary Process

The governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual operating budget is adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund. A project length budget is adopted for capital projects funds. All appropriations lapse at fiscal year-end. The City does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the general fund and any special revenue funds are included in the annual appropriated budget. A project length budget is adopted for capital project funds. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level within each fund. Administrative transfers of appropriations within a fund may be authorized by the City Manager to meet unforeseen needs, as long as the total budgeted amounts do not exceed these appropriations by fund. The City's budget procedures, together with such procedures for discretely presented component units, are more fully explained in the accompanying notes to the financial statements.

The administration of the City generally begins budget preparations in January of each year. After various budget meetings, a proposed budget is adopted by the City Council prior to June 2, and is advertised in the legal organ of Gwinnett County, inviting public comment at the budget meetings of the City Council. After consideration of any public comment, the final budget is adopted by the City Council prior to July 1.

[Remainder of Page Intentionally Left Blank.]

Budget

Set forth below is a summary of the City's adopted budget for its General Fund for the year ending June 30, 2021. This budget is based upon certain assumptions and estimates of the City regarding future events, transactions, and circumstances. Realization of the results projected in this budget will depend upon implementation by management of the City of policies and procedures consistent with these assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budget set forth below.

General Fund Budget Fiscal Year Ending June 30, 2021 ⁽¹⁾

Revenues:	
Fees & Taxes	\$10,020,000
Licenses & Permits	1,035,000
Intergovernmental Revenue	--
Fines and Forfeitures	5,000
Interest Earned	500
Miscellaneous Revenue	840,500
Loan Proceeds	--
Transfers In	219,450
Fund Balance	<u>12,120,450</u>
Total Revenues:	<u>12,120,450</u>
Expenditures:	
City Council	111,060
Office of City Manager	883,705
City Clerk	368,900
Finance/Administration	479,685
Technology	865,335
Legal	346,000
Public Information	720,000
General Information	1,415,000
Facilities and Buildings	2,488,350
Community Development	1,139,060
Building Department	665,125
Code Enforcement	464,000
Planning & Zoning	268,945
Public Works	1,796,305
Contingency	<u>108,980</u>
Total Expenditures:	<u>\$12,120,450</u>

⁽¹⁾ Unaudited.

[Remainder of Page Intentionally Left Blank.]

Ad Valorem Taxation

Ad valorem property taxes are levied against real and personal property within the City based upon their assessed valuations. 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, 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, the City allows certain exemptions from ad valorem taxation.

The 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 taxable tangible property to be assessed, with certain exceptions, at forty percent of its fair market value and to be taxed on a levy made by each respective tax jurisdiction according to forty percent of the property's fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at seventy-five percent of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes and requires certain agricultural, timber, and environmentally sensitive real property and certain single-family real property located in transitional developing areas to be valued at their current uses.

The City determines a rate of levy for each fiscal year by computing a rate, not to exceed one (1) mill per dollar (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters in the City by referendum), which, when levied upon the assessed value of taxable property within its limits, will produce the necessary amount of property tax revenues. Property taxes are levied on property values assessed as of January 1. The City contracts with Gwinnett County to bill and collect property taxes. The taxes, if billed, would be due in a single installment on October 15 based on the assessed value of property as listed on the previous January 1 and were due 60 days following the billing date each year. Property taxes are recorded as receivables and unavailable revenues when levied as they are intended to fund that fiscal year. Revenues are recognized when available. The City elected not to bill any taxes on real property for the fiscal year ended June 30, 2019.

Because the City has a zero millage rate, no property taxes were levied or collected; the only property taxes reported are motor vehicle taxes. Therefore, schedules for Principal Property Taxpayers and Property Tax Levies and Collections are not applicable. Franchise taxes is the City's largest own-source revenue. Reference is hereby made to the general purpose financial statement of the City for fiscal year 2019 attached hereto as Appendix A for a more detailed discussion on the City's motor vehicle tax and franchise tax levies and collections.

[Remainder of Page Intentionally Left Blank.]

The following table shows the debt service coverage of the maximum annual debt service on the Series 2020 Bonds, based on a one (1) mill tax levy and revenues available for debt service from operations in the General Fund, assuming the issuance of the Series 2020 Bonds and the refunding and prepayment of the Installment Sale Agreement and the Series 2018 Bond.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Tax Digest</u>						
Net Maintenance and Operation Tax Digest	\$2,318,301,275	\$2,409,363,032	\$2,543,057,936	\$2,604,692,290	\$2,841,882,959	\$2,841,882,959
Estimated Revenues Generated by one (1) mill tax on the Net Maintenance and Operation Tax Digest	2,318,301	2,409,363	2,543,058	2,604,692	2,841,883	2,841,883
Maximum Annual Debt Service on the Series 2020 Bonds	1,245,316	1,245,316	1,245,316	1,245,316	1,245,316	1,245,316
Coverage of Maximum Annual Debt Service by the 1 Mill Pledge	1.86x	1.93x	2.04x	2.09x	2.28x	2.28x
<u>General Fund Revenue Available for Debt Service</u>						
Excess (Deficiency) of Revenues over Expenditures (General Fund)	\$2,025,943	\$3,351,188	\$(1,971,121)	\$682,890	\$1,815,381	\$2,647,581
Excess (Deficiency) of Revenues over Expenditures (Proprietary Fund)	118,061	30,662	85,825	1,379,781	1,320,366	1,440,853
Add: Depreciation (General Fund)	708,997	711,453	751,459	641,616	862,008	1,572,339
Add: Depreciation (Proprietary Fund)	--	--	--	406,265	403,831	401,377
General & Proprietary Fund Revenues Available for Debt Service	2,853,001	4,093,303	(1,133,837)	3,110,552	4,401,586	6,062,150
Maximum Annual Debt Service on the Series 2020 Bonds	1,245,316	1,245,316	1,245,316	1,245,316	1,245,316	1,245,316
Coverage of Maximum Annual Debt Service from the General Fund	2.29x	3.29x	(0.91)x	2.50x	3.53x	4.87x
<u>Combined Debt Service Coverage</u>						
Estimated Revenue Generated by 1 Mill on the Net M&O Digest	\$2,318,301	\$2,409,363	\$2,543,058	\$2,604,692	\$2,841,883	\$2,841,883
General Fund Revenues Available for Debt Service	2,853,001	4,093,303	(1,133,837)	3,110,552	4,401,586	6,062,150
Combined Revenue Available for Debt Service	5,171,302	6,502,666	1,409,221	5,715,244	7,243,469	8,904,033
Maximum Annual Debt Service on the Series 2020 Bonds	1,245,316	1,245,316	1,245,316	1,245,316	1,245,316	1,245,316
Coverage of Maximum Annual Debt Service from Combined Revenue Sources	4.15x	5.22x	1.13x	4.59x	5.82x	7.15x

[Remainder of Page Intentionally Left Blank.]

Historic Property Tax Information

The following table presents the assessed value (40% of fair market value) of taxable property within the City for the last five calendar years.

<u>Year</u>	<u>Real and Personal Property</u>	<u>Motor Vehicles</u>	<u>Gross Tax Digest⁽¹⁾</u>	<u>Bond Exemptions</u>	<u>General Obligation Bond Tax Digest⁽²⁾</u>	<u>M&O Exemptions</u>	<u>M&O Tax Digest⁽³⁾</u>	<u>Estimated Actual Value</u>
2020	\$3,083,664,070	\$12,631,050	\$3,096,295,120	\$2,341,774	\$3,093,953,346	\$2,341,774	\$3,093,953,346	\$7,734,883,365
2019	2,827,685,084	16,478,940	2,844,164,024	2,288,505	2,841,875,519	2,288,505	2,841,875,519	7,104,688,798
2018	2,584,263,030	22,949,320	2,607,212,350	2,520,060	2,604,692,290	2,520,060	2,604,692,290	6,511,730,725
2017	2,512,256,670	33,274,600	2,545,531,270	2,473,334	2,543,057,936	2,473,334	2,543,057,936	6,357,644,840
2016	2,367,070,370	44,619,270	2,411,689,640	2,326,608	2,409,363,032	2,326,608	2,409,363,032	6,023,407,580

⁽¹⁾ See “THE CITY – Ad valorem taxation” and “LEGAL MATTERS – Transportation Funding Act” herein.
⁽²⁾ Total assessed value, after deducting exemptions, if any, for purposes of levying tax for City’s general obligation bonds.
⁽³⁾ Total assessed value, after deducting exemptions, for purposes of levying tax for the maintenance and operation of the City.
Source: City of Peachtree Corners, Georgia.

[Remainder of Page Intentionally Left Blank.]

Tax Rates – Mills

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value (millage rates) of the City for the past five fiscal years.

<u>Calendar Year</u>	<u>Gwinnett County</u>	<u>County Bond</u>	<u>School Bonds</u>	<u>School</u>	<u>State</u>	<u>City</u>	<u>Recreation</u>	<u>Fire/EMS</u>	<u>Police</u>	<u>TOTAL</u>
2020	7.250	--	1.90	19.70	0.000	0.00	1.00	3.20	2.90	35.950
2019	7.209	--	1.90	19.70	0.000	0.00	0.95	3.20	1.60	34.559
2018	7.209	--	1.95	19.80	0.000	0.00	0.95	3.20	1.60	34.709
2017	7.400	--	2.05	19.80	0.000	0.00	0.95	3.20	1.60	35.000
2016	6.826	0.240	2.05	19.80	0.000	0.00	0.95	3.20	1.60	34.666

Source: Georgia Department of Revenue.

Principal Tax Payers and Property Tax Levies and Collections

The City does not currently levy an *ad valorem* property tax. The only property taxes received each fiscal year are motor vehicle taxes. Therefore schedule for the principle property taxpayers and property tax levies and collections are inapplicable for the past five fiscal years.

[Remainder of Page Intentionally Left Blank.]

Summary of City Debt and Overlapping Debt by Category

Set forth below is information concerning the tax-supported debt of the City following the issuance of the Series 2020 Bonds. In addition to the City's debt obligations, property owners in the City are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of such entities overlaps the City. Also set forth below is the estimated overlapping tax-supported debt of such overlapping entities as of June 30, 2020. Although the City has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others. The information set forth below should be read in conjunction with the City's financial statements included as Appendix A hereto.

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>	<u>Percentage Applicable⁽⁵⁾</u>	<u>Amount Applicable</u>
Direct Debt of the City:			
Intergovernmental Contract ^{(1), (2)}	<u>\$12,525,000</u>	100%	<u>\$12,525,000</u>
TOTAL DIRECT:	<u>\$12,525,000</u>	100%	<u>\$12,525,000</u>
Overlapping:			
Gwinnett County			
Intergovernmental Contracts ⁽²⁾	\$33,805,000	6.94%	\$2,346,067.00
Capital Leases ⁽³⁾	137,934,000	6.94%	9,572,620
Gwinnett County School District			
General Obligation Bonds ⁽⁴⁾	1,029,600,000	7.19%	\$74,028,240.00
Capital Leases ⁽²⁾	<u>106,970,000</u>	7.19%	<u>7,691,143.00</u>
TOTAL OVERLAPPING:	<u>\$1,308,309,000</u>		<u>\$93,638,070</u>
TOTAL DIRECT AND OVERLAPPING:	<u>\$1,320,834,000</u>		<u>\$106,163,070</u>

⁽¹⁾ Assumes issuance of the Series 2020 Bonds and refunding of Series 2018 Bond and prepayment of the Installment Sale Agreement.

⁽²⁾ Intergovernmental Contracts under Georgia law, while not "debt", are binding obligations of the governmental entity to make payments.

⁽³⁾ The financial obligations of a governmental entity under capital leases do not constitute general obligations of the governmental entity to which its full faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of general revenues being made by the governing body of the governmental entity to pay the lease payments due in each fiscal year under the leases. The governmental entity's obligations under the leases are from year to year only and do not constitute mandatory payment obligations of the governmental entity in any fiscal year in which funds are not appropriated by the governmental entity to pay the lease payments due in such fiscal year.

⁽⁴⁾ General obligation bonds are general obligations of the issuer to which its full faith and credit and taxing powers are pledged.

⁽⁵⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values. The applicable percentage was estimated by dividing the City's total taxable assessed value by the County's and School District's total taxable assessed value.

[Remainder of Page Intentionally Left Blank.]

Tax Supported Debt Ratios

The following table sets forth certain debt ratios following issuance of the Series 2020 Bonds.

	<u>Direct Tax Supported Debt</u>	<u>Overlapping Tax Supported Debt</u>	<u>Overall Tax Supported Debt</u>
Per Capita Debt ⁽¹⁾	\$285.28	\$2,132.74	\$2,418.02
Percentage of Gross Tax Digest ⁽²⁾	0.40%	3.02%	3.43%
Percentage of Fair Market Value ⁽³⁾	0.16%	1.21%	1.37%
Per Capita Debt as Percentage of Per Capita Income ⁽⁴⁾	0.69%	5.14%	5.83%

⁽¹⁾ Based upon 2019 City population figure of 43,905

⁽²⁾ Based upon 2020 Gross Tax Digest of \$3,096,295,120.

⁽³⁾ Based on 2020 estimated actual value of \$7,734,883,365.

⁽⁴⁾ Based upon 2018 per capita income figure for the County of \$41,458.

Proposed Debt

The City does not propose to issue any additional debt within the next three years.

Limitations on City Debt

The Constitution of the State of Georgia provides that the City may not incur long-term 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 ten percent 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. In addition, refunded obligations cease to count against the City's debt limitations.

As computed in the table below, based upon the 2020 Net General Obligation Bond Digest, the City could incur (upon necessary voter approval) approximately \$309,395,334 in additional long-term obligations payable out of general property taxes (or general obligation bonds).

Computation of Legal Debt Margin Table

Net General Obligation Bond Digest as of 2020	\$3,093,953,346
Debt Limit (10% of Assessed Value)	\$309,395,334
Amount of Debt Applicable to Debt Limit	<u>0</u>
Legal Debt Margin	\$309,395,334

LEGAL MATTERS

Pending Litigation

The City, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation with its counsel, Riley McLendon LLC, Marietta, Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the City.

There is no litigation now pending or, to the knowledge of the Issuer or the City, threatened against the Issuer or the City which restrains or enjoins the issuance or delivery of the Series 2020 Bonds, the provision of the security for the payment of the Series 2020 Bonds, or the use of the proceeds of the Series 2020 Bonds or which questions or contests the validity of the Series 2020 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization, nor existence of the Issuer or the City, nor the title of the present members or other officials of the Issuer or the City to their respective offices, is being contested or questioned. There is no litigation pending or, to the knowledge of the Issuer, threatened which in any manner questions the right of the Issuer to enter into the Lease Agreement, or to secure the Series 2020 Bonds. No litigation and no proceedings are pending against the City or its officials, or to their knowledge are threatened against them, which would affect the sale of the Series 2020 Bonds, the security therefor, or the ability of the City to enter into and perform its obligations under the Lease Agreement.

Validation Proceedings and Approving Opinions

The Series 2020 Bonds were validated in the Superior Court of Gwinnett County, Georgia on October 15, 2020. The State of Georgia was the plaintiff in the proceeding, and the Issuer and the City were the defendants. Under Georgia law, the judgment of validation is final and conclusive with respect to the validity of the Series 2020 Bonds against the Issuer and the City.

Legal matters incidental to authorization and issuance of the Series 2020 Bonds by the Issuer are subject to the approval of Gray Pannell & Woodward LLP, Bond Counsel. It is anticipated that the approving opinion of Bond Counsel will be in substantially the form attached hereto as Appendix D. Certain legal matters will be passed upon for the Issuer and the City by their counsel Riley McLendon LLC, Marietta, Georgia and for the City by its disclosure counsel, Gray Pannell & Woodward LLP.

Tax Matters

Generally. The following constitutes a discussion of certain of the federal and State of Georgia income tax consequences of the purchase, ownership, and disposition of the Series 2020 Bonds. This summary is presented for informational purposes only and is intended to be a discussion primarily of the federal and State of Georgia income tax consequences to individual owners who are citizens or residents of the United States. IT IS NOT PRACTICABLE TO COMMENT ON ALL ASPECTS OF THE FEDERAL, STATE, AND LOCAL TAX LAWS WHICH MAY AFFECT AN INDIVIDUAL OWNER'S PURCHASE OF THE SERIES 2020 BONDS. THEREFORE, STATE (OTHER THAN STATE OF GEORGIA), LOCAL, AND FOREIGN TAX CONSEQUENCES ARE NOT DISCUSSED; NOR ARE THE TAX CONSEQUENCES TO OWNERS OTHER THAN INDIVIDUALS. Such tax consequences will vary with each purchaser, depending upon its individual situation. The following summary should not be considered as legal or tax advice to prospective purchasers of the Series 2020 Bonds.

Legal matters incident to the authorization, validity, and issuance of the Series 2020 Bonds are subject to the approving opinion of Gray Pannell & Woodward LLP, Bond Counsel. The opinion of Bond Counsel is attached to this Official Statement as Appendix D. Copies of the opinion will be available at the time of the initial delivery of the Series 2020 Bonds.

Federal Tax Matters. In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the

continued compliance with certain covenants and tax law requirements, interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes under § 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax. **In addition, in the opinion of Bond Counsel, based upon representations of the Issuer and the City, the Series 2020A Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.** INTEREST ON THE SERIES 2020B BONDS IS NOT EXCLUDABLE FROM THE GROSS INCOME OF A RECIPIENT THEREOF FOR FEDERAL INCOME TAX PURPOSES. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2020 Bonds.

Premium Bonds. The Series 2020B Bonds have been sold to the public at an original issue premium. The Series 2020B Bonds which have been purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the “Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. However, the purchaser’s basis in a Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchaser during each year. Proceeds received from the sale, exchange, redemption, or payment of a Premium Bond in excess of the owner’s adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Premium Bond at its maturity.

State Tax Matters. In the opinion of Bond Counsel, under existing statutes, interest on the Series 2020 Bonds is exempt from all present state income taxation within the State of Georgia. Interest on the Series 2020 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Purchasers of the Series 2020 Bonds should consult their tax advisors as to the taxable status of the Series 2020 Bonds in a particular state or local jurisdiction other than Georgia.

Circular 230. Prospective investors are urged to consult their own tax advisors before determining whether to purchase Series 2020 Bonds. The tax discussion herein under “LEGAL MATTERS -Tax Matters” is not intended or written to be used, and cannot be used, for purposes of avoiding taxpayer penalties. This discussion was written to support the promotion or marketing of the Series 2020 Bonds.

Other Tax Consequences to Investors. There may be other federal, state, local, or foreign tax considerations applicable to the circumstances of a particular investor. Prospective investors are urged to consult their own tax advisors before determining whether to purchase Series 2020 Bonds. Purchasers of Series 2020 Bonds who are nonresident alien individuals, corporations that are not incorporated in the United States or under the laws of the United States or of any state of the United States, or other non-United States persons should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes on income realized in respect to the Series 2020 Bonds.

Transportation Funding Act.

On May 4, 2015, the Governor of Georgia signed into law House Bill 170 (the “Transportation Funding Act”), which became effective July 1, 2015. The law eliminates the current State sales tax on gasoline and diesel and imposes a new per-gallon excise tax on motor fuel (the “Excise Tax”). The Excise Tax is subject to annual adjustments to account for inflation and the increasing fuel efficiency of new vehicles (which will be tied to increases in the Corporate Average Fuel Economy standard and the National Highway and Construction Cost index) and will initially be imposed at the rate of 26 cents per gallon for gasoline and 29 cents per gallon for diesel. Proceeds of the Excise Tax would be required to be spent on transportation related projects. The Transportation Funding Act generally allows local governments to continue to collect local sales and use tax (“LOST”), special purpose local option sales tax (“SPLOST”), sales tax for educational purposes (“ESPLOST”), homestead option sales tax (“HOST”), and municipal optional sales tax (“MOST”), if any, at the current 1% rate on the sale of motor fuel. However, if the retail price of motor fuel rises above \$3.00 per gallon, any increase above \$3.00 will not be subject to such 1% rate of tax. At this time, it is uncertain if the Transportation Funding Act will have an adverse impact on tax revenues of the Issuer.

IMPACT OF COVID-19 PANDEMIC

The outbreak of 2019 novel coronavirus (“COVID-19”), a respiratory illness caused by a new strain of coronavirus, has affected global, national, state and local economic activity. Within the United States, the Federal government and various state and local level governments as well as private entities and institutions have implemented a variety of different efforts aimed at preventing the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements and facility closures. The impact of these various measures, as well as general concerns related to the global and national public health emergency and other contributing factors (including an ongoing oil production dispute), has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. Consequently, there has been significant volatility in the U.S. and global stock and bond markets. The impact of the COVID-19 pandemic on the United States economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, President Trump on March 13, 2020, declared a “national emergency,” which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 14, 2020, the Governor of the State of Georgia signed Executive Order No. 03.14.20.01 declaring a Public Health State of Emergency in the State of Georgia 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 Executive Order No. 03.14.20.01, 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 transfers from the Governor’s Emergency Fund. On April 1, 2020, the Governor of the State of Georgia signed Executive Order No. 04.02.20.01 ordering a statewide “shelter-in-place” from April 3, 2020 through April 13, 2020, which was extended by multiple subsequent orders and most recently extended until July 12, 2020. On May 28, 2020, the Governor issued Executive Order No. 05.28.20.02, which outlined guidance for the safe reopening of businesses, including bars and nightclubs, beginning June 1, 2020 and relaxed social distancing rules for businesses already open.

The State’s and the City’s finances are likely to be adversely affected by the continued spread of COVID-19, the various governmental actions in response thereto and changes in the behavior of businesses and people, which will likely negatively impact State and local government revenues, including the revenues of the City.

The City cannot predict what effect the spread of COVID-19 or the various governmental and private actions taken in response thereto will have on its finances or operations. If there is a negative impact on the finances and operations of the City, for example, a reduction in tax revenues, the City’s ability to pay debt service on the Series 2020 Bonds may be adversely impacted. See “THE CITY - Management’s Discussion and Analysis of Results of Operations.”

MISCELLANEOUS

Rating

Moody’s Investors Services, Inc. (“Moody’s”) has assigned a rating of “Aa1” to the Series 2020 Bonds. The rating reflects only the views of the rating agency, and an explanation of the significance of such rating may be obtained from the rating agency furnishing such rating at the following addresses: Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such rating will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the liquidity and market price of the Series 2020 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. Neither the Issuer nor the City has undertaken any responsibility

either to bring to the attention of the owners of the Series 2020 Bonds any proposed suspension or withdrawal of such rating or to oppose any such revision, suspension or withdrawal.

Additionally, due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Series 2020 Bonds, could be subject to a rating downgrade. Furthermore, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, such as the Series 2020 Bonds.

Underwriting

Stephens Inc. (the “Underwriter”), has agreed to purchase the Series 2020 Bonds pursuant to a Bond Purchase Agreement entered into between the City and the Underwriter. The Underwriter has agreed to purchase the Series 2020 Bonds at a purchase price of \$13,179,262.84 (par, plus net premium of \$733,257.45, less underwriting discount of \$78,994.61). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2020 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 Series 2020 Bonds to the public initially at the offering prices shown on the inside front cover page hereof, which prices may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Series 2020 Bonds to certain dealers at prices lower than the public offering.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing, and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

Independent Professionals

Legal matters incident to the authorization, issuance and sale of the Series 2020 Bonds are subject to the approval of Gray Pannell & Woodward LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed on for the Issuer and the City by their counsel, Riley McLendon LLC, Marietta, Georgia, and for the City by its disclosure counsel, Gray Pannell & Woodward LLP, Atlanta, Georgia.

The financial statements of the City as of June 30, 2019 and for the year then ended, attached hereto as Appendix A, have been audited by Mauldin & Jenkins, LLC, Atlanta, Georgia, independent certified public accountants. Mauldin & Jenkins, LLC, Certified Public Accountants, Atlanta, Georgia, has not and will not sign a written consent to the inclusion of its audit report in Appendix A.

Stephens Inc., as Underwriter, has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, 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.

Additional Information

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

Any statements made in this Official Statement involving estimates or matters of opinion, 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 or matters of opinion 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 Series 2020 Bonds.

**AUTHORIZATION OF AND CERTIFICATION
CONCERNING OFFERING STATEMENT**

The execution and delivery of this Official Statement have been duly authorized and approved by the Issuer and the City. The contents of this Official Statement are the responsibility of the City, except that the Issuer is responsible for the statements contained under the caption "THE ISSUER" and the information with respect to the Issuer appearing under the caption "LEGAL MATTERS – Pending Litigation" herein, and, with the exception of the foregoing information for which the Issuer is responsible, the Issuer makes no representation as to the accuracy or completeness of any information contained herein.

CITY OF PEACHTREE CORNERS PUBLIC
FACILITIES AUTHORITY

By: /s/ Weare Gratwick
Chairman

CITY OF PEACHTREE CORNERS, GEORGIA

By: /s/ Mike Mason
Mayor

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

AUDITED FINANCIAL STATEMENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]



CITY OF
Peachtree
CORNERS
Innovative & Remarkable



CITY OF PEACHTREE CORNERS,
GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

FOR THE YEAR ENDED JUNE 30, 2019

PREPARED BY:
FINANCE DEPARTMENT

SUBMITTED BY:
BRANDON BRANHAM
FINANCE DIRECTOR



CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Prepared by:
City of Peachtree Corners Finance Department

INTRODUCTORY SECTION



CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

CITY OF PEACHTREE CORNERS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i and ii
Letter of Transmittal.....	iii-x
Certificate of Achievement for Excellence in Financial Reporting	xi
Principal Officials	xii
Organizational Chart	xiii
FINANCIAL SECTION	
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis	4-14
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	17
Statement of Revenues, Expenditures, and Changes in Funds	
Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Position – Proprietary Fund	20
Statement of Revenues, Expenses, and Changes in Net	
Position – Proprietary Fund	21
Statement of Cash Flows – Proprietary Fund	22
Notes to Financial Statements	23-40
Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual (GAAP Basis)	41
Supplementary Information:	
Schedule of Expenditures of Special Purpose Local Option Sales Tax.....	42

CITY OF PEACHTREE CORNERS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
STATISTICAL SECTION	
Net Position by Component	43
Changes in Net Position	44
Fund Balances of Governmental Funds	45
Changes in Fund Balances of Governmental Funds	46
Assessed Value and Estimated Actual Value of Taxable Property	47
Principal Franchise Taxpayers	48
Franchise Tax Rates	49
Ratios of Outstanding Debt by Type	50
Direct and Overlapping Governmental Activities Debt	51
Legal Debt Margin Information	52
Demographic and Economic Statistics	53
Principal Employers	54
Full-time Equivalent City Government Employees by Function	55
Operating Indicators by Function	56
Capital Asset Statistics by Function	57
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58 and 59
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	60-62
Schedule of Expenditures of Federal Awards	63
Notes to Schedule of Expenditures of Federal Awards	64
Schedule of Findings and Questioned Costs	65 and 66
Status of Prior Audit Findings	67



November 26, 2019

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

Ladies and Gentlemen:

Enclosed please find the Comprehensive Annual Financial Report of the City of Peachtree Corners, Georgia, for the fiscal year ended June 30, 2019. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Peachtree Corners. The report has been prepared in accordance with generally accepted accounting principles. All disclosures necessary to enable an interested reader to gain an understanding of the government's financial activities have been included.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peachtree Corners for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Peachtree Corners' financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of the report.

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

PROFILE OF THE GOVERNMENT

Peachtree Corners was incorporated in July of 2012 and celebrated its seventh anniversary this year. Positioned in metro area, Peachtree Corners is a demographically diverse community and covers a 17-square mile area in southwest Gwinnett County, Georgia. Peachtree Corners is the nineteenth largest city in the State of Georgia, serving a population of 43,509 (U.S. Census estimate for 2018). The City's daytime population remains consistent with more than 42,500 due to the concentration of major corporations and businesses located within the City, including Crawford Insurance, Comcast, Phoenix Corp, Immucor, Pond & Co, and Career Builder. Seven



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

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

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

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

LOCAL ECONOMY

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

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



According to the 2018 US Census, there were 17,062 housing units within Peachtree Corners, with 55% recorded as home ownership and 45% recorded as tenant occupied. The median value of owner-occupied housing was \$291,900. The average household size was 2.6 people, with an average household income of \$94,594.

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

NATIONAL ECONOMY

With the steadily improving job market, the unemployment rate improved for the state of Georgia in 2019 to 3.6%, citywide lowered to 3%, according to the Bureau of Labor Statistics. According to August 2019 S&P CoreLogic Case-Shiller Home Price Indices, home prices continued their rise across the country over the last 12 months. The national index, which covers all nine U.S. census divisions was up 7% from the prior month. All 20 cities in the report were up year over year.

LONG TERM FINANCIAL PLANNING

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

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

The City is expected to continue developing as an economic hub and preferred location for business and residential investment. Through planned growth consistent with existing zoning, the governing body approved several distinctive commercial and capital improvement developments during Fiscal Year 2019. Additionally, the commercial community continues to experience significant redevelopment through builders and investors.

MAJOR INITIATIVES FOR THE YEAR

Curiosity Lab at Peachtree Corners

\$2 million was included in the 2019 capital budget for construction of an intelligent mobility and smart city corridor, which will allow for the testing of various technologies in the autonomous vehicle, smart cities IoT, and cellular markets. The city is creating a 1.5 mile intelligent mobility corridor in Technology Park, running from Spalding Drive to Peachtree Parkway. Autonomous



vehicles on the track will be interacting with live traffic. Curiosity Lab at Peachtree Corners opened in the fall of 2019 and has already had its first fully autonomous vehicle testing and demonstrating on the track.





Construction of Trail System

\$1.7 million was included in the 2019 capital budget for construction of the first section of the master planned trail system, which upon completion will have over 12 miles of trails throughout the city.





2.5 Acre Town Green

\$2.5 million was included in the 2019 general fund budget for construction of a 2.5 acre town green within in the newly developed Town Center. This green space was designed and built to create a central gathering place for residents. The Town Green opened in spring of 2019 drawing over 5,000 people.



INITIATIVES FOR FUTURE YEARS

Expansion of Trail System

\$1 million was included in the 2020 capital budget for continued construction of the trail system.



Pedestrian Bridge

\$4.1 million was included in the 2020 capital budget for the construction of a pedestrian bridge, connecting to major economic hubs of the City, the newly created Town Center and The Forum, a destination shopping center.

Public Works

\$4.9 million was included in the 2020 capital budget for infrastructure improvements to roads, bridges, sidewalks, intersections and traffic management. The City currently has over 14 capital projects in various stages of construction and planning.

FINANCIAL POLICIES

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safety of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

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

As part of the City's single audit for fiscal year 2019, required in conformity with provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs as well as to determine that the City has complied with applicable laws and regulations.

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



OTHER INFORMATION

Awards and Achievements – The Government Finance Officers’ Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Peachtree Corners for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the first for the City and shows its commitment to financial integrity and transparency. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

Brian Johnson
City Manager

Brandon Branham
Finance Director



Government Finance Officers Association

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

Presented to

**City of Peachtree Corners
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

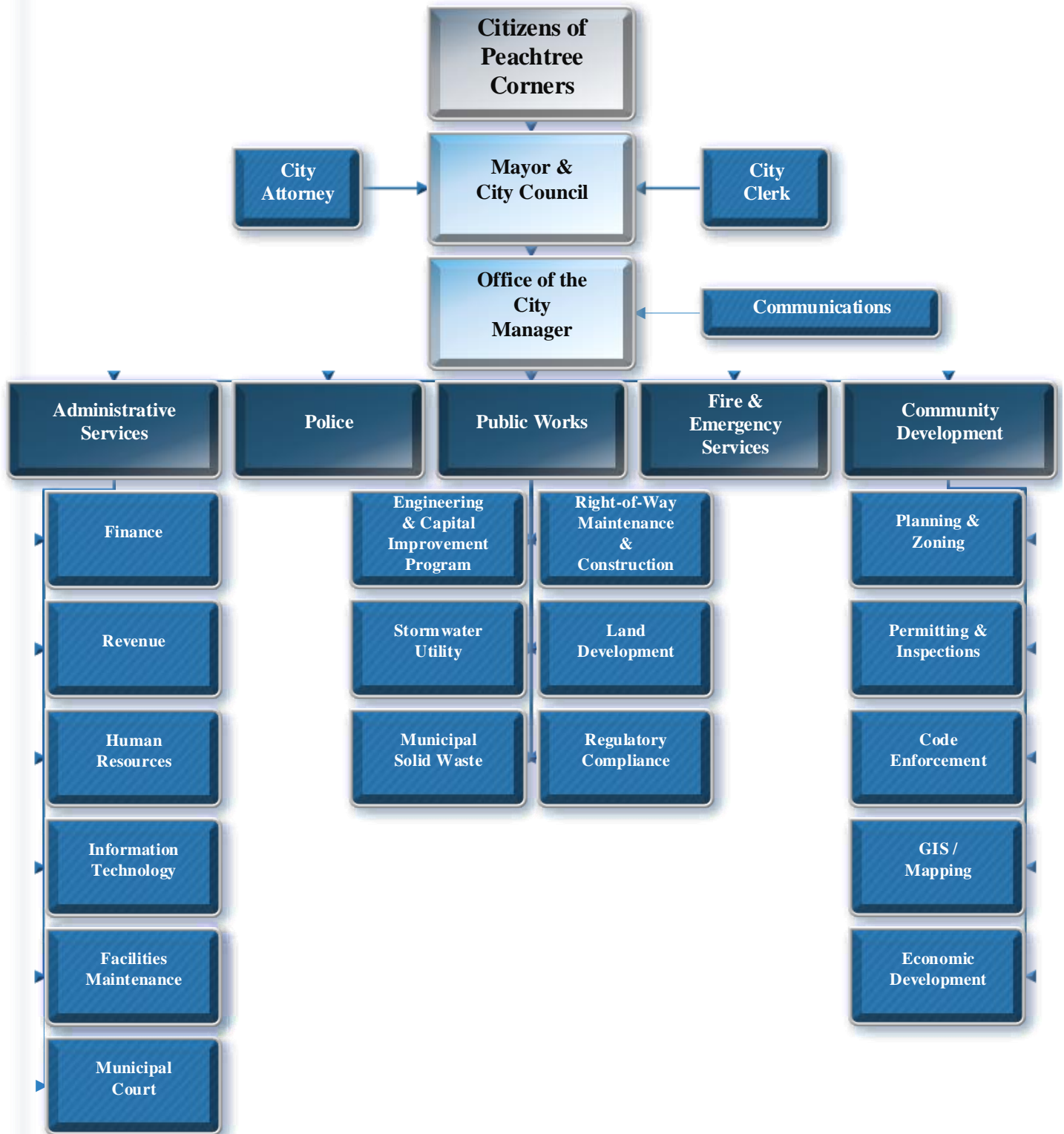
Christopher P. Morrell

Executive Director/CEO

**CITY OF PEACHTREE CORNERS, GEORGIA
PRINCIPAL OFFICIALS
JUNE 30, 2019**

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

City of Peachtree Corners



MAYOR & COUNCIL



**Mayor
Mike Mason**



**Councilmember
Phil Sadd**



**Councilmember
Eric Christ**



**Councilmember
Alex Wright**



**Councilmember
Jeanne Aulbach**



**Councilmember
Lorri Christopher**



**Mayor Pro Tem
Weare Gratwick**

CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

PRINCIPAL OFFICERS



**City Manager
Brian L. Johnson**

**Assistant City Manager/Finance Director
Brandon Branham**

**City Clerk
Kym Chereck**

**Community Development Director
Diana Wheeler**

**Public Works Director
Greg Ramsey**

**CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

FINANCIAL SECTION



CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **City of Peachtree Corners, Georgia** (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Peachtree Corners, Georgia as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of expenditures of special purpose local option sales tax, as required by the Official Code of Georgia 48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and schedule of expenditures of special purpose local option sales tax (collectively “the supplementary information”) 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 26, 2019

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

As management of the City of Peachtree Corners (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$69,372,066 (total net position), which represents an increase of \$11,102,371 from the prior year. Of the total net position, \$3,380,516 (unrestricted net position) is available to meet the ongoing obligations of the government.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,000,140. This represents a decrease of \$849,814 compared to prior year, primarily from the continued work on the town center and curiosity lab project.
- Total governmental fund revenues were \$22,770,446 an increase of \$1,695,532 from the prior year mainly due to the Economic Adjustment Assistance federal award received during the current year.
- Total governmental fund expenditures were \$23,892,553, a decrease of \$5,189,077 over the prior year, primarily related to construction ending on the town center project.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 15 and 16 of this report.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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

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

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

The City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, SPLOST and downtown development authority funds, which are considered to be major funds.

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

The basic governmental fund financial statements can be found on pages 17 through 19 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 20 through 22 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 40 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedule for the general fund as presented on a generally accepted accounting principal basis in this section.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets exceeded liabilities by \$69,372,066 which represents an increase of \$11,102,371.

The largest portion of the City's net position, \$42,511,025 reflects its investment in capital assets (e.g., buildings, machinery and equipment roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Other than net position that is restricted as to use for capital projects, \$16,305,525, the remaining portion of the City's net position represents unrestricted net position of \$10,555,516, which is available to meet the ongoing obligations of the government. This amount represents 81% of governmental activities expenses, and a 172% increase over the prior year.

The City's governmental activities current assets of \$33,150,270, decreased \$1,447,031 over the prior year and includes sales tax restricted for capital projects of \$10,767,907 in the SPLOST Fund. Long term liabilities of governmental activities decreased from the prior year \$601,367 due to long term debt being paid down. The City's capital assets in governmental activities are \$39,154,073 which represents an increase of \$10,312,699. The increase is primarily related to the acquisition and renovations costs for the city hall project and town center project.

The City's business-type activities current assets increased \$847,387 over the prior year due to collections for the Stormwater fund. The other categories remained relatively the same compared to the prior year.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The table below summarizes the City's Net Position for 2019 and 2018.

**City of Peachtree Corners Net Position
June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current assets	\$ 33,150,270	\$ 34,597,301	\$ 4,064,857	\$ 3,217,470	\$ 37,215,127	\$ 37,814,771
Capital assets, net of accumulated depreciation	39,154,073	28,841,374	11,112,663	10,697,642	50,266,736	39,539,016
Total Assets	72,304,343	63,438,675	15,177,520	13,915,112	87,481,863	77,353,787
Liabilities						
Current liabilities	2,385,559	2,972,822	1,042,152	827,817	3,427,711	3,800,639
Long-term liabilities	14,682,086	15,283,453	-	-	14,682,086	15,283,453
Total Liabilities	17,067,645	18,256,275	1,042,152	827,817	18,109,797	19,084,092
Net Position						
Net investment in capital assets	31,398,362	19,665,011	11,112,663	10,697,642	42,511,025	30,362,653
Restricted	16,305,525	24,029,342	-	-	16,305,525	24,029,342
Unrestricted	7,532,811	1,488,047	3,022,705	2,389,653	10,555,516	3,877,700
Total net position	\$ 55,236,698	\$ 45,182,400	\$ 14,135,368	\$ 13,087,295	\$ 69,372,066	\$ 58,269,695

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

Revenues: Charges for services includes fines and forfeitures and licenses and permits. These revenues increased \$518,321. Total operating and capital grants and contributions increased \$2,407,473 as a result of a significant federal grant received. Franchise Fees decreased \$1,292,008 as the City begins to see normalization in this line item, whereas previous years had audits and unbilled accounts that were collected. Business taxes increased \$80,799 as the economy continues to improve and due to an audit performed by the City of businesses within the city limits.

Expenses: General government and public works expenses increased as an increased amount of infrastructure projects were completed. Community development expenses increased slightly as the operations of the Downtown Development Authority are now being included as a blended component unit. Interest on long term debt decreased \$61,874 as a result of bond issuance costs in the prior year related to additional debt issued by the City.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

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

**City of Peachtree Corners Changes in Net Position
For the Years Ended June 30, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>	<u>2018</u>
Revenue						
Program revenues:						
Charges for services	\$ 2,016,451	\$ 1,498,130	\$ 4,368,767	\$ 3,973,614	\$ 6,385,218	\$ 5,471,744
Operating grants and contributions	36,630	90,510	-	-	36,630	90,510
Capital grants and contributions	9,289,365	6,828,012	-	-	9,289,365	6,828,012
General revenues:						
Motor vehicle taxes	728,251	559,032	-	-	728,251	559,032
Franchise taxes	3,702,272	4,994,280	-	-	3,702,272	4,994,280
Business taxes	3,511,286	3,430,487	-	-	3,511,286	3,430,487
Other taxes	3,485,333	3,572,639	-	-	3,485,333	3,572,639
Investment income	858	1,708	-	-	858	1,708
Miscellaneous	-	100,116	-	-	-	100,116
Transfers	272,293	-	(272,293)	-	-	-
Total Revenues	<u>23,042,739</u>	<u>21,074,914</u>	<u>4,096,474</u>	<u>3,973,614</u>	<u>27,139,213</u>	<u>25,048,528</u>
Expenses						
General government	6,580,944	5,209,278	-	-	6,580,944	5,209,278
Public works	3,432,436	3,657,463	-	-	3,432,436	3,657,463
Community development	2,499,823	2,100,069	-	-	2,499,823	2,100,069
Interest on long-term debt	475,238	537,112	-	-	475,238	537,112
Solid waste	-	-	1,387,232	1,227,963	1,387,232	1,227,963
Stormwater	-	-	1,661,169	1,065,870	1,661,169	1,065,870
Total expenses	<u>12,988,441</u>	<u>11,503,922</u>	<u>3,048,401</u>	<u>2,293,833</u>	<u>16,036,842</u>	<u>13,797,755</u>
Change in net position	10,054,298	9,570,992	1,048,073	1,679,781	11,102,371	11,250,773
Net position, beginning of year	45,182,400	35,611,408	13,087,295	11,407,514	58,269,695	47,018,922
Net position, end of year	<u>\$ 55,236,698</u>	<u>\$ 45,182,400</u>	<u>\$ 14,135,368</u>	<u>\$ 13,087,295</u>	<u>\$ 69,372,066</u>	<u>\$ 58,269,695</u>

Financial Analysis of the Government's Funds

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

Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The table below summarizes governmental fund revenues and expenditures for 2019 and 2018.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

**City of Peachtree Corners Governmental Fund Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>	<u>Dollar Increase (Decrease)</u>	<u>Percent</u>
Revenues:				
Motor vehicle taxes	\$ 728,251	\$ 559,032	\$ 169,219	30.27 %
Franchise taxes	3,702,272	4,994,280	(1,292,008)	(25.87)
Insurance premium taxes	2,723,935	2,525,916	198,019	7.84
Business taxes	3,511,286	3,430,487	80,799	2.36
Other taxes	761,398	1,046,723	(285,325)	(27.26)
Licenses and permits	1,508,645	1,439,684	68,961	4.79
Fines and forfeitures	7,594	4,080	3,514	86.13
Intergovernmental	9,240,565	6,890,558	2,350,007	34.10
Investment income	86,288	14,672	71,616	488.11
Contributions	-	15,000	(15,000)	(100.00)
Miscellaneous Income	500,212	154,482	345,730	223.80
Total revenues	<u>22,770,446</u>	<u>21,074,914</u>	<u>1,695,532</u>	<u>8.05</u>
Expenditures				
General government	8,644,696	9,570,418	(925,722)	(9.67)
Public works	1,603,306	1,791,515	(188,209)	(10.51)
Community development	7,413,523	13,949,204	(6,535,681)	(46.85)
Capital outlay	5,120,744	3,415,754	1,704,990	49.92
Debt service	1,110,284	354,739	755,545	212.99
Total expenditures	<u>23,892,553</u>	<u>29,081,630</u>	<u>(5,189,077)</u>	<u>(17.84)</u>
Excess (deficiency) of revenues over expenditures	(1,122,107)	(8,006,716)	6,884,609	(85.99)
Other financing sources (uses)				
Transfers in	3,584,356	971,788	2,612,568	268.84
Transfers out	(3,312,063)	(971,788)	(2,340,275)	240.82
Proceeds from certificate of participation	-	7,175,000	(7,175,000)	(100.00)
Net change in fund balances	<u>(849,814)</u>	<u>(831,716)</u>	<u>(18,098)</u>	<u>2.18</u>
Fund balances, beginning of year	31,849,954	32,681,670	(831,716)	(2.54)
Fund balances, end of year	<u>\$ 31,000,140</u>	<u>\$ 31,849,954</u>	<u>\$ (849,814)</u>	<u>(2.67) %</u>

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$31,000,140, a decrease of \$849,814, primarily related to the expenditures on major long-term capital projects. Of this balance, \$23,106,102 is restricted by law or contractual agreement, the largest portion of which is SPLOST tax revenues in the SPLOST fund and fund balance in the Downtown Development Authority. \$7,524,729 is unassigned and can be used to meet the near-term operating needs of the City.

Tax revenues include motor vehicle taxes, sales taxes, franchise taxes and business taxes and overall have decreased \$1,129,296, mainly due to audits of franchise fees being performed in 2018. Revenues for licenses and permits have increased \$68,961 as building activity within the city continues to grow. Fines and forfeitures increased \$3,514. Investment income increased \$71,616 primarily from investment decisions made by the Finance Department. Miscellaneous revenue increased due to payments received from leasing second floor of city hall.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Total governmental expenditures have decreased \$5,189,077 due to major capital projects being completed. General government expenditures decreased \$925,722 due to stabilization of resources for major capital projects. Public works expenditures decreased \$188,209 due to staff resources being shared for stormwater services. Community development expenditures decreased \$6,535,681 as a result of the completion of expenditures in the Downtown Development Authority for the town center project. Debt service expenditures increased \$755,545 primarily as a result of revenue bonds issued by the Downtown Development Authority.

General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was \$7,894,038, a decrease of \$1,053,422. As a measure of the liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance at June 30, 2019 was \$7,524,729 and represents 56% percent of total general fund expenditures.

Total general fund revenues have increased \$1,174,294. Motor vehicle taxes increased \$169,219 as title ad-valorem taxes increased with higher than expected car sales across the state. Franchise taxes decreased 1,292,008, while business taxes, and insurance premium taxes have increased \$80,799, and \$198,019 respectively, as the general and local economy has improved. Licenses and permits have increased \$68,961 as building activity continues to improve. Fines and forfeitures have increased \$3,514 as code enforcement had an increase in activity.

Total general fund expenditures increased \$41,803. General government expenditures decreased \$925,722, public works expenditures decreased \$188,209, community development expenditures increased \$432,649 and debt service expenditures increased \$723,085 due to principal now being paid on debt service.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

**City of Peachtree Corners General Fund Revenues, Expenditures and Changes in Fund Balance
For the Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>	<u>Dollar Increase (Decrease)</u>	<u>Percent</u>
Revenues:				
Motor vehicle taxes	\$ 728,251	\$ 559,032	\$ 169,219	30.27 %
Franchise taxes	3,702,272	4,994,280	(1,292,008)	(25.87)
Insurance premium tax	2,723,935	2,525,916	198,019	7.84
Business taxes	3,511,286	3,430,487	80,799	2.36
Other taxes	761,398	1,046,723	(285,325)	(27.26)
Licenses and permits	1,508,645	1,439,684	68,961	4.79
Fines and forfeitures	7,594	4,080	3,514	86.13
Intergovernmental	1,876,630	75,510	1,801,120	2,385.27
Investment income	857	1,708	(851)	(49.82)
Contributions	-	15,000	(15,000)	(100.00)
Miscellaneous income	500,212	54,366	445,846	820.08
Total revenues	<u>15,321,080</u>	<u>14,146,786</u>	<u>1,174,294</u>	<u>8.30</u>
Expenditures				
General government	8,644,696	9,570,418	(925,722)	(9.67)
Public works	1,603,306	1,791,515	(188,209)	(10.51)
Community development	2,359,873	1,927,224	432,649	22.45
Debt service:				
Principal	645,000	-	645,000	100.00
Interest	252,824	174,739	78,085	44.69
Total expenditures	<u>13,505,699</u>	<u>13,463,896</u>	<u>41,803</u>	<u>0.31</u>
Excess of revenues over expenditures	1,815,381	682,890	1,132,491	165.84
Other financing sources (uses):				
Transfers in	219,450	850,000	(630,550)	(74)
Transfers out	<u>(3,088,253)</u>	<u>(121,788)</u>	<u>(2,966,465)</u>	<u>2,436</u>
Net change in fund balance	<u>(1,053,422)</u>	<u>1,411,102</u>	<u>(2,464,524)</u>	<u>(174.65)</u>
Fund balance, beginning of year	8,947,460	7,536,358	1,411,102	18.72
Fund balance, end of year	<u>\$ 7,894,038</u>	<u>\$ 8,947,460</u>	<u>\$ (1,053,422)</u>	<u>(11.77) %</u>

General Fund Budgetary Highlights

The general fund budget versus actual comparison can be found on page 41. For fiscal year 2019, the City had an overall surplus budget versus actual variance of \$377,549.

Total revenues were \$709,640 more than budgeted. Taxes were \$400,207 more than budgeted as title ad-valorem increased faster than previously forecasted and an audit of business taxes resulted in increased revenue. Licenses and permits were \$232,677 more than budgeted as the City's infrastructure initiatives have brought in increased commercial and residential construction. Intergovernmental revenues were \$9,120 less than budgeted due to a grant project not being completed as of year-end. A budget amendment for intergovernmental revenues was made once

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

the City was approved to receive a significant federal award. All other revenue categories reflect excess budget variances as the city continues to use very conservative revenue estimates.

Total expenditures were \$53,909 in excess of budgeted amounts due to grant administration expenses being higher than anticipated. Public works expenditures were \$40,512 under budgeted items due to emergency repairs and maintenance of roads and walkways being less than originally projected. General buildings and ground, and public information were both over budget slightly due to unexpected expenditures. All other expenditure categories reflect excess budget variances as the City continues to use very conservative budget models.

SPLOST Fund

The SPLOST fund accounts for the revenues and related project expenditures under the SPLOST agreements. At the end of 2019, the fund balance for this fund was \$10,767,907 which represents an increase of \$2,444,808 compared to the prior year as there was an increase in SPLOST collections and interfund transfers in from the prior year.

Downtown Development Authority

The Downtown Development Authority is a blended component unit which accounts for the land held for resale and the capital improvements to the land. Fund balance as of June 30, 2019 is \$12,338,195 which decreased during the year due to the increased activity on the town center project.

Solid Waste Fund

The solid waste fund accounts for fees and expenses associated with garbage and recycling. The activity in this fund during the fiscal year ended June 30, 2019 was very comparable to the prior year and resulted in a change in net position of \$96,573.

Stormwater Fund

The stormwater fund accounts for fees and expenses associated with drainage. This was the second year of operations for the stormwater fund. The activity in this fund during the fiscal year ended June 30, 2019 resulted in a change in net position of \$951,500.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Capital Asset and Debt Administration

Capital Assets The City's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$39,154,073 (net of accumulated depreciation). This represents an increase of \$10,312,699 over the prior year. The increase is primarily driven by the city hall project, town center project, and incubator building. Additional information on the City's capital assets can be found in Note 6 on pages 35 and 36 of this report.

**City of Peachtree Corners Capital Assets (net of depreciation)
June 30, 2019**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,548,978	\$ 1,022,278	\$ -	\$ -	\$ 1,548,978	\$ 1,022,278
Construction in progress	3,182,311	13,858,127	-	-	3,182,311	13,858,127
Machinery and equipment	1,460,290	1,863,349	-	-	1,460,290	1,863,349
Buildings	22,517,610	6,681,547	-	-	22,517,610	6,681,547
Infrastructure	7,750,702	5,173,624	11,112,663	10,697,642	18,863,365	15,871,266
Improvements	2,694,182	242,449	-	-	2,694,182	242,449
	<u>\$ 39,154,073</u>	<u>\$ 28,841,374</u>	<u>\$ 11,112,663</u>	<u>\$ 10,697,642</u>	<u>\$ 50,266,736</u>	<u>\$ 39,539,016</u>

Long-term Debt At the end of fiscal year 2018, the City had total debt outstanding of \$15,175,000, primarily for the city hall project and acquisition of land. As of the end of 2019 the City had \$14,530,000 of outstanding debt.

Additional information on the City's long-term debt can be found in Note 7 on page 36 and 37 of this report.

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2020 fiscal year.

- Sustainability of Existing Services – the City has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Cost of Government – The operating millage rate of 1 mill is statutorily set and cannot be changed without a referendum. At this time the City has chosen not to charge this millage rate and as part of the financial strategic plan, the government is committed to franchise and business taxes, to facilitate the provision of city services.
- Infrastructure Improvements – The City provided substantial capital funding to continue the work started in prior years to begin to address a significant backlog of existing infrastructure deficiencies. Funding was allocated for repaving program, intersection improvements, buildings, machinery and equipment, roadways, sidewalks, equipment and signs.
- Economy Impact – The City's revenues and expenditures were implemented with a conservative approach to reflect the economic conditions that are expected to continue through 2020.
- The City restricts the use of one-time revenues to capital projects.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Requests for Information

This financial report is designed to provide a general overview of the City of Peachtree Corners' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, City of Peachtree Corners, 310 Technology Parkway, Peachtree Corners, Georgia, 30092, or by calling 678-691-1200.

CITY OF PEACHTREE CORNERS, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 19,253,451	\$ 4,323,289	\$ 23,576,740
Land held for development	12,328,450	-	12,328,450
Accounts receivable, net of allowances	925,508	15,120	940,628
Prepays	369,309	-	369,309
Internal balances	273,552	(273,552)	-
Capital assets:			
Nondepreciable	4,731,289	-	4,731,289
Depreciable, net of accumulated depreciation	34,422,784	11,112,663	45,535,447
 Total assets	 <u>72,304,343</u>	 <u>15,177,520</u>	 <u>87,481,863</u>
LIABILITIES			
Accounts payable and other accrued liabilities	1,698,216	192,930	1,891,146
Retainage payable	400,711	-	400,711
Accrued interest payable	235,429	-	235,429
Deposits payable	51,203	-	51,203
Unearned revenue	-	849,222	849,222
Compensated absences due within one year	45,626	-	45,626
Compensated absences due in more than one year	106,460	-	106,460
Certificate of participation due within one year	435,000	-	435,000
Certificate of participation due in more than one year	6,920,000	-	6,920,000
Bonds payable due within one year	380,000	-	380,000
Bonds payable due in more than one year	6,795,000	-	6,795,000
 Total liabilities	 <u>17,067,645</u>	 <u>1,042,152</u>	 <u>18,109,797</u>
NET POSITION			
Net investment in capital assets	31,398,362	11,112,663	42,511,025
Restricted for:			
Capital projects	16,305,525	-	16,305,525
Unrestricted	7,532,811	3,022,705	10,555,516
 Total net position	 <u>\$ 55,236,698</u>	 <u>\$ 14,135,368</u>	 <u>\$ 69,372,066</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 6,580,944	\$ 1,140,911	\$ 36,630	\$ -	\$ (5,403,403)	\$ -	\$ (5,403,403)
Public works	3,432,436	-	-	9,289,365	5,856,929	-	5,856,929
Community development	2,499,823	875,540	-	-	(1,624,283)	-	(1,624,283)
Interest on long-term debt	475,238	-	-	-	(475,238)	-	(475,238)
Total governmental activities	<u>12,988,441</u>	<u>2,016,451</u>	<u>36,630</u>	<u>9,289,365</u>	<u>(1,645,995)</u>	<u>-</u>	<u>(1,645,995)</u>
Business-type activities:							
Solid waste	1,387,232	1,511,305	-	-	-	124,073	124,073
Stormwater	1,661,169	2,857,462	-	-	-	1,196,293	1,196,293
Total business-type activities	<u>3,048,401</u>	<u>4,368,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,320,366</u>	<u>1,320,366</u>
Total primary government	<u>\$ 16,036,842</u>	<u>\$ 6,385,218</u>	<u>\$ 36,630</u>	<u>\$ 9,289,365</u>	<u>(1,645,995)</u>	<u>1,320,366</u>	<u>(325,629)</u>
General revenues:							
Motor vehicle taxes					728,251	-	728,251
Franchise taxes					3,702,272	-	3,702,272
Business taxes					3,511,286	-	3,511,286
Other taxes					3,485,333	-	3,485,333
Investment income					858	-	858
Transfers					272,293	(272,293)	-
Total general revenues					<u>11,700,293</u>	<u>(272,293)</u>	<u>11,428,000</u>
Change in net position					10,054,298	1,048,073	11,102,371
Net position, beginning of year					45,182,400	13,087,295	58,269,695
Net position, end of year					<u>\$ 55,236,698</u>	<u>\$ 14,135,368</u>	<u>\$ 69,372,066</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

ASSETS	General Fund	SPLOST Fund	Downtown Development Authority	Total Governmental Funds
Cash and cash equivalents	\$ 7,629,426	\$ 11,378,256	\$ 245,769	\$ 19,253,451
Accounts receivable	322,362	603,146	-	925,508
Due from other funds	224,662	-	276,654	501,316
Prepaid items	369,309	-	-	369,309
Land held for development	-	-	12,328,450	12,328,450
Total assets	<u>\$ 8,545,759</u>	<u>\$ 11,981,402</u>	<u>\$ 12,850,873</u>	<u>\$ 33,378,034</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 574,230	\$ 891,916	\$ 232,070	\$ 1,698,216
Retainage payable	26,288	97,769	276,654	400,711
Deposits payable	51,203	-	-	51,203
Due to other funds	-	223,810	3,954	227,764
Total liabilities	<u>651,721</u>	<u>1,213,495</u>	<u>512,678</u>	<u>2,377,894</u>
FUND BALANCE				
Fund balance:				
Nonspendable:				
Prepaid items	369,309	-	-	369,309
Restricted:				
Capital projects	-	10,767,907	12,338,195	23,106,102
Unassigned	7,524,729	-	-	7,524,729
Total fund balance	<u>7,894,038</u>	<u>10,767,907</u>	<u>12,338,195</u>	<u>31,000,140</u>
Total liabilities and fund balance	<u>\$ 8,545,759</u>	<u>\$ 11,981,402</u>	<u>\$ 12,850,873</u>	
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.</p> <p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>				<p>39,154,073</p> <p>(14,917,515)</p>
Net position of governmental activities				<u>\$ 55,236,698</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>SPLOST Fund</u>	<u>Downtown Development Authority</u>	<u>Total Governmental Funds</u>
Revenues:				
Motor vehicle taxes	\$ 728,251	\$ -	\$ -	\$ 728,251
Franchise taxes	3,702,272	-	-	3,702,272
Insurance Premium Taxes	2,723,935	-	-	2,723,935
Business taxes	3,511,286	-	-	3,511,286
Other taxes	761,398	-	-	761,398
Licenses and permits	1,508,645	-	-	1,508,645
Fines and forfeitures	7,594	-	-	7,594
Intergovernmental	1,876,630	7,363,935	-	9,240,565
Investment income	857	85,431	-	86,288
Miscellaneous income	500,212	-	-	500,212
Total revenues	<u>15,321,080</u>	<u>7,449,366</u>	<u>-</u>	<u>22,770,446</u>
Expenditures:				
Current:				
General government	8,644,696	-	-	8,644,696
Public works	1,603,306	-	-	1,603,306
Community development	2,359,873	-	5,053,650	7,413,523
Capital outlay	-	5,120,744	-	5,120,744
Debt service:				
Principal	645,000	-	-	645,000
Interest	252,824	-	212,460	465,284
Total expenditures	<u>13,505,699</u>	<u>5,120,744</u>	<u>5,266,110</u>	<u>23,892,553</u>
Excess (deficiency) of revenues over expenditures	1,815,381	2,328,622	(5,266,110)	(1,122,107)
Other financing sources (uses):				
Transfers in	219,450	339,996	3,024,910	3,584,356
Transfers out	<u>(3,088,253)</u>	<u>(223,810)</u>	-	<u>(3,312,063)</u>
Total other financing sources (uses)	<u>(2,868,803)</u>	<u>116,186</u>	<u>3,024,910</u>	<u>272,293</u>
Net change in fund balances	(1,053,422)	2,444,808	(2,241,200)	(849,814)
Fund balances, beginning of year	<u>8,947,460</u>	<u>8,323,099</u>	<u>14,579,395</u>	<u>31,849,954</u>
Fund balances, end of year	<u>\$ 7,894,038</u>	<u>\$ 10,767,907</u>	<u>\$ 12,338,195</u>	<u>\$ 31,000,140</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

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

Net change in fund balances - total governmental funds	\$	(849,814)
--	----	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		10,312,699
---	--	------------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the repayment of long-term debt.		645,000
---	--	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(53,587)
---	--	----------

Change in net position - governmental activities	\$	<u>10,054,298</u>
--	----	-------------------

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

CITY OF PEACHTREE CORNERS, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

JUNE 30, 2019

ASSETS	Business-type Activities - Enterprise Funds		
	Solid Waste	Stormwater	Totals
	Fund	Fund	
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,485,563	\$ 2,837,726	\$ 4,323,289
Accounts receivable, net of allowances	1,019	14,101	15,120
Total current assets	<u>1,486,582</u>	<u>2,851,827</u>	<u>4,338,409</u>
NONCURRENT ASSETS			
Capital Assets:			
Depreciable assets	-	13,344,686	13,344,686
Less accumulated depreciation	-	(2,232,023)	(2,232,023)
Total noncurrent assets	<u>-</u>	<u>11,112,663</u>	<u>11,112,663</u>
Total assets	<u>1,486,582</u>	<u>13,964,490</u>	<u>15,451,072</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	130,021	62,909	192,930
Due to other funds	28,758	244,794	273,552
Unearned revenue	849,222	-	849,222
Total liabilities	<u>1,008,001</u>	<u>307,703</u>	<u>1,315,704</u>
NET POSITION			
Investment in capital assets	-	11,112,663	11,112,663
Unrestricted	478,581	2,544,124	3,022,705
Total net position	<u>\$ 478,581</u>	<u>\$ 13,656,787</u>	<u>\$ 14,135,368</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Solid Waste Fund	Stormwater Fund	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 1,511,305	\$ 2,857,462	\$ 4,368,767
Total operating revenues	<u>1,511,305</u>	<u>2,857,462</u>	<u>4,368,767</u>
OPERATING EXPENSES			
Contractual services	1,387,232	1,257,338	2,644,570
Depreciation	-	403,831	403,831
Total operating expenses	<u>1,387,232</u>	<u>1,661,169</u>	<u>3,048,401</u>
Income before transfers	<u>124,073</u>	<u>1,196,293</u>	<u>1,320,366</u>
Transfers out	<u>(27,500)</u>	<u>(244,793)</u>	<u>(272,293)</u>
Change in net position	96,573	951,500	1,048,073
Net position, beginning of year	<u>382,008</u>	<u>12,705,287</u>	<u>13,087,295</u>
Net position, end of year	<u>\$ 478,581</u>	<u>\$ 13,656,787</u>	<u>\$ 14,135,368</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Solid Waste Fund	Stormwater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,730,243	\$ 2,843,361	\$ 4,573,604
Payments to suppliers	<u>(1,359,323)</u>	<u>(1,041,070)</u>	<u>(2,400,393)</u>
Net cash provided by operating activities	<u>370,920</u>	<u>1,802,291</u>	<u>2,173,211</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out to other funds	<u>(27,500)</u>	<u>(244,793)</u>	<u>(272,293)</u>
Net cash used in non-capital financing activities	<u>(27,500)</u>	<u>(244,793)</u>	<u>(272,293)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	<u>-</u>	<u>(818,852)</u>	<u>(818,852)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(818,852)</u>	<u>(818,852)</u>
Net increase in cash and cash equivalents	343,420	738,646	1,082,066
Cash and cash equivalents, beginning of year	<u>1,142,143</u>	<u>2,099,080</u>	<u>3,241,223</u>
Cash and cash equivalents, end of year	<u>\$ 1,485,563</u>	<u>\$ 2,837,726</u>	<u>\$ 4,323,289</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 124,073	\$ 1,196,293	\$ 1,320,366
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	403,831	403,831
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	823	(14,101)	(13,278)
Increase (decrease) in accounts payable	27,909	(6,295)	21,614
Increase in due to other funds	25,394	222,563	247,957
Increase in unearned revenue	<u>192,721</u>	<u>-</u>	<u>192,721</u>
Net cash provided by operating activities	<u>\$ 370,920</u>	<u>\$ 1,802,291</u>	<u>\$ 2,173,211</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City, which was incorporated in 2012, operates under a charter adopted July 1, 2012, as a municipal corporation governed by an elected mayor and a six-member council. The government provides such services as code enforcement, building and zoning, housing and development and public works.

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

The Downtown Development Authority of the City of Peachtree Corners (the “DDA”) has been included as a blended component unit in the accompanying financial statements. Although it is legally separate from the City, it is reported as a capital project fund in the City’s financial statements. A voting majority of the DDA’s governing body is appointed by the City. The DDA does not have the power to levy taxes or determine its own aggregate budget without the approval of the City, and the sole purpose of the DDA is to construct certain City facilities and to account for their subsequent activities. Financial information with regard to the component unit can be obtained from the DDA’s administrative offices at 310 Technology Parkway, Peachtree Corners, Georgia 30092. Separate financial statements for the DDA are not prepared.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. Government-wide financial statements do not provide information by fund, but distinguish between the City’s governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City’s capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. As such, property tax revenues are recognized in the current fiscal year for the previous tax year's levy. For tax year 2018, the City levied taxes using a zero millage rate. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The City reports the following major governmental funds:

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

The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures relating to the City's 2014 and 2017 Special Purpose Local Option Sales Tax agreements.

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

The City reports the following major enterprise funds:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

D. Budgets

Formal budgetary accounting is employed as a management control device for the funds of the City. The governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual operating budget is adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund. A project length budget is adopted for capital projects funds. During the fiscal period ended June 30, 2019, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedule. All appropriations lapse at fiscal year end. The City does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

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

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

F. Receivables

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

G. Interfund Receivables and Payables

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Capital Assets

Capital assets, which include infrastructure and machinery and equipment, are reported in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

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

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

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

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

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

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

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

M. Fund Equity

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

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment, also through a resolution.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balances remains with the City Council.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

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

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

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

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

For purposes of calculating net investment in capital assets for Governmental Activities, the amount of \$31,398,362 as shown in the financial statements was determined by taking capital assets (\$39,154,073) less total outstanding capital related Certificates of Participation debt of \$7,355,000 and retainage payable of \$400,711. The City had no unspent bond proceeds at June 30, 2019. Bonds payable in the amount of \$7,175,000 were used to purchase land held for redevelopment which is recorded at cost and not included in capital assets. Therefore, the amount of bonds payable is not included in the calculation of net investment in capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Use of Estimates

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$14,917,515 difference are as follows:

Certificate of participation	\$ (7,355,000)
Bonds payable	(7,175,000)
Accrued interest	(235,429)
Compensated absences	<u>(152,086)</u>
Net adjustment to decrease fund balance - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (14,917,515)</u>

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$10,312,699 difference are as follows:

Capital outlay	\$ 11,174,707
Depreciation expense	<u>(862,008)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ 10,312,699</u></u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$53,587 difference are as follows:

Compensated absences	\$ (43,633)
Accrued interest	<u>(9,954)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ (53,587)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

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

B. Excess Expenditures Over Appropriations

For the period ended June 30, 2019 expenditures of the executive, general administration, general buildings and ground, public information, community development and debt service – principal exceeded their appropriations by \$10,218, \$118,978, \$244, \$35,991, \$93,742 and \$90,000 respectively. The excess of expenditures over budget were primarily funded by greater than anticipated revenues.

NOTE 4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2019, the City had deposits with three (3) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the City had deposits with one (1) financial institution that were collateralized by pledged securities, as defined above, such that all of the City's bank balances were insured and collateralized as defined by GASB and State statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The City contracts with Gwinnett County to bill and collect property taxes. The taxes, if billed, would be due in a single installment on October 15 based on the assessed value of property as listed on the previous January 1 and were due 60 days following the billing date each year. Property taxes are recorded as receivables and unavailable revenues when levied as they are intended to fund that fiscal year. Revenues are recognized when available. The City elected not to bill any taxes on real property for the fiscal year ended June 30, 2019.

Receivables at June 30, 2019, for the City's individual major funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>SPLOST</u>	<u>Stormwater</u>	<u>Solid Waste</u>
Receivables:				
Accounts	\$ 322,362	\$ -	\$ 14,101	\$ 4,658
Other governments	-	603,146	-	-
Less allowance for uncollectible	-	-	-	3,639
Net total receivable	<u>\$ 322,362</u>	<u>\$ 603,146</u>	<u>\$ 14,101</u>	<u>\$ 1,019</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2019 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 1,022,278	\$ 526,700	\$ -	\$ 1,548,978
Construction in progress	13,858,127	5,665,755	(16,341,571)	3,182,311
Total	<u>14,880,405</u>	<u>6,192,455</u>	<u>(16,341,571)</u>	<u>4,731,289</u>
Capital assets, being depreciated:				
Machinery and equipment	2,168,746	352,995	(559,226)	1,962,515
Buildings	6,856,301	2,107,575	14,007,311	22,971,187
Infrastructure	6,396,257	55,087	2,893,486	9,344,830
Improvements	243,124	2,466,595	-	2,709,719
Total	<u>15,664,428</u>	<u>4,982,252</u>	<u>16,341,571</u>	<u>36,988,251</u>
Less accumulated depreciation for:				
Machinery and equipment	(305,397)	(196,828)	-	(502,225)
Buildings	(174,754)	(278,823)	-	(453,577)
Infrastructure	(1,222,633)	(371,495)	-	(1,594,128)
Improvements	(675)	(14,862)	-	(15,537)
Total	<u>(1,703,459)</u>	<u>(862,008)</u>	<u>-</u>	<u>(2,565,467)</u>
Total capital assets being depreciated, net	<u>13,960,969</u>	<u>4,120,244</u>	<u>16,341,571</u>	<u>34,422,784</u>
Governmental activities capital assets, net	<u>\$ 28,841,374</u>	<u>\$ 10,312,699</u>	<u>\$ -</u>	<u>\$ 39,154,073</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>	
Business-type activities:				
Capital assets, being depreciated:				
Infrastructure	\$ 12,525,834	\$ 818,852	\$ 13,344,686	
Total	<u>12,525,834</u>	<u>818,852</u>	<u>13,344,686</u>	
Less accumulated depreciation for:				
Infrastructure	(1,828,192)	(403,831)	(2,232,023)	
Total	<u>(1,828,192)</u>	<u>(403,831)</u>	<u>(2,232,023)</u>	
Business-type activities capital assets, net	<u>\$ 10,697,642</u>	<u>\$ 415,021</u>	<u>\$ 11,112,663</u>	

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 490,513
Public works	<u>371,495</u>
Total depreciation expense - governmental activities	<u><u>\$ 862,008</u></u>
Business-type activities:	
Stormwater	\$ 403,831
Total depreciation expense - business-type activities	<u><u>\$ 403,831</u></u>

NOTE 7. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity for the year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bond -					
direct placement	\$ 7,175,000	\$ -	\$ -	\$ 7,175,000	\$ 380,000
Certificates of participation	8,000,000	-	(645,000)	7,355,000	435,000
Compensated absences	<u>108,453</u>	<u>83,743</u>	<u>(40,110)</u>	<u>152,086</u>	<u>45,626</u>
Governmental activity					
Long-term liabilities	<u><u>\$ 15,283,453</u></u>	<u><u>\$ 83,743</u></u>	<u><u>\$ (685,110)</u></u>	<u><u>\$ 14,682,086</u></u>	<u><u>\$ 860,626</u></u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bond – Direct Placement

In February 2018, the Downtown Development Authority issued a taxable revenue bond on behalf of the City in the amount of \$7,175,000 at an interest rate of 3.25%. Through an intergovernmental agreement between the City and Downtown Development Authority, the City has agreed to make the debt service payments on the bond. The net proceeds from the bond were used to purchase land held for economic development purposes of the City. The Series 2018 direct placement bonds contain a provision that if the Authority is unable to make payment, outstanding amounts are due immediately. The debt service requirements to maturity are as follows:

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 380,000	\$ 227,013	\$ 607,013
2021	390,000	214,500	604,500
2022	405,000	201,581	606,581
2023	415,000	188,256	603,256
2024	430,000	174,525	604,525
2025-2029	2,375,000	649,594	3,024,594
2030-2034	2,780,000	231,563	3,011,563
	<u>\$ 7,175,000</u>	<u>\$ 1,887,032</u>	<u>\$ 9,062,032</u>

Certificates of Participation

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

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 435,000	\$ 230,623	\$ 665,623
2021	450,000	212,632	662,632
2022	470,000	192,293	662,293
2023	490,000	171,703	661,703
2024	510,000	150,256	660,256
2025-2029	2,500,000	552,821	3,052,821
2030-2033	2,500,000	141,543	2,641,543
	<u>\$ 7,355,000</u>	<u>\$ 1,651,871</u>	<u>\$ 9,006,871</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. OPERATING LEASES

The City has also entered into an operating lease for the lease of office space in City Hall. Total payments received for the lease were \$417,292 for the fiscal year ended June 30, 2019. The future minimum lease payments to be received for this lease is as follows:

Year Ending June 30,		
2020	\$	438,506
2021		547,183
2022		563,615
2023		580,639
2024		597,999
2025		256,013
Total	\$	2,983,955

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of due to/from other funds as of June 30, 2019 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Solid Waste Fund	\$ 28,758
General Fund	Stormwater	191,950
General Fund	Downtown Development Authority	3,954
Downtown Development Authority	Stormwater	52,844
Downtown Development Authority	SPLOST	223,810
		\$ 501,316

The interfund balance between the General Fund and Downtown Development Authority is the result of disbursements paid by the General Fund on behalf of the Downtown Development Authority that have not been reimbursed as of June 30, 2019. The interfund balance between the General Fund and Solid Waste fund is for money the Solid Waste Fund collects on behalf of the City for trash collection charges that was not received by the General Fund as of June 30, 2019. The interfund balance between the General Fund and Stormwater Fund is the result of disbursements paid by the General Fund on behalf of the Stormwater Fund that have not been paid back as of June 30, 2019. The interfund balance between the Downtown Development Authority and the Stormwater Fund is the result of disbursements paid by the Downtown Development Authority on behalf of the Stormwater Fund that have not been paid back as of June 30, 2019. Additionally, the interfund balance between the Downtown Development Authority and SPLOST fund is the result of disbursements paid by the Downtown Development Authority on behalf of the SPLOST Fund that have not been paid back as of June 30, 2019. Interfund balances are due to the timing of year end and the actual payments and receipts between the funds.

NOTES TO FINANCIAL STATEMENTS

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

The composition of interfund transfers for the year ended June 30, 2019 is as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Stormwater Fund	General Fund	\$ 191,950
Solid Waste Fund	General Fund	27,500
General Fund	SPLOST Fund	339,996
General Fund	Downtown Development Authority	2,748,257
SPLOST Fund	Downtown Development Authority	223,810
Stormwater Fund	Downtown Development Authority	52,843
		<u>\$ 3,584,356</u>

Transfers are used to move unrestricted funds from the General Fund to the SPLOST Fund to supplement SPLOST projects in the SPLOST Fund. Transfers are used to move unrestricted revenues from the enterprise funds to the General Fund to support operations in the General Fund. Transfers are used to move unrestricted funds from the General Fund and Stormwater Fund to the Downtown Development Authority Fund to fund a capital outlay project being constructed by the City in the Downtown Development Authority Fund. Transfers are also used to move funds from the SPLOST Fund to the Downtown Development Authority Fund to fund capital outlay projects approved in the 2017 SPLOST referendum for sidewalk paving.

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

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

The City has entered into several public/private contractual partnerships for outsourced services and operations. Through these contracts with the private companies, an array of operational services is provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to the cost of providing these services in-house. Currently, the cost of these contracts is approximately \$5,589,814 annually. The total is derived from the following contracts: CH2MHill \$3,063,964, Optech \$887,594, InterDev \$117,456, Sophicity \$142,614, Waste Management \$763,391 and Waste Pro \$614,795.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED CONTRIBUTION RETIREMENT PLAN

The City of Peachtree Corners' defined contribution retirement plan is a single employer defined contribution plan established and administered by the Georgia Municipal Association ("GMA") for all City employees. At June 30, 2019, there were 4 plan members. The City contributes 12% of eligible employees' base salary and matches 100% for each dollar of employee contributions up to 5% of the employee's salary. Employees are not required to contribute to the Plan. Employees are eligible and fully vested immediately upon entering the Plan. Plan provisions and contribution requirements are established and may be amended by the City's Council. For the fiscal year ending June 30, 2019, contributions to the Plan were \$64,899 by the employees and \$101,536 by the City.

NOTE 12. JOINT VENTURE

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

NOTE 13. RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

CITY OF PEACHTREE CORNERS, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Motor vehicle taxes	\$ 300,000	\$ 650,000	\$ 728,251	\$ 78,251
Franchise taxes	3,500,000	3,590,000	3,702,272	112,272
Business taxes	2,650,000	3,348,000	3,511,286	163,286
Insurance premium taxes	2,500,000	2,723,935	2,723,935	-
Other taxes	679,000	715,000	761,398	46,398
Licenses and permits	1,145,000	1,275,968	1,508,645	232,677
Fines and forfeitures	8,000	3,857	7,594	3,737
Intergovernmental	-	1,885,750	1,876,630	(9,120)
Investment income	500	850	857	7
Miscellaneous	278,000	418,080	500,212	82,132
Total revenues	<u>11,060,500</u>	<u>14,611,440</u>	<u>15,321,080</u>	<u>709,640</u>
Expenditures:				
Current:				
General government:				
Legislative	111,061	111,061	84,418	26,643
Executive	567,979	602,829	613,047	(10,218)
City clerk	346,325	376,850	335,423	41,427
General administration	1,469,000	2,011,000	2,129,978	(118,978)
Financial administration	456,646	486,811	459,828	26,983
Legal	225,000	345,000	328,531	16,469
General buildings and ground	1,252,132	4,031,132	4,031,376	(244)
Public information	576,104	626,104	662,095	(35,991)
Total general government	<u>5,004,247</u>	<u>8,590,787</u>	<u>8,644,696</u>	<u>(53,909)</u>
Public Works	<u>1,743,153</u>	<u>1,643,818</u>	<u>1,603,306</u>	<u>40,512</u>
Community development				
Community development	793,131	943,481	1,037,223	(93,742)
Code enforcement	442,900	442,900	442,900	-
Protective inspection administration	633,450	633,450	633,450	-
Planning and zoning	246,300	246,300	246,300	-
Total community development	<u>2,115,781</u>	<u>2,266,131</u>	<u>2,359,873</u>	<u>(93,742)</u>
Debt service:				
Principal	555,000	555,000	645,000	(90,000)
Interest	461,125	461,125	252,824	208,301
Total debt service	<u>1,016,125</u>	<u>1,016,125</u>	<u>897,824</u>	<u>118,301</u>
Total expenditures	<u>9,879,306</u>	<u>13,516,861</u>	<u>13,505,699</u>	<u>11,162</u>
Other financing sources (uses):				
Transfers in	131,400	219,450	219,450	-
Transfers out	(2,500,000)	(2,745,000)	(3,088,253)	(343,253)
Total other financing sources (uses)	<u>(2,368,600)</u>	<u>(2,525,550)</u>	<u>(2,868,803)</u>	<u>(343,253)</u>
Net change in fund balance	(1,187,406)	(1,430,971)	(1,053,422)	377,549
Fund balance, beginning of year	8,947,460	8,947,460	8,947,460	-
Fund balance, end of year	<u>\$ 7,760,054</u>	<u>\$ 7,516,489</u>	<u>\$ 7,894,038</u>	<u>\$ 377,549</u>

STATE SECTION



CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

CITY OF PEACHTREE CORNERS, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2019

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2014 SPLOST Program:					
Transportation Projects	\$ 19,970,315	\$ 19,970,315	\$ 17,099,878	\$ 415,313	\$ 17,515,191
Total 2014 SPLOST Fund expenditures for the year ended June 30, 2019				\$ 415,313	
2017 SPLOST Program:					
Transportation Projects	\$ 37,557,816	\$ 36,250,000	\$ 1,788,786	\$ 4,589,245	\$ 6,378,031
Transfers to Downtown Development Authority for approved SPLOST capital projects				(223,810)	
Transfers in from other funds to offset project costs				339,996	
Total 2017 SPLOST Fund expenditures for the year ended June 30, 2019				\$ 4,705,431	
Total SPLOST Fund expenditures for the year ended June 30, 2019				\$ 5,120,744	

Note: The transfer made from the SPLOST Fund to the Downtown Development Authority is to move SPLOST proceeds to the Downtown Development Authority for capital outlay expenditures incurred during the year related to a capital project approved in the voter approved 2017 SPLOST referendum.

STATISTICAL SECTION



CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

STATISTICAL SECTION

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

Page

Financial Trends..... 43

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

Revenue Capacity 47

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

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

Debt Capacity 50

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

Demographic and Economic Information..... 53

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

Operating Information 55

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City's first year of incorporation was 2013; schedules presented include information beginning in that year.

CITY OF PEACHTREE CORNERS, GEORGIA

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:							
Net investment in capital assets	\$ 31,398,362	\$ 19,665,011	\$ 10,019,701	\$ 16,937,513	\$ 16,964,506	\$ 17,617,500 (1)	\$ 73,355
Restricted	16,305,525	24,029,342	22,548,883	10,242,980	6,153,466	1,679,194	-
Unrestricted	7,532,811	1,488,047	3,042,824	9,483,434	6,151,991	7,299,535	3,466,350
Total governmental activities net position	<u>\$ 55,236,698</u>	<u>\$ 45,182,400</u>	<u>\$ 35,611,408</u>	<u>\$ 36,663,927</u>	<u>\$ 29,269,963</u>	<u>\$ 26,596,229</u>	<u>\$ 3,539,705</u>
Business-type activities:							
Net investment in capital assets	\$ 11,112,663	\$ 10,697,642	\$ 11,103,907	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,022,705	2,389,653	303,607	214,840	152,285	31,984	-
Total business-type activities net position	<u>\$ 14,135,368</u>	<u>\$ 13,087,295</u>	<u>\$ 11,407,514</u>	<u>\$ 214,840</u>	<u>\$ 152,285</u>	<u>\$ 31,984</u>	<u>\$ -</u>
Primary government:							
Net investment in capital assets	\$ 42,511,025	\$ 30,362,653	\$ 21,123,608	\$ 16,937,513	\$ 16,964,506	\$ 17,617,500	\$ 73,355
Restricted	16,305,525	24,029,342	22,548,883	10,242,980	6,153,466	1,679,194	-
Unrestricted	10,555,516	3,877,700	3,346,431	9,698,274	6,304,276	7,331,519	3,466,350
Total primary government net assets	<u>\$ 69,372,066</u>	<u>\$ 58,269,695</u>	<u>\$ 47,018,922</u>	<u>\$ 36,878,767</u>	<u>\$ 29,422,248</u>	<u>\$ 26,628,213</u>	<u>\$ 3,539,705</u>

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

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

CITY OF PEACHTREE CORNERS, GEORGIA

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

	2019	2018	2017	2016	2015	2014	2013
Expenses							
Governmental activities:							
General government	\$ 6,580,944	\$ 5,209,278	\$ 2,605,719	\$ 3,902,482	\$ 4,903,523	\$ 2,495,125	\$ 1,054,211
Public works	3,432,436	3,657,463	2,624,129	3,741,601	3,415,879	618,244	-
Housing and development	2,499,823	2,100,069	2,036,045	1,504,682	4,873,257	968,196	608,330
Interest on long-term debt	475,238	537,112	348,795	318	958	1,523	1,993
Total governmental activities expenses	<u>12,988,441</u>	<u>11,503,922</u>	<u>7,614,688</u>	<u>9,149,083</u>	<u>13,193,617</u>	<u>4,083,088</u>	<u>1,664,534</u>
Business-type activities:							
Solid waste	1,387,232	1,227,963	1,228,517	1,237,324	1,157,119	616,337	307,081
Stormwater	1,661,169	1,065,870	-	-	-	-	-
Total business-type activities expenses	<u>3,048,401</u>	<u>2,293,833</u>	<u>1,228,517</u>	<u>1,237,324</u>	<u>1,157,119</u>	<u>616,337</u>	<u>307,081</u>
Total primary government expenses	<u>\$ 16,036,842</u>	<u>\$ 13,797,755</u>	<u>\$ 8,843,205</u>	<u>\$ 10,386,407</u>	<u>\$ 14,350,736</u>	<u>\$ 4,699,425</u>	<u>\$ 1,971,615</u>
Program revenues							
Governmental activities:							
Charges for services:							
General government	\$ 1,140,911	\$ 550,601	\$ 530,939	\$ 404,620	\$ 371,106	\$ 330,275	\$ 122,323
Housing and development	875,540	947,529	744,185	655,604	618,159	627,142	201,449
Operating grants and contributions	36,630	90,510	40,841	50,500	131,610	16,252	128,785
Capital grants and contributions	9,289,365	6,828,012	6,442,363	6,196,928	6,065,266	1,550,469	-
Total governmental activities program revenues	<u>11,342,446</u>	<u>8,416,652</u>	<u>7,758,328</u>	<u>7,307,652</u>	<u>7,186,141</u>	<u>2,524,138</u>	<u>452,557</u>
Business-type activities:							
Charges for services:							
Solid waste	1,511,305	1,306,364	1,317,284	1,299,879	1,275,180	647,278	-
Stormwater	2,857,462	2,667,250	-	-	-	-	-
Total business-type activities program revenues	<u>4,368,767</u>	<u>3,973,614</u>	<u>1,317,284</u>	<u>1,299,879</u>	<u>1,275,180</u>	<u>647,278</u>	<u>-</u>
Total program revenues	<u>\$ 15,711,213</u>	<u>\$ 12,390,266</u>	<u>\$ 9,075,612</u>	<u>\$ 8,607,531</u>	<u>\$ 8,461,321</u>	<u>\$ 3,171,416</u>	<u>\$ 452,557</u>
Net (expense)/revenue							
Governmental activities	\$ (1,645,995)	\$ (3,087,270)	\$ 143,640	\$ (1,841,431)	\$ (6,007,476)	\$ (1,558,950)	\$ (1,211,977)
Business-type activities	1,320,366	1,679,781	88,767	62,555	118,061	30,941	(307,081)
Total primary government	<u>\$ (325,629)</u>	<u>\$ (1,407,489)</u>	<u>\$ 232,407</u>	<u>\$ (1,778,876)</u>	<u>\$ (5,889,415)</u>	<u>\$ (1,528,009)</u>	<u>\$ (1,519,058)</u>
General Revenues and Other Changes in Net Position							
Governmental activities:							
Taxes							
Motor vehicle taxes	\$ 728,251	\$ 559,032	\$ 849,532	\$ 1,056,930	\$ 756,524	\$ 660,859	\$ 2,004,463
Franchise taxes	3,702,272	4,994,280	3,220,188	3,053,324	3,028,563	3,281,768	361,907
Business taxes	3,511,286	3,430,487	2,606,672	2,567,228	2,396,689	2,451,150	2,245,322
Other taxes	3,485,333	3,572,639	2,741,913	2,555,514	2,495,463	482,579	139,673
Investment income	858	1,708	180,353	2,399	3,971	8,815	211
Miscellaneous revenues	-	100,116	270,603	-	-	-	106
Special item - donation of infrastructure at incorporation	-	-	-	-	-	17,730,303	-
Transfers	272,293	-	-	-	-	-	-
Total governmental activities	<u>11,700,293</u>	<u>12,658,262</u>	<u>9,869,261</u>	<u>9,235,395</u>	<u>8,681,210</u>	<u>24,615,474</u>	<u>4,751,682</u>
Business-type activities:							
Investment income	-	-	-	-	2,240	1,043	-
Transfers	(272,293)	-	-	-	-	-	-
Total business-type activities	<u>(272,293)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,240</u>	<u>1,043</u>	<u>-</u>
Total primary government	<u>\$ 11,428,000</u>	<u>\$ 12,658,262</u>	<u>\$ 9,869,261</u>	<u>\$ 9,235,395</u>	<u>\$ 8,683,450</u>	<u>\$ 24,616,517</u>	<u>\$ 4,751,682</u>
Change in Net Position							
Governmental activities	\$ 10,054,298	\$ 9,570,992	\$ 10,012,901	\$ 7,393,964	\$ 2,673,734	\$ 23,056,524	\$ 3,539,705
Business-type activities	1,048,073	1,679,781	88,767	62,555	120,301	31,984	(307,081)
Total primary government	<u>\$ 11,102,371</u>	<u>\$ 11,250,773</u>	<u>\$ 10,101,668</u>	<u>\$ 7,456,519</u>	<u>\$ 2,794,035</u>	<u>\$ 23,088,508</u>	<u>\$ 3,232,624</u>

CITY OF PEACHTREE CORNERS, GEORGIA

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund							
Nonspendable - Prepaids	\$ 369,309	\$ 275,156	\$ 66,833	\$ 23,069	\$ 22,176	\$ 15,071	\$ 3,398
Restricted	-	-	6,977,722	-	-	-	-
Unassigned	<u>7,524,729</u>	<u>8,672,304</u>	<u>491,803</u>	<u>12,712,468</u>	<u>9,362,173</u>	<u>7,343,335</u>	<u>3,490,383</u>
Total general fund	<u>\$ 7,894,038</u>	<u>\$ 8,947,460</u>	<u>\$ 7,536,358</u>	<u>\$ 12,735,537</u>	<u>\$ 9,384,349</u>	<u>\$ 7,358,406</u>	<u>\$ 3,493,781</u>
All Other Governmental Funds							
Nonspendable:							
Prepaids	\$ -	\$ 3,954	\$ 3,954	\$ -	\$ -	\$ -	\$ -
Restricted:							
Capital projects funds	<u>23,106,102</u>	<u>22,898,540 (1)</u>	<u>25,141,358 (1)</u>	<u>10,242,980</u>	<u>6,153,466</u>	<u>1,679,194</u>	<u>-</u>
Total all other governmental funds	<u>\$ 23,106,102</u>	<u>\$ 22,902,494</u>	<u>\$ 25,145,312</u>	<u>\$ 10,242,980</u>	<u>\$ 6,153,466</u>	<u>\$ 1,679,194</u>	<u>\$ -</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues							
Taxes	\$ 11,427,142	\$ 12,556,438 (3)	\$ 9,418,305	\$ 9,232,996	\$ 8,677,239	\$ 6,880,381	\$ 4,747,340
Licenses and permits	1,508,645	1,439,684	1,270,861	1,051,717	982,359	942,425	323,772
Intergovernmental	9,240,565 (4)	6,890,558	6,476,754	6,246,928	6,170,876	1,566,721	128,785
Fines and forfeitures	7,594	4,080	4,263	8,507	6,906	14,992	-
Contributions	-	15,000	-	500	26,000	-	-
Investment income	86,288	14,672	186,803	2,399	3,971	8,815	211
Miscellaneous	500,212	154,482	270,603	-	-	-	106
Total revenues	<u>22,770,446</u>	<u>21,074,914</u>	<u>17,627,589</u>	<u>16,543,047</u>	<u>15,867,351</u>	<u>9,413,334</u>	<u>5,200,214</u>
Expenditures							
Current:							
General government	8,644,696	9,570,418 (1)	9,082,273 (1)	3,837,772	4,867,436	2,610,537	1,117,524
Public works	1,603,306	1,791,515	1,939,000	1,647,176	2,773,950	285,000	-
Housing and development	7,413,523	13,949,204 (2)	2,036,045	1,504,682	1,719,968	968,196	600,982
Capital outlay	5,120,744 (4)	3,415,754	2,599,912	2,107,414	-	-	-
Debt service:							
Principal	645,000	-	-	4,983	4,824	4,259	332
Interest	465,284	354,739	305,693	318	958	1,523	1,993
Total expenditures	<u>23,892,553</u>	<u>29,081,630</u>	<u>15,962,923</u>	<u>9,102,345</u>	<u>9,367,136</u>	<u>3,869,515</u>	<u>1,720,831</u>
Excess of revenues over expenditures	<u>(1,122,107)</u>	<u>(8,006,716)</u>	<u>1,664,666</u>	<u>7,440,702</u>	<u>6,500,215</u>	<u>5,543,819</u>	<u>3,479,383</u>
Other Financing Sources (Uses)							
Issuance of long term debt	-	7,175,000	8,000,000	-	-	-	14,398
Transfers in	3,584,356	971,788	19,552,648	-	-	128,725	-
Transfers out	<u>(3,312,063)</u>	<u>(971,788)</u>	<u>(19,552,648)</u>	<u>-</u>	<u>-</u>	<u>(128,725)</u>	<u>-</u>
Total other financing sources (uses)	<u>272,293</u>	<u>7,175,000</u>	<u>8,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,398</u>
Net change in fund balances	<u>\$ (849,814)</u>	<u>\$ (831,716)</u>	<u>\$ 9,664,666</u>	<u>\$ 7,440,702</u>	<u>\$ 6,500,215</u>	<u>\$ 5,543,819</u>	<u>\$ 3,493,781</u>
Debt service as a percentage of noncapital expenditures	8.7%	3.3%	3.1%	0.1%	0.1%	0.2%	0.1%

(1) Increase compared to prior year is due to the real estate acquisition for the future site of city hall.

(2) Increase compared to prior year is due to the real estate acquisition for economic development.

(3) Increase in franchise taxes and business and occupational taxes compared to prior year is due to a field audit conducted by the City that identified additional billings.

(4) Increase in intergovernmental revenues compared to prior year is due to receipt of Economic Adjustment Assistance grant.

CITY OF PEACHTREE CORNERS, GEORGIA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST SEVEN FISCAL YEARS
(in thousands)**

Digest Year	Real Property				Personal Property			Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Other (1)	Motor Vehicle	Utility	Heavy Equipment					
2012	\$ 982,746,640	\$ 967,179,560	\$ 132,431,540	\$ 1,362,720	\$ -	\$ -	\$ -	\$ 339,402,058	\$ 1,744,318,402	0.85	\$ 4,360,796,005	40%
2013	960,398,520	1,003,379,990	96,296,280	1,218,720	8,578,480	-	14,950	310,859,307	1,759,027,633	0.00	4,397,569,083	40%
2014	1,081,474,320	1,052,132,670	100,453,050	1,218,720	81,803,230	47,081,600	46,400	1,840,140	2,362,369,850	0.00	5,905,924,625	40%
2015	1,094,769,440	1,036,650,850	98,134,300	1,231,200	58,116,720	31,366,160	34,670	2,002,065	2,318,301,275	0.00	5,795,753,188	40%
2016	1,158,198,550	1,101,984,720	77,299,460	1,231,200	44,619,270	28,325,240	31,200	2,326,608	2,409,363,032	0.00	6,023,407,580	40%
2017	1,236,564,120	1,165,705,010	82,220,010	1,231,200	33,274,600	26,430,800	105,530	2,473,334	2,543,057,936	0.00	6,357,644,840	40%
2018	1,321,620,820	1,143,955,790	92,372,510	734,400	22,949,320	25,460,600	118,910	2,520,060	2,604,692,290	0.00	6,511,730,725	40%

Source: Gwinnett County Tax Commissioner

(1) Reflects agricultural, conservation use, and brownfield.

CITY OF PEACHTREE CORNERS, GEORGIA

**PRINCIPAL FRANCHISE TAXPAYERS
CURRENT AND SIX YEARS AGO**

Franchise Taxpayer	2019			2013		
	Revenue	Rank	Percentage of Total Revenue	Revenue	Rank	Percentage of Total Revenue
Georgia Power	\$ 2,569,200	1	69.40 %	\$ 314,833	1	87.83 %
Atlanta Gas Light	389,703	2	10.53			
Comcast	239,920	3	6.48			
Bellsouth	177,825	4	4.80			
Waste Management	158,674	5	4.29	21,827	2	6.09
Zayo Group	56,124	6	1.52			
Advanced Disposal	21,914	7	0.59			
American Disposal Service of Georgia	6,775	8	0.18	814	4	0.23
Google	1,525	9	0.04			
Waste Eliminator	357	10	0.01			
Republic Services				20,997	3	5.86
Totals	<u>\$ 3,622,017</u>			<u>\$ 358,471</u>		

Source: Peachtree Corners Finance Department

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

CITY OF PEACHTREE CORNERS, GEORGIA

**FRANCHISE TAX RATES
LAST SEVEN CALENDAR YEARS**

Calendar Year	Telecommunication	Cable	Electric	Solid Waste
2013	3%	5%	3%	5%
2014	3%	5%	3%	5%
2015	3%	5%	3%	5%
2016	3%	5%	3%	5%
2017	3%	5%	3%	5%
2018	3%	5%	3%	5%
2019	3%	5%	4%	10%

Source: Peachtree Corners Finance Department

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

CITY OF PEACHTREE CORNERS, GEORGIA

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

Fiscal Period Ended June 30,	Governmental Activities			Total	Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable Direct Placement	Certificates of Participation	Capital Lease Payable			
2013	\$ -	\$ -	\$ 14,066	\$ 14,066	0.02 %	\$ 0.37
2014	-	-	9,807	9,807	0.02	0.26
2015	-	-	4,983	4,983	0.01	0.13
2016	-	3,153,289	-	3,153,289	4.83	73.72
2017	-	8,000,000	-	8,000,000	12.25	187.03
2018	7,175,000	8,000,000	-	15,175,000	22.80	350.72
2019	7,175,000	7,355,000	-	14,530,000	21.72	333.95

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF PEACHTREE CORNERS, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of June 30, 2019**

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping debt			
Gwinnett County GO Bonds, Leases Payable ⁽¹⁾	\$ 103,549,000	7 %	\$ 7,248,430
Gwinnett County Board of Education GO Bonds, Certificates of Participation ⁽²⁾	<u>1,259,293,321</u>	7 %	<u>88,150,532</u>
Total overlapping debt	<u>1,362,842,321</u>		<u>95,398,962</u>
City of Peachtree Corners direct debt	<u>14,530,000</u>	100 %	<u>14,530,000</u>
Total direct and overlapping debt	<u>\$ 1,377,372,321</u>		<u>\$ 109,928,962</u>

(1) Gwinnett County Comprehensive Annual Financial Report for December 31, 2018

(2) Gwinnett County Board of Education Comprehensive Annual Financial Report for June 30, 2018

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

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

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

CITY OF PEACHTREE CORNERS, GEORGIA

**LEGAL DEBT MARGIN INFORMATION
LAST SEVEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed Value	\$ 2,604,692,290	\$ 2,543,057,936	\$ 2,409,363,032	\$ 2,318,301,275	\$ 2,362,369,850	\$ 1,759,027,633	\$ 1,744,318,402
Add back: exempt real property	2,520,060	2,473,334	2,326,608	2,002,065	1,840,140	310,859,307	339,402,058
Total assessed value	<u>\$ 2,607,212,350</u>	<u>\$ 2,545,531,270</u>	<u>\$ 2,411,689,640</u>	<u>\$ 2,320,303,340</u>	<u>\$ 2,364,209,990</u>	<u>\$ 2,069,886,940</u>	<u>\$ 2,083,720,460</u>
Debt Limit - 10% of Assessed Value	<u>\$ 260,721,235</u>	<u>\$ 254,553,127</u>	<u>\$ 241,168,964</u>	<u>\$ 232,030,334</u>	<u>\$ 236,420,999</u>	<u>\$ 206,988,694</u>	<u>\$ 208,372,046</u>
Amount of Debt Applicable to Debt Limit:							
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Available in Debt Service Fund	-	-	-	-	-	-	-
Net Debt Applicable to Debt Limit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Legal Debt Margin	<u>\$ 260,721,235</u>	<u>\$ 254,553,127</u>	<u>\$ 241,168,964</u>	<u>\$ 232,030,334</u>	<u>\$ 236,420,999</u>	<u>\$ 206,988,694</u>	<u>\$ 208,372,046</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

CITY OF PEACHTREE CORNERS, GEORGIA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST SEVEN FISCAL YEARS**

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2013	38,006	\$ 65,319	\$ 1,719	33.2	4,230	2.2 %
2014	38,006	65,319	1,719	38.6	4,272	4.3
2015	38,006	65,319	1,719	37.9	4,189	5.4
2016	42,773	65,319	1,527	35.2	3,371	2.6
2017	42,773	65,319	1,527	34.8	3,317	4.0
2018	43,268	66,553	1,538	36.1	3,198	3.3
2019	43,509	66,905	1,538	36.1	3,149	3.0

(1) Source: U. S. Bureau of Labor Statistics

(2) Source: Gwinnett County Board of Education (High School Enrollment Only)

(3) Bureau of Labor Statistics July, 2018

Note: 2019 population, per capita, and personal income are estimates based on past regional trends.

Note: School enrollment is based on beginning of school year.

CITY OF PEACHTREE CORNERS, GEORGIA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO**

Employer	2019			2013		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
Comcast	682	1	1.59 %			
Immucor Inc.	421	2	0.98	495	4	1.40 %
Crawford & Company	395	3	0.92			
Professional Career Development Institute	350	4	0.81			
One Diversified, LLC	315	5	0.73			
Centuries Communities of Georgia	310	6	0.72			
ACI Worldwide Corp	302	7	0.70	285	9	0.81
Siemens Industry Inc.	263	8	0.61			
NetPlanner Systems	248	9	0.58			
EMS Defense & Space	246	10	0.57			
The Network Inc.				950	1	2.69
All Risks Ltd.				725	2	2.05
Phoenix Corporation				585	3	1.66
Career Builder LLC				420	5	1.19
Fiserv				292	6	0.83
Fleetcor Technologies Operating				290	7	0.82
Technical Innovation LLC				287	8	0.81
Pond & Company				225	10	0.64
Totals	<u>3,532</u>		<u>8.21 %</u>	<u>4,554</u>		<u>12.88 %</u>

(1) Source: 2014 & 2019 individual employer's business license filing

(2) Source: U. S. Bureau of Labor Statistics

CITY OF PEACHTREE CORNERS, GEORGIA

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

Function	2019	2018	2017	2016	2015	2014	2013
General government	10	9	7	7	6	6	3
Judicial	1	1	1	1	1	1	-
Public works							
Highways and streets	17	16	9	9	9	2	-
Housing and development	10	10	9	9	7	5	3
Total	38	36	26	26	23	14	6

Source: City of Peachtree Corners Human Resources Department

Note: Fiscal year 2014 is the City's first full year of operations. The 2013 period was only 6 months. The City is gradually taking over the services provided to its citizens by Gwinnett County, which results in changes to the number of employees.

CITY OF PEACHTREE CORNERS, GEORGIA

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

Function	2019	2018	2017	2016	2015	2014	2013
General government							
Ordinances approved	21	27	12	27	25	11	20
Special events held	12	9	2	2	2	2	2
Court cases	9	10	-	47	31	86	-
Bond rating	NA	NA	NA	NA	NA	NA	NA
Software applications supported	9	8	7	7	7	7	6
Grants managed	3	4	3	2	3	1	1
Public works							
Average days to repair pothole	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days	24 hr- emg/ 3 days
Housing and development							
Stormwater plans reviewed	12	90	50	23	24	23	17
New building permits issued	1,337	1,141	436	1,102	1,027	1,115	649
Parcels annexed	-	-	-	-	-	-	-

Sources: Various City and County departments.

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

CITY OF PEACHTREE CORNERS, GEORGIA

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

Function/Program	2019	2018	2017	2016	2015	2014	2013
Public Works							
Streets (miles)	121	121	121	121	121	121	-
Stormwater Pipe (feet)	260,338	260,338	252,874	252,874	252,874	252,874	-
Stormwater Structures	3,928	3,928	3,816	3,816	3,816	3,816	-
General Government							
Land (acres)	13.37	4.35	4.35	-	-	-	-
Buildings							
Owned	2	1	1	-	-	-	-
Leased	1	1	1	1	1	1	1
Machinery & Equipment							
Owned	2	2	2	2	1	1	1
Leased	9	9	9	5	2	2	2

Source: Various City departments.

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

INTERNAL CONTROL & COMPLIANCE SECTION



CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Peachtree Corners Georgia (the “City”) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated November 26, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 26, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Peachtree Corners Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 26, 2019

FEDERAL SECTION



CITY OF PEACHTREE CORNERS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

CITY OF PEACHTREE CORNERS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF COMMERCE			
Economic Development Cluster			
Economic Adjustment Assistance Program	11.307	04-79-07309	\$ 1,840,000
Total Economic Development Cluster			<u>1,840,000</u>
Total U.S. Department of Commerce			<u>1,840,000</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Federal Emergency Management Agency	97.036	FEMA-4338-DR-GA	36,630
Total U.S. Department of Homeland Security			<u>36,630</u>
Total Expenditures of Federal Awards			<u>\$ 1,876,630</u>

See accompanying note to schedule of expenditures of federal awards.

PEACHTREE CORNERS, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2019

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

The City did not utilize the 10% de minimus indirect cost rate.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

CITY OF PEACHTREE CORNERS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Type of auditor's report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major federal programs:

CFDA Number
11.307

Name of Federal Program or Cluster
Economic Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

CITY OF PEACHTREE CORNERS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

CITY OF PEACHTREE CORNERS, GEORGIA

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

None reported

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

SUMMARY OF BOND RESOLUTION AND LEASE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

SUMMARY OF BOND RESOLUTION AND LEASE AGREEMENT

The following is a summary of certain provisions of the Bond Resolution and the Lease Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Bond Resolution and the Lease Agreement, a copy of each is on file in the office of the Secretary of the Authority.

BOND RESOLUTION

Definition of Certain Terms

“2018 Project” means the public facility projects financed with the proceeds of the Series 2018 Bonds, consisting of certain real property.

“Additional Bonds” means any revenue bonds of the Authority ranking on a parity with the Series 2020 Bonds which may hereafter be issued pursuant to the Bond Resolution.

“Authority” means the City of Peachtree Corners Public Facilities Authority and its successors and assigns.

“Bond Registrar” means initially U.S. Bank National Association, Atlanta, Georgia, its successors and assigns or any successor commercial bank or banks appointed by the Authority and approved by the City to serve as bond registrar, in accordance with the terms of the Bond Resolution and any supplemental resolution, for any series of Bonds secured by the Bond Resolution.

“Bond Resolution” means the Bond Resolution of the Authority adopted on September 22, 2020, as supplemented by a Supplemental Resolution, adopted by the Authority on October 27, 2020, and as same may be supplemented from time to time.

“Bondholders” and “owners” mean the registered owners of the outstanding Bonds.

“Bonds” means the Series 2020 Bonds and any Additional Bonds authorized by and issued pursuant to the Bond Resolution.

“City” means the City of Peachtree Corners, Georgia and its successors or assigns.

“City Hall Project” means the public facility projects financed with the proceeds of Installment Sale Agreement, dated May 5, 2017 (the “Installment Sale Agreement”), with the Georgia Municipal Association, Inc., a Georgia nonprofit corporation, under its Bricks and Mortar Program, consisting of certain real property and the renovation of the facilities located thereon to be used as a new city hall building for the City.

“Code” means the Internal Revenue Code of 1986, as amended and any applicable regulations thereunder.

“Fiscal Year” means the period commencing on the 1st day of July in each calendar year and extending through the 30th day of June of the following year, or such other period as shall hereafter be adopted by the City as provided in the Bond Resolution.

“Government Obligations” means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and the interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par by anyone other than the holder.

“Interest Payment Date” means the 1st day of each January and July of each year, commencing January 1, 2021.

“Lease Agreement” means the Lease Agreement, dated as of November 1, 2020, between the Authority and the City, with respect to the Projects, as the same from time to time may be amended.

“Lease Payments” means the payments which are to be received by the Authority pursuant to the Lease Agreement, which are equal to the amounts sufficient to enable the Authority to pay the principal of and interest on the Bonds as the same become due, whether at maturity or by proceedings for mandatory redemption; provided, however, the City shall receive a credit against any required Lease Payment to the extent moneys are on deposit in the Sinking Fund and available to pay the principal of, premium, if any, and interest on the Bonds coming due on the next succeeding January 1 and July 1, as the case may be. In addition to the foregoing, each Lease Payment shall include (a) the payment of charges for paying the Bonds and interest thereon and the charges for the registration of the Bonds secured thereby and their transfer or exchange in accordance with the terms thereof; and (b) the payment of any charges for investment services, including, but not limited to the fees of the custodians and depositories, and any deficit in any preceding Lease Payment.

“Paying Agent” means initially U.S. Bank National Association, Atlanta, Georgia, its successors and assigns, or any successor commercial bank or banks appointed by the Authority and approved by the City to serve as paying agent, in accordance with the terms of the Bond Resolution and any supplemental resolution, for any series of Bonds secured by the Bond Resolution.

“Permitted Investments” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of Authority funds:

(1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

(2) Bonds or obligations of such county, municipal corporation, school district, political subdivision, authority, or body or bonds or obligations of the State of Georgia or other states or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

(3) Bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(4) 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;

(5) 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 the 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;

(6) Certificates of deposit of national or state banks located within this state 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 this state 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 such bond proceeds. 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 this state or with a trust office within this state, 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 of any City or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in (3) above, obligations of the agencies and instrumentalities of the United States government described in (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (5) above;

(7) 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 (3) and (4) 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

(8) 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 moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

(9) any other investments authorized by the laws of the State of Georgia.

“Projects” mean the City Hall Project and the 2018 Project.

“Series 2020 Bonds” mean the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020A Bonds” mean the \$4,420,000 in aggregate principal amount of City of Peachtree Corners Public Facilities Authority Refunding Revenue Bonds (Public Facilities Project), Series 2020A authorized to be issued pursuant to the Bond Resolution.

“Series 2020B Bonds” means the \$8,105,000 in aggregate principal amount of City of Peachtree Corners Public Facilities Authority Taxable Refunding Revenue Bonds (Public Facilities Project), Series 2020B authorized to be issued pursuant to the Bond Resolution.

“Sinking Fund” shall mean the City of Peachtree Corners Public Facilities Authority Sinking Fund – City of Peachtree Corners Public Facilities Project created pursuant to the Bond Resolution and authorized to be maintained pursuant to the Bond Resolution.

“Sinking Fund Custodian” means initially U.S. Bank National Association, Atlanta, Georgia and its successors and assigns, or any successor sinking fund custodian hereafter appointed by the Authority and approved by the City; provided, however, the Sinking Fund Custodian shall at all times be a commercial bank or trust company.

“Sinking Fund Investments” shall mean (a) obligations of the United States and its agencies and instrumentalities, (b) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation, provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation 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, and (c) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated.

“Sinking Fund Year” shall mean the period commencing on the 2nd day of July in each year and extending through the 1st day of July in the next year.

General Provisions

Liens. The Authority shall not create, or permit to be created, any charge, lien or encumbrance or any security interest in or on the Lease Payments and the Lease Agreement ranking prior to or equal with said lien on the Lease Payments and the Lease Agreement created to secure payment of the Bonds.

Pledge of Lease Agreement and Lease Payments. The Lease Agreement and the Lease Payments are pledged to the payment of the Bonds, and the Lease Agreement and the Lease Payments so pledged will immediately be subject to the lien of this pledge without any physical delivery thereof or further acts, and the lien of this pledge will be valid and binding against the Authority and the City and against all parties having claims of any kind against them, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice hereof.

Creation of Sinking Fund; Investment of Moneys. There is a special trust fund for the benefit of the owners of the Bonds designated as “City of Peachtree Corners Public Facilities Authority Sinking Fund – City of Peachtree Corners Public Facilities Project” (the “Sinking Fund”). There will be paid into the Sinking Fund, on or prior to January 1 and July 1 of each year, commencing January 1, 2021, the amount required to pay the Lease Payments. The Lease Payments made by the City pursuant to the Lease Agreement (except payments required pursuant to the Bond Resolution for (a) the payment of charges for paying the Bonds and interest thereon and the charges for the registration of the Bonds secured thereby and their transfer or exchange in accordance with the terms thereof; and (b) the payment of any charges for investment services, including, but not limited to the fees of the custodians and depositories) shall be deposited directly into the Sinking Fund. Moneys deposited in the Sinking Fund shall be used to pay the principal of and interest on the Bonds when due, whether at maturity or by proceedings for mandatory redemption.

The Sinking Fund will be kept as a trust account for the benefit of the owners of the Bonds separate from other deposits of the Authority and the City. Moneys on deposit in the Sinking Fund will be invested only in Sinking Fund Investments upon the written direction of the City. Any such securities will be held by the Sinking Fund Custodian for the account of the Sinking Fund until maturity or until sold. Except as provided in the Bond Resolution, at the maturity or upon such sale, the proceeds received therefrom, including interest income and premium, if any, shall be immediately deposited into the Sinking Fund and shall be disbursed in the manner and for the purposes set forth in the Bond Resolution.

Events of Default; Remedies

Events of Default. Each of the following events is an “Event of Default”: (a) payment of the principal of any of the Bonds will not be made when the same becomes due and payable, at maturity or by proceedings for mandatory redemption or optional redemption; or (b) payment of any installment of interest will not be made when the same becomes due and payable; or (c) the Authority shall, for any reason, be rendered incapable of fulfilling its obligations under the Bond Resolution; or (d) the Authority makes a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in the Bond Resolution, on the part of the Authority to be performed, and such default will continue for thirty (30) days after written notice, specifying such default and requiring same to be remedied, will have been given to the Authority by any Bondholder; provided, however, if the default stated in the notice cannot be corrected within such 30-day period, it shall not be a default hereunder if the Authority shall institute corrective action and diligently pursue it until the default is cured; or (e) an event of default occurs under the Lease Agreement.

Remedies. Upon the happening and continuance of any Event of Default, then and in every such case any Bondholder may proceed, for the equal benefit of all owners, to protect and enforce the rights of the Bondholders by a suit, action or special proceedings in equity, or at law, either for the appointment of a receiver of the Projects as authorized by the Revenue Bond Law, or for the special performance of any covenant or agreement contained in the Bond Resolution or in aid or execution of any power granted in the Bond Resolution, or for the enforcement of any proper legal or equitable remedy as such Bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Restoration. In case any proceeding taken by any Bondholder on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondholder, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondholders shall continue as though no such proceedings had been taken.

Equal Benefit. No one, or more, owners of the Bonds secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at laws or in equity shall be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

Nonexclusivity of Remedies. No remedy herein conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

No Waiver. No delay or omission of any Bondholder to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such default or be construed as an acquiescence therein and every power and remedy given by this Article to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Supplemental Bond Resolutions

The Authority may, with the approval of the owners of at least 51% in aggregate principal amount of the Bonds then outstanding, adopt such resolution or resolutions supplemental to the Bond Resolution as deemed necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Bond Resolution or in any supplemental resolution or in the Bonds; provided, however, that nothing contained in the Bond Resolution shall permit, or be construed as permitting: (a) the extension of the maturity of any Bond issued hereunder; (b) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (c) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental resolution; (d) the creation of any lien on the Lease Payments or the Lease Agreement prior to or superior to the lien created as the security for the payment of the Bonds. A modification or amendment of the provisions with respect to the Sinking Fund is not to be deemed a change in the terms of payment.

Nothing contained in the Bond Resolution, however, shall be construed as making necessary the approval by the Bondholders of any resolution not inconsistent with the terms and provisions of the Bond Resolution or any resolution adopted (a) in connection with the issuance of one or more series of Series 2020 Bonds in accordance with the terms of this Bond Resolution; (b) to cure any ambiguity or formal defect or omission in the Bond Resolution or in any supplemental proceedings, (c) to provide for the issuance of Additional Bonds in accordance with the terms of the Bond Resolution (including without limitation the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the Authority), (d) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders by the Authority, (e) to further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof, (f) to modify, amend or supplement the Bond Resolution or any proceedings supplemental hereto in such manner as to permit the qualification of the Bond Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect, (g) to make any modifications or amendment of the Bond Resolution required in order to make the Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of the Bonds in book-entry form, (h) to modify any provisions of this Bond Resolution in any respect provided that such modification shall not be effective until after the Bonds outstanding immediately prior to the effective date of such supplemental resolution shall cease to be outstanding or constitute a majority of all Bonds and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings shall contain a specific reference to the modifications contained in any such subsequent proceedings, or (i) to make any other changes that in the opinion of counsel are not materially adverse to the interests of the bondholders.

Additional Bonds

No other bonds or obligations of any kind or nature will hereafter be issued which are payable from or enjoy a lien on the Lease Payments prior to the lien created for the payment of the Series 2020 Bonds.

The Bond Resolution expressly provides, however, that Additional Bonds or obligations may be issued ranking as to lien on the Lease Payments on a parity with the Series 2020 Bonds, provided the following conditions are met:

- (a) There shall be no default in the payment of principal of or interest on any Bond currently existing.
- (b) An amendment to the Lease Agreement shall have been entered into between the Authority and the City to ensure payment by the City of amounts sufficient to pay the principal of and interest on the Additional Bonds proposed to be issued as the same become due and payable.
- (c) The Authority shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings, among other things, the date such Additional Bonds shall bear, the rate or rates of interest and maturity dates, as well as the registration and redemption provisions, if any. The interest on the Additional Bonds of any such issue shall fall due on January 1 and July 1 of each year, and the Additional Bonds shall mature in installments on July 1, but, as to principal, not necessarily in each year or in equal installments. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of the Bond Resolution.

Defeasance

If (a) the Authority shall pay or cause to be paid to the Bondholders the principal of and the interest to become due on the Bonds at the times and in the manner stipulated therein and in the Bond Resolution, (b) all fees, charges and expenses of the Paying Agent, Bond Registrar, depositories and custodians have been paid or provision for such payment has been made, and (c) the Authority will keep, perform and observe all of its agreements in the Bonds and the Bond Resolution expressed as to be kept, performed and observed by it or on its part, then the rights granted in the Bond Resolution will cease, determine and be discharged.

The Bonds will be deemed to be paid within the meaning of the Bond Resolution if (a) sufficient moneys will have been irrevocably deposited with the Paying Agent to pay the same when they become due, (b) there shall have been irrevocably deposited with the Paying Agent moneys or Government Obligations, which, without any reinvestment thereof or of the interest thereon, will produce moneys sufficient (as evidenced by an opinion or report of an independent certified public accountant or firm thereof) to pay the same when they become due (whether upon or prior to the stated maturity or the redemption date of the Bonds); provided, however, that if any of the Bonds are to be redeemed prior to its stated maturity, notice of such redemption will have been given as provided in the Bond Resolution or irrevocable arrangements satisfactory to the Paying Agent have been made for the giving thereof.

LEASE AGREEMENT

Representations by the Authority

Under the Lease Agreement, the Authority makes no representation as to the financial position or business condition of the City and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications with respect to the City in connection with the sale of the Series 2020 Bonds, or as to the correctness, completeness or accuracy of such statements.

Issuance of Series 2020 Bonds; Application of Bond Proceeds

Under the terms of the Lease Agreement, the Authority has agreed to issue the Series 2020 Bonds and apply the proceeds from the sale thereof as provided in the Bond Resolution, as supplemented by the Supplemental Resolution.

Duration of Term; Lease Payments

The Lease Agreement became effective as of November 1, 2020 and the leasehold interests created by the Lease Agreement shall then begin, and, subject to the other provisions of the Lease Agreement, shall expire on the later of (a) July 1, 2033, or if at said time and on said date the Series 2020 Bonds have not been paid in full as to principal and interest then on such date as such payment shall have been made, or (b) the date the Series 2020 Bonds have been paid in full, but in no event in excess of fifty (50) years from the date of the Lease Agreement (the "Lease Term").

Pursuant to the Lease Agreement, on or prior to January 1 and July 1 of each year, commencing January 1, 2021, the City will make the Lease Payments with respect to the Series 2020 Bonds to the Authority. The Lease Payments will be made by payment directly to the Sinking Fund Custodian for deposit into the Sinking Fund (except as described in the Bond Resolution).

The obligations of the City to make the Lease Payments when due, and to perform its other obligations under the Lease Agreement, are absolute and unconditional general obligations of the City. Under the Lease Agreement, the City pledges its full faith and credit and taxing power, subject to the mileage limitation provided below, to such payment and performance. In the event the amount of funds lawfully available to the City is not sufficient to pay the Lease Payments when due in any year, the City will levy an ad valorem tax, at such rate or rates, not to exceed one mill per dollar (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters in the City by referendum), 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, as may be necessary to produce in each calendar year revenues which will be sufficient to fulfill the City's obligations under the Lease Agreement. From such revenues there will be appropriated sums sufficient to pay in full when due the obligations contracted to be paid by the City including specifically the obligation to make the Lease Payments. Pursuant to the Lease Agreement, the City creates a lien on any and all revenues realized by it pursuant to its taxing power pledged under the Lease Agreement to enable it to make the Lease Payments required pursuant to the Lease Agreement and such lien is superior to any that can hereafter be made; provided, however, the City may create a lien on a parity with the lien created in the Lease Agreement with the issuance of Additional Bonds.

Pursuant to the Lease Agreement, the City further covenants and agrees that in order to make funds available for such purpose, it will, in its general revenue, appropriation and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such Lease Payments that may be required to be made, whether or not any other sums are included in such measure, until all payments so required to be made will have been made in full. The obligation of the City to make the Lease Payments will constitute a general obligation of the City and a pledge of the full faith and credit of the City, subject to the mileage limitation provided above, to provide the funds required to fulfill such obligation; provided, however, nothing contained in the Lease Agreement will be construed as limiting the right of the City to pay the obligations assumed out of its general funds or from other sources lawfully available to it for such purpose.

In the event for any reason any such provision or appropriation is not made as provided in the preceding paragraph, then the fiscal officers of the City are authorized and directed to set up as an appropriation on their accounts in the appropriate fiscal year the amounts required to pay the obligations which may be due from the general funds of the City. The amount of such appropriation will be due and payable and will be expended for the purpose of paying any such obligations, and such appropriation will have the same legal status as if the City had included the amount of the appropriation in its general revenue, appropriation and budgetary measures, and the fiscal officers of the City will make such Lease Payments to the Sinking Fund Custodian for deposit to the Sinking Fund if for any reason the payment of such obligations will not otherwise have been made.

Covenants

Maintenance and Operation of the Projects. Under the Lease Agreement, the City shall operate and maintain the Projects or cause the Projects to be operated and maintained economically, efficiently and in accordance with good business practices and in compliance with the terms of the laws, regulations and ordinances of any federal, state or county government having jurisdiction over the operation of such facilities.

Operating Expenses. The City shall pay or cause to be paid the reasonable and necessary costs of operating, maintaining and repairing the Projects, including salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Projects, cost of materials and supplies, rentals (excluding Lease Payments) of leased property, real or personal, insurance premiums, audit fees, any incidental expenses and such other charges as may properly be made for the purpose of operating, maintaining and repairing the Projects in accordance with sound business practice. The City shall also carry insurance with respect to the Projects, of such type and in such amounts as is customarily obtained for a similar project, with a responsible insurance company or companies authorized and qualified to do business in the State.

Liens; Easements; Subleases; Sale of Assets.

The City shall not create or suffer to be created, any lien, security interest or charge on the Projects, or any part thereof, and it shall pay, or cause to be discharged, or it shall make adequate provisions to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Projects, or any part thereof; provided, however, that nothing contained in the Lease Agreement shall require the City to pay, or cause to be discharged, or make provision for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

The City may grant or cause to be granted, whether to itself or otherwise, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Projects, or the City may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the Projects with or without consideration. In connection with any such grant, the Authority and the City agree that they shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or assent.

The Authority, at the direction of the City, may sell, sublease or give away all or a portion of the Projects. Prior to such conveyance, the Authority and the City shall obtain an opinion of nationally recognized bond counsel to the effect that such sale or lease will not adversely affect the tax status of any Series 2020A Bonds as provided in the Bond Resolution.

Use of Proceeds and Specific Tax Covenants.

The Series 2020A Bonds were issued by the Authority in compliance with the conditions necessary for interest income on the Series 2020A Bonds to be excluded from gross income for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code relating to obligations of the State or political subdivisions thereof. It is the intention of the Authority and the City that the interest on the Series 2020A Bonds be and remain excludable from gross income for federal income tax purposes, and, to that end, the Authority and the City hereby covenant with the Bondholders as follows:

(a) That they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the tax exempt status of interest on the Series 2020A Bonds under Section 103 of the Code.

(b) That they will not directly or indirectly use or permit the use of any of the proceeds of the Series 2020A Bonds or take or omit to take any action in a way that would cause the Series 2020A Bonds to be (i) “private activity bonds” within the meaning of Section 141 of the Code or (ii) obligations which are “federally guaranteed” within the meaning of Section 149(b) of the Code.

(c) That they will not directly or indirectly use or permit the use of any proceeds of the Series 2020A Bonds or any other funds of the City or take or omit to take any action that would cause the Series 2020A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end, the City will comply with all requirements of Section 148 of the Code and any regulations promulgated thereunder to the extent applicable to the City. In the event that at any time the City or the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held under the Bond Resolution, the Authority and the City shall take such action as may be necessary to effect the same.

Arbitrage Covenants.

Neither the Authority nor the City shall, subsequent to the date of the issuance and delivery of the Series 2020A Bonds, intentionally use any portions of the proceeds of the Series 2020A Bonds to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as may otherwise be permitted by the Code, including, but not limited to, complying with the requirements of Section 148(f) of the Code and the payment of rebate, if any, required to be made by the Authority, and that they will expend the proceeds of the Series 2020A Bonds in compliance with the applicable provisions of Section 141 to 149, inclusive, of the Code.

Events of Default, Remedies

The following shall be “events of default” under the Lease Agreement and the terms “event of default” or “default” shall mean, whenever they are used in the Lease Agreement, any one or more of the following events:

(a) Failure by the City to make the Lease Payments required to be paid pursuant to the Lease Agreement at the times specified therein;

(b) The City shall fail to perform any of the other agreements, conditions, covenants or terms herein required to be performed by the City and such default shall continue for a period of 30 days after written notice has been given to the City by the Authority, the Paying Agent or the Bondholders specifying such default and requesting that it be remedied, or within a greater number of days if such remedy has been undertaken and is being diligently pursued and more than 30 days is required for its completion; provided, however, that if, by reason of force majeure, the City is unable, in whole or in part, to perform the obligations on its part herein undertaken (other than the obligations relating to the Lease Payments), the City shall not be deemed in default during the continuance of such inability to perform. The term force majeure shall mean, without limitation, acts of God; strikes; work stoppages or similar disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes, fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery or equipment; partial or entire failure of utilities, or any other cause or event not reasonably within the control of the City. The City will use its best efforts, however, to remedy, with all reasonable dispatch, the cause or causes preventing the City from carrying out such obligation; provided, that the settlement of strikes, work stoppages and similar disturbances shall be entirely within the discretion of the City and the City shall not be required to make settlement of such disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the City, unfavorable to the City; or

- (c) An “event of default” shall have occurred under the Bond Resolution.

Notwithstanding the foregoing, a breach of the covenant contained in the Lease Agreement regarding complying with the City’s obligations under Rule 15c2-12 shall not be deemed an event of default under the Lease Agreement, and the sole remedy shall be an action to compel performance.

Remedies. Whenever any “event of default” will have happened and be subsisting, the nondefaulting party, or the Bondholders as provided in the Bond Resolution, may take any one or more of the following remedial steps:

- (a) The Authority or the Bondholders may seek the appointment of a receiver for the Projects;
- (b) The Authority or the Bondholders may require the City to furnish copies of all books and records of the City pertaining to the Projects;
- (c) The Authority or the Bondholders may required any depository under the Bond Resolution to turn over to the Sinking Fund Custodian any moneys held in any of the funds created pursuant to the Bond Resolution;
- (d) The Authority or the Bondholders may take whatever action at law or in equity may appear necessary or desirable to collect the Lease Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under the Lease Agreement; and
- (e) The Bondholders may exercise any remedies provided for in the Bond Resolution.

Any amounts collected pursuant to action taken under the Contact shall be applied in accordance with the Bond Resolution to the extent the provisions of the Bond Resolution relate to such amounts.

No Remedy Exclusive. No remedy conferred under the Lease Agreement upon or reserved to the Authority or the Bondholders is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Bondholders to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice or notices as may be herein expressly required. Such rights and remedies as are given to the Authority hereunder shall also extend to the Bondholders, and the Bondholders shall be deemed third party beneficiaries of all covenants and agreements herein contained.

No Waiver of Breach. In the event any agreement contained in the Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Lease Agreement.

Failure to Enforce Agreement Not a Waiver. The failure of the Authority or the Bondholders to enforce any agreement, condition, covenant or term by reason of any default or breach by the City shall not be deemed to void or affect the right to enforce the same agreement, condition, covenant or term on the occasion of any subsequent default or breach.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Peachtree Corners, Georgia (the “City”) in connection with the issuance of \$4,420,000 in aggregate principal amount of City of Peachtree Corners Public Facilities Authority Refunding Revenue Bonds (Public Facilities Project), Series 2020A (the “Series 2020A Bonds”) and \$8,105,000 in aggregate principal amount of City of Peachtree Corners Public Facilities Authority Taxable Refunding Revenue Bonds (Public Facilities Project), Series 2020B (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Bonds”). The Bonds are being issued pursuant to a resolution of the City of Peachtree Corners Public Facilities Authority (the “Authority”), adopted on September 22, 2020, as supplemented on October 27, 2020 (collectively, the “Bond Resolution”). The City hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners (as herein defined) of the Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any of the Bonds for federal income tax purposes.

“Dissemination Agent” means Digital Assurance Certification, L.L.C. (DAC), Atlanta, Georgia, or its successor in interest, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Market Access System, as described in Securities Exchange Act of 1934, Act Release No. 34-59062, which receives electronic submissions of the Annual Report on the EMMA website at <http://www.emma.msrb.org>.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the next calendar year.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto. Currently, the MSRB’s address is:

MSRB
1900 Duke Street, Suite 600
Alexandria, VA 22314
Attn: Disclosure

“Participating Underwriter” shall mean Stephens Inc.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) Not later than 270 days after the end of the Fiscal Year, commencing with Fiscal Year 2020, the City shall provide, or cause the Dissemination Agent (if other than the City) to provide, an Annual Report electronically to EMMA. The Annual Report will be made to EMMA as PDF files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In each case, 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 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the City may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the City shall include unaudited financial statements in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements will be submitted. The audited financial statements when available will be provided to EMMA.

(b) Not later than 15 business days prior to the date specified in paragraph (a) of this Section 3 for providing the Annual Report to EMMA, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide an Annual Report by the date required in paragraph (a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall also:

(i) determine each year prior to the date for providing the Annual Report, the manner of filing with EMMA; and

(ii) (if the Dissemination Agent is other than the City) file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to EMMA.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) If audited financial statements are not yet available, the unaudited financial statements of the City, and when audited financial statements are available, the audited financial statements of the City, both such types of financial statements to be prepared in conformity with generally accepted accounting principles, as in effect from time to time.

(b) If the accounting principles changed from the previous fiscal year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) A statement indicating that the fiscal year has not changed, or, if the fiscal year has changed, a statement indicating the new fiscal year.

(d) Information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the City of the type and in the format set forth in the Official Statement under the following sections:

- (1) "THE CITY - Summary of City Debt and Overlapping Debt by Category;"
- (2) "THE CITY – Tax Supported Debt Ratios;"
- (3) "THE CITY – Limitations of City Debt;"
- (4) "THE CITY – Historical Property Tax Information;"
- (5) "THE CITY – Tax Rates - Mills;"
- (6) "THE CITY – Principal Taxpayers and Property Tax Levies and Collections;"
- (7) "THE CITY - General Fund History;" and
- (8) "THE CITY - Budget."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the City is an “obligated person” (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice to EMMA, in an electronic format as prescribed by the MSRB, of the occurrence of any of the following events with respect to the Bonds within ten business days of the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5071-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.
- (vii) Modifications to rights of the Bondholders, if material.
- (viii) Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar event of the City.
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, or the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) Incurrence of a financial obligation (defined in paragraph (b) below) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material, and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(b) For purposes of this Section 5, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as 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.

The content of any notice of the occurrence of a Listed Event shall be determined by the City and shall be in substantially the form attached as Exhibit B.

SECTION 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Bonds. The City shall notify EMMA that the City’s obligations under this Disclosure Certificate have terminated. If the City’s obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the City, and the original City shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and the City may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the City shall be the dissemination agent. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C. (DAC), or its successor in interest.

SECTION 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the City to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 5(vii) hereof shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to EMMA.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The cost to the City of performing its obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and

save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the City), and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such Counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020 Bonds.

The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The 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 has provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The 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 shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Series 2020 Bonds or any other party. The Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Series 2020 Bonds.

The 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.

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. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees).

SECTION 14. Counterparts. This Disclosure Certificate 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.

SECTION 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State.

SECTION 16. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

IN WITNESS WHEREOF, the City and the Dissemination Agent have each caused their duly authorized officers to execute this Continuing Disclosure Certificate to be effective as of the day and year so specified hereinabove.

Date: October 27, 2020

CITY OF PEACHTREE CORNERS, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

By: _____
Clerk

DIGITAL ASSURANCE CERTIFICATION, L.L.C.
as Dissemination Agent

By: _____
Its: _____

[Signatures Concluded on this Page]

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Peachtree Corners Public Facilities Authority
Name of Bond Issue: \$4,420,000 City of Peachtree Corners Public Facilities Authority Refunding Revenue Bonds (Public Facilities Project), Series 2020A; and \$8,105,000 City of Peachtree Corners Public Facilities Authority Taxable Refunding Revenue Bonds (Public Facilities Project), Series 2020B; and

CUSIP Number¹: _____

Date of Issuance: November 10, 2020

NOTICE IS HEREBY GIVEN that the City of Peachtree Corners, Georgia (the “City”) has not provided an Annual Report due with respect to the above-named Bonds as required by its Disclosure Certificate, dated October 27, 2020. The City anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

CITY OF PEACHTREE CORNERS, GEORGIA

By: _____
Mayor

¹ No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE OF THE OCCURRENCE
OF [INSERT THE LISTED EVENT]

Relating to

\$4,420,000 City of Peachtree Corners Public Facilities Authority Refunding Revenue Bonds (Public Facilities Project), Series 2020A¹; and \$8,105,000 City of Peachtree Corners Public Facilities Authority Taxable Refunding Revenue Bonds (Public Facilities Project), Series 2020B¹:

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(10) shall include the following:

The City hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The City hereby covenants not to exercise any optional or extraordinary redemption provisions under the Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the City or the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

¹ No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF BOND COUNSEL OPINION

[THIS PAGE INTENTIONALLY LEFT BLANK]


GRAY PANNELL & WOODWARD
Attorneys at Law LLP

The Realty Building
24 Drayton Street, Suite 1000
Savannah, GA 31401
(912) 443-4040

191 Peachtree Tower
191 Peachtree Road, N.E., Suite 3280
Atlanta, GA 30303
(404) 480-8899

347 W. Hancock Ave, Suite 100
Athens, Georgia 30601
(706) 510-1550

gpwlawfirm.com

November 10, 2020

City of Peachtree Corners Public Facilities Authority
Peachtree Corners, Georgia

City of Peachtree Corners, Georgia
Peachtree Corners, Georgia

U.S. Bank National Association
Atlanta, Georgia

Stephens Inc.
Atlanta, Georgia

Re: \$4,420,000 City of Peachtree Corners Public Facilities Authority Refunding Revenue Bonds (City of Peachtree Corners City Center Project), Series 2020A (the "Series 2020A Bonds"); and \$8,105,000 City of Peachtree Corners Public Facilities Authority Taxable Refunding Revenue Bonds (City of Peachtree Corners City Center Project), Series 2020 (the "Series 2020B Bonds" and, together with the Series 2020A Bonds, the "Series 2020 Bonds")

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Peachtree Corners Public Facilities Authority (the "Authority") of \$4,420,000 City of Peachtree Corners Public Facilities Authority Refunding Revenue Bonds (City of Peachtree Corners City Center Project), Series 2020A (the "Series 2020A Bonds") and \$8,105,000 City of Peachtree Corners Public Facilities Authority Taxable Refunding Revenue Bonds (City of Peachtree Corners City Center Project), Series 2020B (the "Series 2020B Bonds" and, together with the Series 2020A Bonds, the "Series 2020 Bonds"). We have examined the law and such certified proceedings, including a certified copy of the validation proceeding with respect to the Series 2020 Bonds concluded in the Superior Court of Gwinnett County, Georgia, and such papers as we deem necessary to render this opinion.

The Series 2020 Bonds are being issued pursuant to a resolution adopted by the Authority on September 22, 2020, as supplemented on October 27, 2020 (collectively, the "Bond Resolution"), for the purpose of providing funds to (i) refund the Installment Sale Agreement, dated May 5, 2017 (the "Installment Sale Agreement"), with the Georgia Municipal Association, Inc., a Georgia nonprofit corporation, under its Bricks and Mortar Program, (ii) refund the Development Authority of the City of Peachtree Corners Taxable Revenue Bond (Economic Development Project), Series 2018, in the original principal amount of \$7,175,000 (the "Series 2018 Bond"), (iii) pay the costs of issuing the Series 2020 Bonds.

The Authority and the City of Peachtree Corners, Georgia (the "City") have entered into a Lease Agreement, dated as of November 1, 2020 (the "Lease Agreement"), under which the Authority has agreed to issue

the Series 2020 Bonds to provide funds to refund the Installment Sale Agreement and the Series 2018 Bond, and the City has agreed, among other things, to pay to the Authority for its facilities and services funds sufficient to pay the principal of and interest on the Series 2020 Bonds as and when the same become due and payable (the "Lease Payments"). Under the terms of the Lease Agreement, the City has agreed to levy a tax, if necessary, at such rates, not to exceed one mill per dollar (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters in the City by referendum), on all taxable property located in the City, as may be necessary to make the Lease Payments.

The Series 2020 Bonds do not constitute a debt or a pledge of the faith and credit of the State of Georgia or any political subdivision or municipal corporation thereof, including the City. The Series 2020 Bonds shall not be payable from, nor a charge upon, any funds other than the moneys to be received from the City under the Lease Agreement and pledged to the payment thereof under the Bond Resolution. No holder of the Series 2020 Bonds shall ever have the right to compel the exercise of the taxing power of the State of Georgia or any political subdivision or municipal corporation thereof, including the City, to pay the Series 2020 Bonds or the interest thereon, except as may be authorized by law and required by the Lease Agreement and other documents related thereto, or to enforce payment thereof against any property of the State of Georgia or any political subdivision or municipal corporation thereof, including the City, nor shall the Series 2020 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the foregoing.

As to questions material to our opinion, we have relied upon representations and covenants of the Authority and the City and certified proceedings and other certifications of public officials furnished to us by or on behalf of the City or the Authority without undertaking to verify the same by independent investigation. 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.

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

1. The Authority is a duly created and validly existing public body corporate and politic with power to enter into and to perform its obligations under the Bond Resolution and the Lease Agreement, and to issue the Series 2020 Bonds.

2. The City is a municipal corporation of the State of Georgia with power to enter into and to perform its obligations under the Lease Agreement.

3. The Bond Resolution has been duly adopted by the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority.

4. The Lease Agreement has been duly authorized, executed and delivered by the Authority and the City, and constitutes a legal, valid and binding obligation of the Authority and the City, enforceable against the Authority and the City. Pursuant to the Lease Agreement, the City is obligated to levy an ad valorem property tax on all property in the City subject to such tax, if necessary, at such rates, not to exceed one mill per dollar (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters in the City by referendum), in order to pay the Lease Payments.

5. The Series 2020 Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding limited obligations of the Authority payable solely from the Lease Payments. Under the terms of the Bond Resolution, the Authority has validly pledged the Lease Agreement and the Lease Payments to the payment of the Series 2020 Bonds.

6. The interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2020A Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority and the City have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series

2020A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2020A Bonds. Based upon the representations regarding the reasonable expectations of the Authority and the City and the Authority's designation, the Series 2020A Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Code. We express no opinion with respect to any other federal income tax consequences arising with respect to the Series 2020A Bonds.

7. Under existing statutes, the interest on the Series 2020 Bonds is exempt from all present state income taxation within the State of Georgia.

We express no opinion regarding tax consequences arising with respect to the Series 2020 Bonds other than as expressly set forth herein.

The rights of the holder of the Series 2020 Bonds and the enforceability thereof and of the Bond Resolution and the Lease Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally or principles or equity applicable to the availability of specific performance or other equitable relief.

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.

This opinion letter is solely for your benefit and it is not to be used, circulated, quoted or otherwise relied upon by any other person, or by you for any other purpose, without our express written consent in each instance.

Very truly yours,

GRAY PANNELL & WOODWARD LLP

By: _____
A Partner

[THIS PAGE INTENTIONALLY LEFT BLANK]



Printed by: ImageMaster, LLC
www.imagemaster.com