

CITY OF PEACHTREE CORNERS, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

Prepared by:
City of Peachtree Corners Finance Department

INTRODUCTORY SECTION

CITY OF PEACHTREE CORNERS, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i and ii
Letter of Transmittal	iii-xiii
Certificate of Achievement for Excellence in Financial Reporting	xiv
Principal Officials	xv
Organizational Chart	xvi
FINANCIAL SECTION	
Independent Auditor's Report.....	1-4
Management's Discussion and Analysis	5-16
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position.....	17
Statement of Activities.....	18
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	19
Statement of Revenues, Expenditures, and Changes in Funds	
Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Net	
Position – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds	24
Notes to Financial Statements	25-45
Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual (GAAP Basis)	46
American Rescue Plan Act Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual (GAAP Basis)	47
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	48
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Nonmajor Governmental Funds.....	49

CITY OF PEACHTREE CORNERS, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

Page Number

FINANCIAL SECTION (Continued)

Supplementary Information: (Continued)

Schedule of Expenditures of Special Purpose Local Option Sales Tax.....	50
---	----

STATISTICAL SECTION

Net Position by Component	51
Changes in Net Position	52
Fund Balances of Governmental Funds	53
Changes in Fund Balances of Governmental Funds	54
Assessed Value and Estimated Actual Value of Taxable Property	55
Principal Franchise Taxpayers	56
Franchise Tax Rates.....	57
Ratios of Outstanding Debt by Type	58
Direct and Overlapping Governmental Activities Debt	59
Legal Debt Margin Information	60
Demographic and Economic Statistics.....	61
Principal Employers	62
Full-time Equivalent City Government Employees by Function	63
Operating Indicators by Function.....	64
Capital Asset Statistics by Function	65

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>	66 and 67
--	-----------

Independent Auditor's Report on Compliance for Each Major Federal Program

and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	68-70
--	-------

Schedule of Expenditures of Federal Awards	71
--	----

Note to Schedule of Expenditures of Federal Awards	72
--	----

Schedule of Findings and Questioned Costs.....	73 and 74
--	-----------

Schedule of Prior Year Findings.....	75
--------------------------------------	----



December 11, 2023

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

Ladies and Gentlemen:

Enclosed, please find the Annual Comprehensive Financial Report of the City of Peachtree Corners, Georgia, for the fiscal year ended June 30, 2023. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and accounts 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, 2023 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, 2023 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 auditor's 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. Positioned in the 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 twenty-second largest City in the State of Georgia and serves a population of 42,243 (2020 U.S. Census). The City's daytime population increases to more than 55,000 due to the concentration of major corporations and businesses located within the City, including Soliant Health, Carmax, Siemens Industry, and Crawford & Company. 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 a six-member City Council, 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 departments by approval of the City Manager if the total budgeted amounts do not exceed the approved appropriations by department.

LOCAL ECONOMY

The City's local economy continues to be steady. While building permit revenue was down from last year, the City's occupational taxes, which are calculated based on a business' gross receipts, outpaced the 2022 collections which resulted in overall revenues being essentially the same as last year.

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 Town Center. One can also choose to expend energy paddle boarding on the river or enjoying one of the City's many parks and green spaces. Peachtree Corners is 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 36 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 Mizuno USA, Fleetcor Technologies, Pond & Company, and Soliant.



According to the 2020 US Census estimates, there were 17,805 housing units within Peachtree Corners, with 52% recorded as home ownership and 48% recorded as tenant occupied. The median value of owner-occupied housing was \$360,100. The average household size was 2.55 people with a median household income of \$65,328.

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 to cover cost of expenditures caused by unforeseen emergencies and an additional 25% as an Opportunity Fund to fund unexpected capital projects that would result in an economic gain for the City. Excess fund balances over reserve requirements will be used in subsequent periods for pay-as-you-go capital projects and one-time non-recurring expenditures.

The City maintains a five-year capital improvement plan whereby capital needs are identified several years before funding and implementation to allow for adequate time for planning. The City uses a mix General Fund resources, financing, and the portion of a countywide, one-cent Special Purpose Local Option Sales Tax (SPLOST) we receive from the County, to fund the Capital Improvement Plan (CIP). The current five-year CIP identified over \$86.2 million in future projects with \$32.6 million being budgeted in FY 2024.

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 ten years and relies on franchise taxes, business taxes, and permitting fees to fund City services. Given the City does not assess a millage rate, economic development is a major focus for the City. The Mayor and Council recently approved a five-year Economic Development Plan that will help guide and focus us as we strive to attract, retain and grow local businesses.

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 2023.

MAJOR INITIATIVES FOR THE YEAR

Curiosity Lab at Peachtree Corners

In 2019, the City created a 1.5-mile intelligent mobility corridor in Technology Park, running from Spalding Drive to Peachtree Parkway, as an economic development initiative. Curiosity Lab is an integral part of the City's economic development strategy and has already been a factor in recruiting 2 global headquarters, bringing over 400 jobs and filling over 100,000 square feet of empty office space. The City included \$235,000 in the 2023 capital budget to make additional improvements to the testing infrastructure. In addition, the City committed \$500,000 to support operations of Curiosity Lab.



Autonomous Vehicle Test Track at Curiosity Lab at Peachtree Corners



Construction of Trail System

The City continued to make progress towards completing our master planned trail system, the Corners Connector. The FY 2023 amended budget included \$1.4 million for construction and planning of three segments: Town Center, Riverlands, and Burdell Branch. The FY 2023 amended budget also includes \$250,000 to begin acquiring land for a new trail hub. The Town Center segment will connect State Route 141 (Peachtree Pkwy) and Peachtree Corners Circle and provide a pedestrian link from both roadways to our Town Green. The Riverlands segment will be approximately 1.5 miles in length and will provide a 10'-12' multi-use trail on E. Jones Bridge Rd. from Peachtree Pkwy to Jones Bridge Park. The Burdell Branch segment will be approximately 1.0 mile in length and will wind through a wooded area near a tributary to Crooked Creek running parallel to (Peachtree Pkwy). It will connect Engineering Dr to Woodhill Dr crossing Parkway Lane and Jay Bird Alley. Upon completion, Corners Connector will have over 12 miles of trails throughout the City.



Trailhead for the Technology Park Trail segment of Corners Connector.



Town Center Improvements

The City's Town Center opened in 2019 and serves as the City's downtown. It has over 15 restaurants, retail shops, office space and townhomes that overlook the 2-plus acre Town Green park. The park is a central gathering place for the community, and hosts live outdoor concerts and seasonal events. In FY 2023, the City completed construction of a one-of-a-kind playground for ages 6+, enhanced security by adding cameras throughout the park, and began planning/designing a new dog park. The FY 2023 amended budget included \$1.2 million for these improvements.



View of one section of the new playground that opened at the City's Town Green.

Infrastructure Enhancements

The City Council has been persistent in its focus on providing the resources and support to address our infrastructure needs from paving and sidewalks to the addition of stormwater. The FY 2023 amended budget continued the progress on the capital paving plan along with significant investments into sidewalk improvements and continued the implementation of the stormwater capital improvement plan. The FY 2023 amended budget included \$2.5 million for paving of city roads, \$1 million for improvements and maintenance to the stormwater drainage system, and \$1.25 million in new sidewalks and streetlights. The City Council also included \$2.2 million for various traffic improvement projects.



Design of intersection improvement at Medlock Bridge Rd and Bush Rd



INITIATIVES FOR FUTURE YEARS

Expansion of Trail System

The City is continuing to expand the Corners Connector trail system. The FY 2024 capital budget includes \$5.4 million to continue the completion of the City's trail system. These funds will be used to complete current segments and begin planning/engineering for future ones. Upon completion, Corners Connector will have over 12 miles of trails throughout the City.

Public Works

As in previous years, Mayor and Council have focused on addressing the City's infrastructure needs from paving to sidewalks to stormwater improvements. The FY 2024 capital budget includes \$8.3 million for infrastructure improvements to roads, bridges, sidewalks, intersections, gateway improvements and traffic management. There is also \$1.0 million allocated for the maintenance and improvement of the City's stormwater drainage system.

Curiosity Lab at Peachtree Corners

The FY 2024 capital budget includes \$1.4 million to begin constructing Curiosity Corner, a multi-modal hub for e-bikes, e-scooters, and autonomous shuttles. Curiosity Corner will also include an electric vehicle charging hub with both Level 2 and Direct Current Fast Charge (DCFC) stations. The project will also add greenspace for Atlanta Technology Park employees and residents to enjoy. The City received \$500,000 from a federal grant to offset some of the costs. In addition, the FY 2024 budget includes \$870,000 for additional enhancements to the Curiosity Lab ecosystem.



Rendering of the proposed Curiosity Corner

Town Center

The Town Center and Town Green continue to be a priority for Mayor and Council. The FY 2024 budget includes \$2.4 million to complete a new dog park, construct a new custom playground for children up to the ages of 6, and other improvements as needed to continue to make the Town Center a vibrant environment for all residents and visitors to enjoy.



Rendering of new Tot Playground at Town Center



City Marshal's Office

The Mayor and Council approved the creation of a City Marshal's Office to be a resource for filling gaps in services between the City's Code Enforcement Officers and those of the Gwinnett County police Department (GCPD). The City Marshal's Office will serve as a liaison with GCPD and function as a law enforcement "force multiplier" for the City by providing law enforcement services in underserved areas as identified by the City Council and/or City Manager as well as being an additional law enforcement resource for the community on specific issues as they arise. The FY 2024 budget includes \$905,805 to fund three new positions and purchase the necessary equipment and supplies for the new marshals.

FINANCIAL POLICIES

The City has adopted a comprehensive set of financial policies that establish the framework for the administration of the City's finances. Some of the areas addressed include, but are not limited to, fund balances, debt management, cash and investment management, purchasing, and accounting practices.

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 the safety of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

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 department may be authorized by the City Manager to meet unforeseen needs if the total budgeted amounts do not exceed these appropriations by department. 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 annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the fifth consecutive year the City received the award 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 their contributions in the preparation of this report.

Respectfully submitted,

Brian Johnson
City Manager

Cory Salley
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Peachtree Corners
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

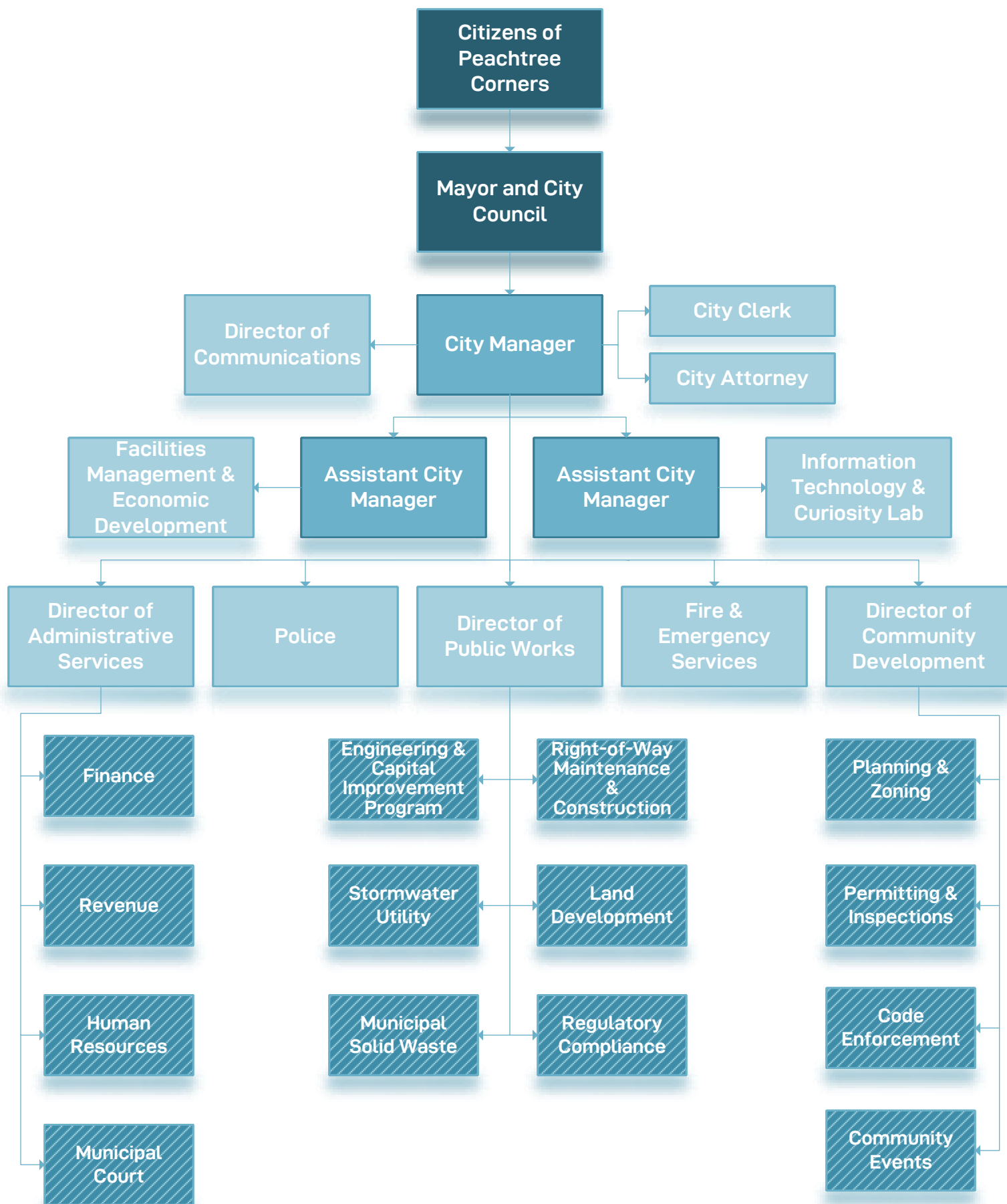
June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF PEACHTREE CORNERS, GEORGIA
PRINCIPAL OFFICIALS
JUNE 30, 2023

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



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Peachtree Corners, Georgia** (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City of Peachtree Corners, Georgia as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budget comparison information for the General Fund and American Rescue Plan Act Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedule of expenditures of special purpose local option sales tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2023

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. 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 and deferred inflows of resources at the close of the fiscal year by \$117.5 million (total net position), which represents an increase of \$13.1 million from the prior year. Of the total net position, \$36.1 million (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 \$47.6 million. This represents an increase of \$19.0 million compared to prior year, primarily due to the issuance of Series 2022 A&B revenue bonds by the Public Facilities Authority (PFA) to finance various capital projects that did not start until the end of fiscal year 2023 and the timing of capital projects in other funds.
- Total governmental fund revenues were \$33.6 million, a slight decrease of \$599,247 from the prior year. General Fund and SPLOST Fund revenues increased by \$213,349 and \$789,014, respectively, while American Rescue Plan Act (ARPA) Fund revenues decreased by \$1.75 million.
- Total governmental fund expenditures were \$25.0 million, a decrease of \$2.8 million over the prior year. We had higher expenditures in FY2022 due to the timing of capital and ARPA projects.

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 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 government-wide financial statements report City functions that are principally supported by taxes (governmental activities) separately from business-type activities. The governmental activities of the City include general government, public safety, 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 17 and 18 of this report.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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 City funds 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 six 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, American Rescue Plan Act, and SPLOST funds, which are considered 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 and the American Rescue Plan Act fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 19 through 21 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 of 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 major funds of the City.

The basic proprietary fund financial statements can be found on pages 22 through 24 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 25 through 45 of this report.

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

Required supplementary information can be found on pages 46 and 47 of this report.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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 \$117.5 million, which represents an increase of \$13.1 million over the prior year. Governmental activities comprise \$99.5 million of total net position while business-type activities make up \$18.0 million. In a condensed format, the table below summarizes the City's Net Position for 2023 and 2022.

City of Peachtree Corners Net Position June 30, 2023 and 2022						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	\$ 53,514,257	\$ 31,987,417	\$ 6,909,237	\$ 6,074,582	\$ 60,423,494	\$ 38,061,999
Capital assets, net of accumulated depreciation	74,565,096	72,179,785	12,293,829	12,026,245	86,858,925	84,206,030
Total Assets	128,079,353	104,167,202	19,203,066	18,100,827	147,282,419	122,268,029
Liabilities						
Current liabilities	7,662,925	3,500,354	1,190,669	1,260,495	8,853,594	4,760,849
Long-term liabilities	20,366,224	11,822,721	-	-	20,366,224	11,822,721
Total Liabilities	28,029,149	15,323,075	1,190,669	1,260,495	29,219,818	16,583,570
Deferred Inflows of Resources	549,160	1,253,813	-	-	549,160	1,253,813
Net Position						
Net investment in capital assets	61,154,962	58,618,434	12,143,983	11,880,215	73,298,945	70,498,649
Restricted	17,866,243	11,691,725	-	-	17,866,243	11,691,725
Unrestricted	20,479,839	17,280,155	5,868,414	4,960,117	26,348,253	22,240,272
Total net position	\$ 99,501,044	\$ 87,590,314	\$ 18,012,397	\$ 16,840,332	\$ 117,513,441	\$ 104,430,646

The largest portion of the City's net position, \$73.3 million, or 62.4%, 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 and federal programs (\$17.9 million), the remaining portion of the City's net position represents unrestricted net position of \$36.1 million, which is available to meet the ongoing obligations of the government. This amount represents 141.4% of total expenses and a 62.3% increase over the prior year.

The City's governmental activities current assets of \$53.5 million increased \$21.5 million as compared to the prior year and includes sales tax restricted for capital projects of \$16.1 million in the SPLOST Fund. Long-term liabilities of governmental activities increased from the prior year by \$8.5 million due to the issuance of new revenue bonds by the Public Facilities Authority (PFA). The City's capital assets in governmental activities are \$74.6 million which represents an increase of \$2.4 million. The City has several major projects in construction in progress, including segments of the Corners Connector trail system, enhancements to the City's facilities, and several major transportation related projects. In addition to these projects and in conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, the City was required to report right-to-use lease assets (net of accumulated depreciation) totaling \$426,186.

The City's business-type activities current assets increased \$834,655 over the prior year due to increased collections for the Solid Waste and Stormwater funds. The City's capital assets in business-type activities are \$12.3 million which represents a slight increase of \$267,584, or 2.2%. 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, 2023**

Changes in Net Position

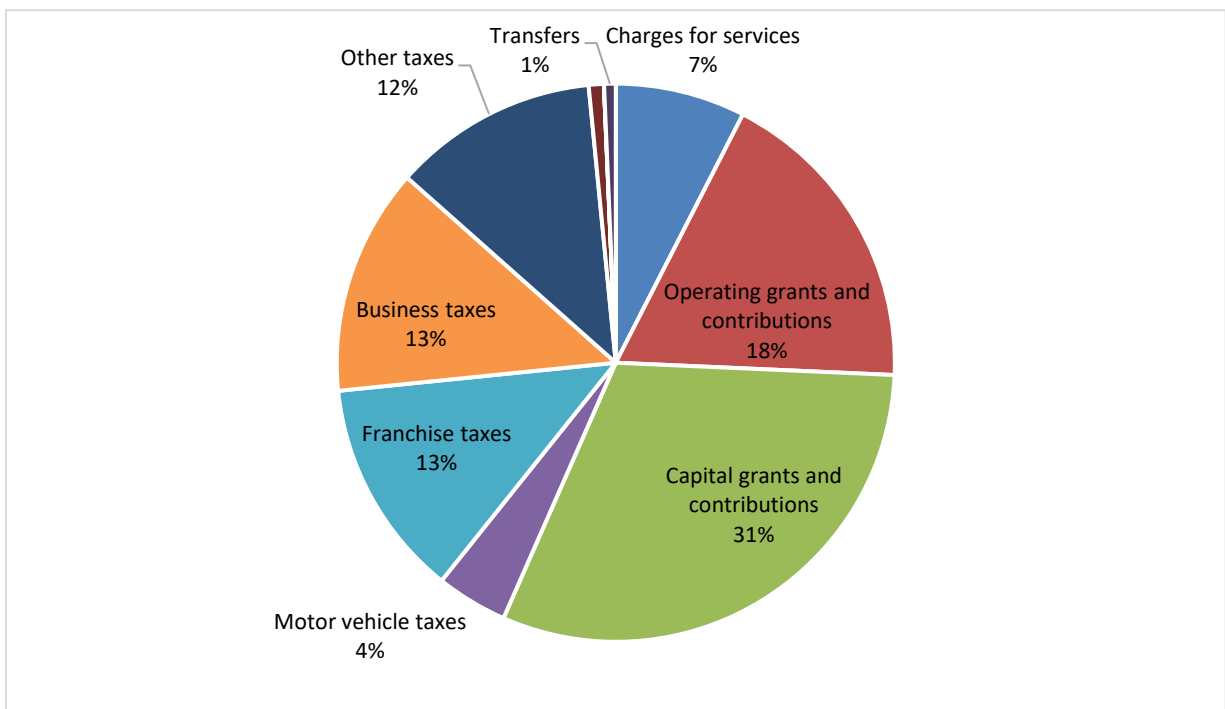
The following table shows the changes in net position for 2023 and 2022:

City of Peachtree Corners Changes in Net Position For the Years Ended June 30, 2023 and 2022						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
Program revenues:						
Charges for services	\$ 2,543,686	\$ 2,922,576	\$ 5,002,252	\$ 4,838,317	\$ 7,545,938	\$ 7,760,893
Operating grants and contributions	6,138,867	8,145,230	8,817	129,272	6,147,684	8,274,502
Capital grants and contributions	10,435,200	9,840,939	-	-	10,435,200	9,840,939
General revenues:						
Motor vehicle taxes	1,397,446	1,317,855	-	-	1,397,446	1,317,855
Franchise taxes	4,277,206	4,234,332	-	-	4,277,206	4,234,332
Business taxes	4,443,550	3,964,997	-	-	4,443,550	3,964,997
Other taxes	4,018,590	3,989,553	-	-	4,018,590	3,989,553
Investment income	295,520	42,896	47,784	11,955	343,304	54,851
Miscellaneous	2,578	-	-	-	2,578	-
Total Revenues	<u>33,552,643</u>	<u>34,458,378</u>	<u>5,058,853</u>	<u>4,979,544</u>	<u>38,611,496</u>	<u>39,437,922</u>
Expenses						
General government	14,181,982	15,209,992	-	-	14,181,982	15,209,992
Public safety	143,602	-	-	-	143,602	-
Public works	3,262,603	3,424,509	-	-	3,262,603	3,424,509
Community development	3,360,886	3,086,178	-	-	3,360,886	3,086,178
Interest on long-term debt	920,340	167,607	-	-	920,340	167,607
Solid waste	-	-	1,941,230	1,854,505	1,941,230	1,854,505
Stormwater	-	-	1,718,058	1,692,951	1,718,058	1,692,951
Total expenses	<u>21,869,413</u>	<u>21,888,286</u>	<u>3,659,288</u>	<u>3,547,456</u>	<u>25,528,701</u>	<u>25,435,742</u>
Excess (deficiency) before transfers	11,683,230	12,570,092	1,399,565	1,432,088	13,082,795	14,002,180
Transfers	<u>227,500</u>	<u>1,105,480</u>	<u>(227,500)</u>	<u>(1,105,480)</u>	<u>-</u>	<u>-</u>
Change in net position	11,910,730	13,675,572	1,172,065	326,608	13,082,795	14,002,180
Net position, beginning of year	87,590,314	74,008,214	16,840,332	16,513,724	104,430,646	90,521,938
Restatement of beginning net position	-	(93,472)	-	-	-	(93,472)
Net position, end of year	<u>\$ 99,501,044</u>	<u>\$ 87,590,314</u>	<u>\$ 18,012,397</u>	<u>\$ 16,840,332</u>	<u>\$ 117,513,441</u>	<u>\$ 104,430,646</u>

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Governmental Activities

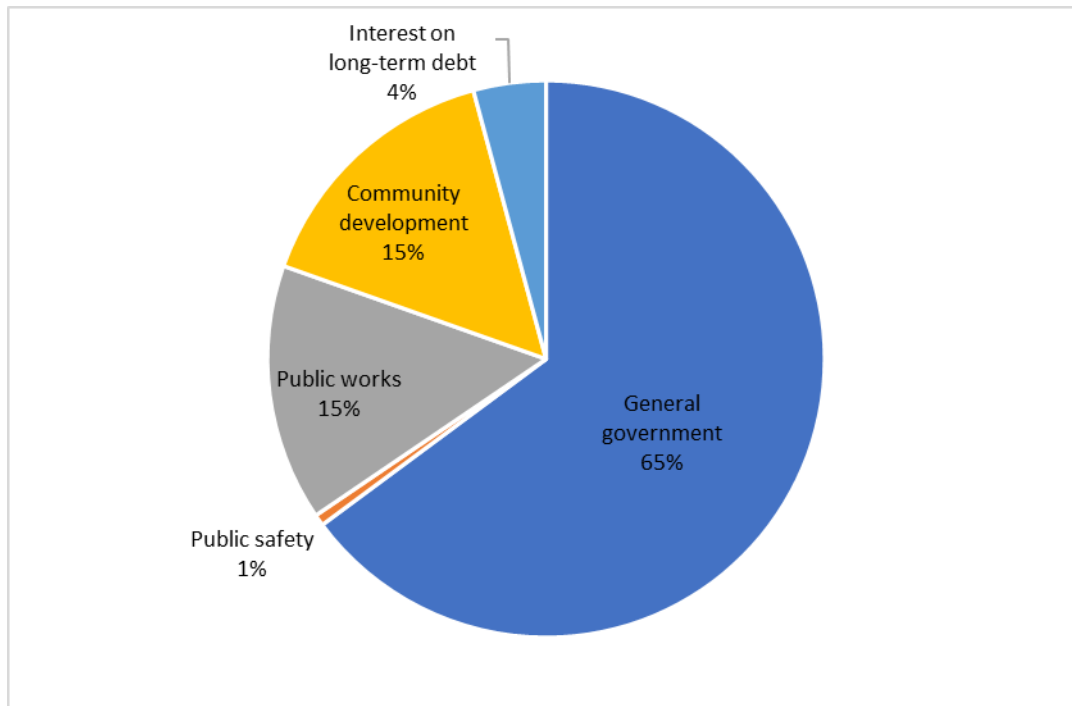
Revenues: Total revenues for governmental activities totaled \$33.6 million, which represents a decrease of 2.6% compared to the prior year. Charges for services include fines and forfeitures and licenses and permits. These revenues decreased \$378,890, or 13.0% primarily due to a decrease in building permit revenues. Total operating and capital grants and contributions decreased by \$1.4 million primarily due to less Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) being spent in FY2023. Franchise Fees increased slightly by \$42,874. Business Taxes increased \$478,553 compared to the prior year as a result of increased gross receipts generated by local businesses and an increased effort in collection of delinquent businesses. Other taxes include items such as insurance premium taxes, alcohol excise taxes, and electricity assessments. This category of revenues had a slight increase of \$29,037 in the current year primarily because of an increase in insurance premium taxes.



Revenues by Source – Governmental Activities – Year Ended June 30, 2023

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Expenses: Expenses for governmental activities cover a wide range of services including general administration, public safety, public works, and community development activities. Overall expenses for governmental activities remained flat at \$21.9 million. General government expenses decreased \$1.0 million primarily as a result of less ARPA projects being completed in FY2023. Public works expenses decreased \$161,906 primarily as a result of fewer capital projects being completed in FY2023. Community development expenses increased \$274,708 due to the completion of the City's 2045 Comprehensive Plan. Interest on long-term debt increased \$752,703 due to the issuance of new revenue bonds by the Public Facilities Authority (PFA).



Expenses by Function – Governmental Activities – Year Ended June 30, 2023

Business-type activities: The City has two business-type activities: solid waste collection and stormwater management. For fiscal year 2023, total revenues for business-type activities were \$5.1 million, which represents an increase of 1.6% compared to 2022. The increase in revenue can be attributed to a slight increase in solid waste rates to keep pace with the contract cost and increased stormwater collections. Total expenses for fiscal year 2023 were \$3.7 million, which represents an increase of 3.2% due to increases in third-party contracts for solid waste collection and stormwater maintenance.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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 2023 and 2022:

**City of Peachtree Corners Governmental Fund Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2023 and 2022**

	2023	2022	Dollar Increase (Decrease)	Percent
Revenues:				
Motor vehicle taxes	\$ 1,397,446	\$ 1,317,855	\$ 79,591	6.04 %
Franchise taxes	4,277,206	4,234,332	42,874	1.01
Insurance premium taxes	3,180,853	3,152,255	28,598	0.91
Business taxes	4,443,550	3,964,997	478,553	12.07
Other taxes	837,737	837,298	439	0.05
Licenses and permits	1,553,192	2,075,459	(522,267)	(25.16)
Fines and forfeitures	68,515	7,166	61,349	856.11
Intergovernmental	16,460,929	17,514,352	(1,053,423)	(6.01)
Charges for services	338,796	248,522	90,274	36.32
Contributions	56,000	275,938	(219,938)	(79.71)
Investment income	352,658	44,025	308,633	701.04
Net decrease in fair value of investments	-	(114,316)	114,316	(100.00)
Miscellaneous Income	583,183	591,429	(8,246)	(1.39)
Total revenues	<u>33,550,065</u>	<u>34,149,312</u>	<u>(599,247)</u>	<u>(1.75)</u>
Expenditures				
General government	12,386,779	13,713,664	(1,326,885)	(9.68)
Public safety	143,602	-	143,602	100.00
Public works	2,101,449	1,727,704	373,745	21.63
Community development	3,332,666	3,083,444	249,222	8.08
Capital outlay	5,292,148	7,815,167	(2,523,019)	(32.28)
Debt service	1,697,546	1,438,776	258,770	17.99
Total expenditures	<u>24,954,190</u>	<u>27,778,755</u>	<u>(2,824,565)</u>	<u>(10.17)</u>
Deficiency of revenues over expenditures	8,595,875	6,370,557	2,225,318	
Other financing sources (uses)				
Proceeds from sale of capital assets	2,578	-	2,578	100.00
Transfers in	5,727,500	6,611,187	(883,687)	(13.37)
Transfers out	(5,500,000)	(5,505,707)	5,707	(0.10)
Bond Issuance	10,150,000	-	10,150,000	100.00
Issuance of lease liability	-	366,862	(366,862)	(100.00)
Total other financing sources (uses)	<u>10,380,078</u>	<u>1,472,342</u>	<u>8,907,736</u>	<u>605.00</u>
Net change in fund balances	18,975,953	7,842,899	11,133,054	
Fund balances, beginning of year	28,636,965	20,887,538	7,749,427	37.10
Restatement of beginning fund balance	-	(93,472)	93,472	(100.00)
Fund balances, end of year	<u>\$ 47,612,918</u>	<u>\$ 28,636,965</u>	<u>\$ 18,975,953</u>	<u>66.26 %</u>

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$47.6 million, an increase of \$19.0 million, primarily related to the issuance of revenue bonds by the Public Facilities Authority (PFA) to finance various capital projects that did not start until the end of fiscal year 2023 and the timing of capital projects in other funds. Of this balance, \$16.2 million is restricted by law or contractual agreement in the SPLOST, ARPA, Opioid Settlement, and Downtown Development Authority funds. \$4.7 million is committed by Mayor and City Council as an Opportunity Fund to finance economic development projects that may arise throughout the year. Another \$17.9 million is assigned for capital projects and debt service. The remaining balance, \$8.1 million, is unassigned and can be used to meet the near-term operating needs of the City.

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 \$31.0 million, an increase of \$13.4 million, or 76.5%. The increase in fund balance is primarily the result of the issuance of new revenue bonds. Most of the fund balance, 88%, is either committed or assigned for various items. As a measure of liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. On June 30, 2023, unassigned fund balance was \$3.4 million and represents 18.1% percent of total General Fund expenditures and transfers out.

Total General Fund revenues increased \$213,349, or 1.3% compared to the prior year. Motor vehicle taxes increased \$79,591 as car sales in the state remain strong. Franchise taxes increased \$28,598. An increase in Business Taxes of \$478,553 was the result of increased gross receipts generated by local businesses and an increased effort in collection of delinquent businesses. The City experienced a slowdown in commercial developments and as a result, Licenses and Permits decreased \$522,267 over FY 2023. Investment income for the City increased \$192,279 due to favorable interest rates.

Total General Fund expenditures increased \$1.8 million, or 11%. General government expenditures increased \$484,440:

- In the middle of FY2022, the City insourced two positions that were contracted and those costs were reallocated from Community Development to the General Government. The full amount of those salaries was included in FY2023. The Mayor and Council created two new positions charged to General Government: Executive Assistant for the City Manager and Staff Attorney.
- Increased facility improvements and repairs to City Hall, Curiosity Lab, and Town Green.
- Increased expenditures in the Technology department due to the PAUL program and cybersecurity assessment.

Expenditures for public safety were included for the first time in the City's history. The City purchased three vehicles for a new City Marshal Department. Public works expenditures increased \$373,745 due to:

- Completion of a feasibility study of a roundabout at a major intersection.
- Completion of a pavement condition analysis for all City streets.
- Increased funds spent on road maintenance.

Community development expenditures increased \$510,316 due to:

- Completion of our 2045 Comprehensive Plan as required by the State.
- Annual increase in third-party contractors to provide building permitting/inspections and code enforcement services.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Debt service expenditures increased \$258,770 as a result of the issuance of new debt. Within Other Financing Sources (Uses), the General Fund received a \$5 million transfer in from the American Rescue Plan Act (ARPA) Fund because of the City making the standard election for revenue loss. The City's Public Facilities Authority also issued \$10.15 million in new revenue bonds to finance several capital projects.

**City of Peachtree Corners General Fund Revenues, Expenditures and Changes in Fund Balance
For the Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Dollar Increase (Decrease)</u>	<u>Percent</u>
Revenues:				
Motor vehicle taxes	\$ 1,397,446	\$ 1,317,855	\$ 79,591	6.04 %
Franchise taxes	4,277,206	4,234,332	42,874	1.01
Insurance premium tax	3,180,853	3,152,255	28,598	0.91
Business taxes	4,443,550	3,964,997	478,553	12.07
Other taxes	837,737	837,298	439	0.05
Licenses and permits	1,553,192	2,075,459	(522,267)	(25.16)
Fines and forfeitures	7,963	7,166	797	11.12
Contributions	56,000	250,100	(194,100)	(77.61)
Investment income	229,143	36,864	192,279	521.59
Net decrease in fair value of investments	-	(114,316)	114,316	(100.00)
Miscellaneous income	583,110	590,841	(7,731)	(1.31)
Total revenues	<u>16,566,200</u>	<u>16,352,851</u>	<u>213,349</u>	<u>1.30</u>
Expenditures				
General government	11,303,912	10,819,472	484,440	4.48
Public safety	143,602	-	143,602	100.00
Public works	2,101,449	1,727,704	373,745	21.63
Community development	2,775,962	2,265,646	510,316	22.52
Debt service:				
Principal	1,182,613	1,175,574	7,039	0.60
Interest	514,933	263,202	251,731	95.64
Total expenditures	<u>18,022,471</u>	<u>16,251,598</u>	<u>1,770,873</u>	<u>10.90</u>
Excess of revenues over expenditures	(1,456,271)	101,253	(1,557,524)	(1,538.25)
Other financing sources (uses):				
Proceeds from sale of capital assets	2,578	-	2,578	100.00
Transfers in	5,227,500	5,219,450	8,050	0.15
Transfers out	(500,000)	(505,707)	5,707	(1.13)
Bond issuance	10,150,000	-	10,150,000	100.00
Issuance of lease liability	-	366,862	(366,862)	100.00
Total other financing sources (uses)	<u>14,880,078</u>	<u>5,080,605</u>	<u>9,799,473</u>	<u>193</u>
Net change in fund balance	13,423,807	5,181,858	8,241,949	
Fund balance, beginning of year	17,536,770	12,354,912	5,181,858	41.94
Fund balance, end of year	<u>\$ 30,960,577</u>	<u>\$ 17,536,770</u>	<u>\$ 13,423,807</u>	<u>76.55 %</u>

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on page 46. For FY 2023, the City had an overall surplus budget versus actual variance of \$13.4 million.

While the original budget included revenue estimates supported by historical trends, revenues came in higher than expected and the budget was increased \$876,750. The City ultimately collected \$186,950 more total revenues than the amended budgeted. Taxes were \$206,792 more than budgeted as business taxes, motor vehicle taxes, and other taxes increased faster than forecasted. The City received \$22,593 more in investment income than projected. Miscellaneous revenue came in \$54,590 less than projected due to the reclassification of opioid settlement income.

Total expenditures for FY2023 were \$18.0 million, 85.7% of the final amended budget. The General Fund actual expenditures were \$3.0 million under budgeted amounts primarily because of a reserve contingency being included in the amended budget. All departments were under budgeted amounts except for legislative and community development, which were only slightly over budget.

SPLOST Fund

The SPLOST Fund accounts for the revenues and related project expenditures under the SPLOST agreements. At the end of 2023, the fund balance for this fund was \$16.1 million which represents an increase of \$5.1 million compared to the prior year. The City funds most capital projects on a pay-as-you-go basis. Fund balance will be used to pay for future projects.

American Rescue Plan Act Fund

The American Rescue Plan Act (ARPA) Fund is a special revenue fund and accounts for the federal funds received through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). The City received and expended \$6.1 million in CSLFRF funding to mitigate the impact of COVID-19. Per the U.S. Treasury's Final Rule, the City elected to take the standard allowance of \$10 million as revenue loss. In FY 2023, the City transferred \$5 million from the ARPA Fund to the General Fund. In addition, the City partnered with the Gwinnett County Board of Education to complete projects at the middle school and elementary schools within our city limits.

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, 2023, is \$223 which is the same as the previous year.

Curiosity Lab at Peachtree Corners

Curiosity Lab at Peachtree Corners is an economic development initiative by the City that consists of technology infrastructure, which includes a three-mile autonomous vehicle test track available for use by companies and other third parties. Curiosity Lab at Peachtree Corners is included in the City's financial statements as a blended component unit. The Curiosity Lab ended the year with a fund balance of \$412,434 which is \$130,269 higher than the previous year.

Solid Waste Fund

The solid waste fund accounts for fees and expenses associated with garbage and recycling. For the fiscal year ended June 30, 2023, the activity in this fund was very comparable to the prior year and resulted in a change in net position of \$1,536.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Stormwater Fund

The Stormwater Fund accounts for fees and expenses associated with operation and maintenance of the City's stormwater drainage system. This was the seventh year of operations for the Stormwater Fund. The activity in this fund during the fiscal year ended June 30, 2023 resulted in a change in net position of \$1.2 million.

Capital Asset and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$74.6 million (net of accumulated depreciation). This represents an increase of \$2.4 million over the prior year. The increase is primarily driven by having several major projects in construction in progress, including segments of the Corners Connector trail system, enhancements to the City's facilities, and major transportation related projects. In addition to these projects and in conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, the City was required to report right-to-use lease assets (net of accumulated depreciation) totaling \$426,186.

Additional information on the City's capital assets can be found in Note 7 on pages 40 and 41 of this report.

**City of Peachtree Corners Capital Assets (net of depreciation)
June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 15,173,544	\$ 15,173,544	\$ -	\$ -	\$ 15,173,544	\$ 15,173,544
Construction in progress	7,740,162	7,955,514	236,270	181,192	7,976,432	8,136,706
Machinery and equipment	4,294,031	4,348,767	-	-	4,294,031	4,348,767
Buildings	20,177,151	20,952,184	-	-	20,177,151	20,952,184
Infrastructure	21,410,011	19,795,613	12,057,559	11,845,053	33,467,570	31,640,666
Improvements	5,080,053	3,033,331	-	-	5,080,053	3,033,331
Furniture and fixtures	44,146	60,565	-	-	44,146	60,565
Intangibles	219,812	238,130	-	-	219,812	238,130
Lease Assets	426,186	622,137	-	-	426,186	622,137
	<u>\$ 74,565,096</u>	<u>\$ 72,179,785</u>	<u>\$ 12,293,829</u>	<u>\$ 12,026,245</u>	<u>\$ 86,858,925</u>	<u>\$ 84,206,030</u>

Long-term Debt In November 2021, the Public Facilities Authority issued Series 2020A revenue bonds and Series 2020B taxable revenue bonds for the purposes of refunding the Series 2017A Certificates of Participation and the Series 2018 Downtown Development Authority bonds.

In December 2022, the Public Facilities Authority issued Series 2022A revenue bonds and Series 2022B taxable revenue bonds for the purposes of acquiring real property, constructing a public works facility, and modifying city hall for additional office space. As of the end of 2023, the City had \$20.7 million of outstanding long-term debt.

Additional information on the City's long-term debt can be found in Note 9 on pages 42 and 43 of this report.

**CITY OF PEACHTREE CORNERS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2024 fiscal year.

- **Economy Impact** – The City has been fortunate to have attracted new commercial activity which has fueled an increase in total revenue, and we have been able to build up a strong financial position since our incorporation. However, many of our revenue streams are dependent on the local economy, and if the Federal Reserve's plan to fight inflation causes a recession, it is reasonable to anticipate a slowdown in new development and consumer spending causing a reduction in some revenue streams, especially Building Permit Fees and Occupational Taxes. With that in mind, the FY2024 Budget projects essentially the same amount of operating revenues compared to the FY2023 Amended Budget.
- **Appropriated Fund Balance** – The Mayor and Council approved the use of \$4.0 million in fund balance to complete several one-time projects, including enhancements to the Town Green, equipment to outfit the newly created City Marshal Department, and the purchase of additional right-of-way buffer.
- **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 a repaving program, intersection improvements, buildings, machinery and equipment, roadways, sidewalks, equipment, and signs.

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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 36,698,558	\$ 4,325,176	\$ 41,023,734
Investments	13,978,102	2,423,604	16,401,706
Accounts receivable, net of allowances	757,777	66,731	824,508
Interfund balances	(70,969)	70,969	-
Due from other governments	1,272,707	5,222	1,277,929
Lease receivable, due within one year	464,005	-	464,005
Lease receivable, due in more than one year	199,394	-	199,394
Prepays	214,683	17,535	232,218
Capital assets:			
Nondepreciable	22,913,706	236,270	23,149,976
Depreciable, net of accumulated depreciation	51,651,390	12,057,559	63,708,949
Total assets	128,079,353	19,203,066	147,282,419
LIABILITIES			
Accounts payable and other accrued liabilities	2,469,103	179,443	2,648,546
Retainage payable	374,251	10,876	385,127
Accrued interest payable	627,614	-	627,614
Deposits payable	88,460	-	88,460
Unearned revenue	2,420,365	1,000,350	3,420,715
Compensated absences due within one year	115,448	-	115,448
Compensated absences due in more than one year	269,379	-	269,379
Lease liabilities due within one year	122,684	-	122,684
Lease liabilities due in more than one year	308,258	-	308,258
Bonds payable due within one year	1,445,000	-	1,445,000
Bonds payable due in more than one year	19,788,587	-	19,788,587
Total liabilities	28,029,149	1,190,669	29,219,818
DEFERRED INFLOWS OF RESOURCES			
Lease revenue, deferred	549,160	-	549,160
NET POSITION			
Net investment in capital assets	61,154,962	12,280,520	73,435,482
Restricted for:			
Capital projects	17,733,282	-	17,733,282
Federal programs	72,409	-	72,409
Health and welfare	60,552	-	60,552
Unrestricted	20,479,839	5,731,877	26,211,716
Total net position	\$ 99,501,044	\$ 18,012,397	\$ 117,513,441

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, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 14,181,982	\$ 1,543,483	\$ 5,056,000	\$ -	\$ (7,582,499)	\$ -	\$ (7,582,499)
Public safety	143,602	-	-	-	(143,602)	-	(143,602)
Public works	3,262,603	-	1,082,867	10,435,200	8,255,464	-	8,255,464
Community development	3,360,886	1,000,203	-	-	(2,360,683)	-	(2,360,683)
Interest on long-term debt	920,340	-	-	-	(920,340)	-	(920,340)
Total governmental activities	<u>21,869,413</u>	<u>2,543,686</u>	<u>6,138,867</u>	<u>10,435,200</u>	<u>(2,751,660)</u>	<u>-</u>	<u>(2,751,660)</u>
Business-type activities:							
Solid waste	1,941,230	1,956,760	-	-	-	15,530	15,530
Stormwater	1,718,058	3,045,492	8,817	-	-	1,336,251	1,336,251
Total business-type activities	<u>3,659,288</u>	<u>5,002,252</u>	<u>8,817</u>	<u>-</u>	<u>-</u>	<u>1,351,781</u>	<u>1,351,781</u>
Total primary government	<u>\$ 25,528,701</u>	<u>\$ 7,545,938</u>	<u>\$ 6,147,684</u>	<u>\$ 10,435,200</u>	<u>(2,751,660)</u>	<u>1,351,781</u>	<u>(1,399,879)</u>
General revenues:							
Motor vehicle taxes					1,397,446	-	1,397,446
Franchise taxes					4,277,206	-	4,277,206
Business taxes					4,443,550	-	4,443,550
Insurance taxes					3,180,853	-	3,180,853
Other excise taxes					837,737	-	837,737
Gain on sale of capital assets					2,578	-	2,578
Investment income					295,520	47,784	343,304
Transfers					227,500	(227,500)	-
Total general revenues and transfers					<u>14,662,390</u>	<u>(179,716)</u>	<u>14,482,674</u>
Change in net position					11,910,730	1,172,065	13,082,795
Net position, beginning of year					87,590,314	16,840,332	104,430,646
Net position, end of year					<u>\$ 99,501,044</u>	<u>\$ 18,012,397</u>	<u>\$ 117,513,441</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS	General Fund	SPLOST Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 18,971,506	\$ 14,429,565	\$ 2,887,442	\$ 410,045	\$ 36,698,558
Investments	11,979,977	1,998,125	-	-	13,978,102
Accounts receivable	747,906	-	-	9,871	757,777
Due from other governments	-	1,272,707	-	-	1,272,707
Due from other funds	433,434	32,885	-	60,552	526,871
Lease receivable	663,399	-	-	-	663,399
Prepaid items	214,683	-	-	-	214,683
Total assets	<u>\$ 33,010,905</u>	<u>\$ 17,733,282</u>	<u>\$ 2,887,442</u>	<u>\$ 480,468</u>	<u>\$ 54,112,097</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 1,137,185	\$ 1,264,248	\$ -	\$ 5,032	\$ 2,406,465
Accrued expenses	60,411	-	-	2,227	62,638
Retainage payable	11,940	362,311	-	-	374,251
Deposits payable	88,460	-	-	-	88,460
Due to other funds	164,406	-	433,434	-	597,840
Unearned revenue	38,766	-	2,381,599	-	2,420,365
Total liabilities	<u>1,501,168</u>	<u>1,626,559</u>	<u>2,815,033</u>	<u>7,259</u>	<u>5,950,019</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred lease revenue	<u>549,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,160</u>
FUND BALANCE					
Fund balance:					
Nonspendable:					
Prepaid items	214,683	-	-	-	214,683
Long term lease receivable	37,882	-	-	-	37,882
Restricted:					
Capital projects	-	16,106,723	-	-	16,106,723
Health and welfare	-	-	-	60,552	60,552
Federal programs	-	-	72,409	-	72,409
Committed:					
Economic development	4,722,231	-	-	-	4,722,231
Assigned:					
Debt service	1,121,105	-	-	-	1,121,105
Capital projects	16,789,763	-	-	-	16,789,763
Community development	-	-	-	412,657	412,657
Unassigned	8,074,913	-	-	-	8,074,913
Total fund balance	<u>30,960,577</u>	<u>16,106,723</u>	<u>72,409</u>	<u>473,209</u>	<u>47,612,918</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 33,010,905</u>	<u>\$ 17,733,282</u>	<u>\$ 2,887,442</u>	<u>\$ 480,468</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.					74,565,096
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(22,676,970)
Net position of governmental activities					<u>\$ 99,501,044</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, 2023

	General Fund	SPLOST Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Motor vehicle taxes	\$ 1,397,446	\$ -	\$ -	\$ -	\$ 1,397,446
Franchise taxes	4,277,206	-	-	-	4,277,206
Insurance premium taxes	3,180,853	-	-	-	3,180,853
Business taxes	4,443,550	-	-	-	4,443,550
Other taxes	837,737	-	-	-	837,737
Licenses and permits	1,553,192	-	-	-	1,553,192
Fines and forfeitures	7,963	-	-	60,552	68,515
Intergovernmental	-	10,378,062	6,082,867	-	16,460,929
Charges for services	-	-	-	338,796	338,796
Contributions	56,000	-	-	-	56,000
Interest income	229,143	57,138	66,377	-	352,658
Miscellaneous income	583,110	-	-	73	583,183
Total revenues	16,566,200	10,435,200	6,149,244	399,421	33,550,065
Expenditures:					
Current:					
General government	11,303,912	-	1,082,867	-	12,386,779
Public safety	143,602	-	-	-	143,602
Public works	2,101,449	-	-	-	2,101,449
Community development	2,775,962	-	-	556,704	3,332,666
Capital outlay	-	5,292,148	-	-	5,292,148
Debt service:					
Principal	1,182,613	-	-	-	1,182,613
Interest	257,433	-	-	-	257,433
Bond issuance costs	257,500	-	-	-	257,500
Total expenditures	18,022,471	5,292,148	1,082,867	556,704	24,954,190
Excess (deficiency) of revenues over expenditures	(1,456,271)	5,143,052	5,066,377	(157,283)	8,595,875
Other financing sources (uses):					
Proceeds from sale of capital assets	2,578	-	-	-	2,578
Transfers in	5,227,500	-	-	500,000	5,727,500
Transfers out	(500,000)	-	(5,000,000)	-	(5,500,000)
Bond issuance	10,150,000	-	-	-	10,150,000
Total other financing sources (uses)	14,880,078	-	(5,000,000)	500,000	10,380,078
Net change in fund balances	13,423,807	5,143,052	66,377	342,717	18,975,953
Fund balances, beginning of year	17,536,770	10,963,671	6,032	130,492	28,636,965
Fund balances, end of year	\$ 30,960,577	\$ 16,106,723	\$ 72,409	\$ 473,209	\$ 47,612,918

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, 2023**

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

Net change in fund balances - total governmental funds	\$ 18,975,953
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 and amortization. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.	2,385,311
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 is the net effect of these differences in the treatment of long-term debt and related items.	(8,967,387)
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.	(483,147)
Change in net position - governmental activities	<u>\$ 11,910,730</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, 2023

	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Totals
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,304,213	\$ 3,020,963	\$ 4,325,176
Investments	501,899	1,921,705	2,423,604
Accounts receivable, net of allowances	8,603	58,128	66,731
Intergovernmental receivable	-	5,222	5,222
Due from other funds	-	70,969	70,969
Prepaid expenses	-	17,535	17,535
Total current assets	1,814,715	5,094,522	6,909,237
NONCURRENT ASSETS			
Capital Assets:			
Nondepreciable assets	-	236,270	236,270
Depreciable assets	-	15,518,698	15,518,698
Less accumulated depreciation	-	(3,461,139)	(3,461,139)
Total noncurrent assets	-	12,293,829	12,293,829
Total assets	1,814,715	17,388,351	19,203,066
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	173,078	6,365	179,443
Retainage payable	-	10,876	10,876
Unearned revenue	1,000,350	-	1,000,350
Total liabilities	1,173,428	17,241	1,190,669
NET POSITION			
Net investment in capital assets	-	12,280,520	12,280,520
Unrestricted	641,287	5,090,590	5,731,877
Total net position	\$ 641,287	\$ 17,371,110	\$ 18,012,397

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, 2023

	Solid Waste Fund	Stormwater Fund	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 1,956,760	\$ 2,963,537	\$ 4,920,297
Miscellaneous revenue	-	81,955	81,955
Total operating revenues	1,956,760	3,045,492	5,002,252
OPERATING EXPENSES			
Contractual services	1,941,230	1,473,113	3,414,343
Depreciation	-	244,945	244,945
Total operating expenses	1,941,230	1,718,058	3,659,288
Operating income	15,530	1,327,434	1,342,964
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	-	8,817	8,817
Investment earnings	13,506	34,278	47,784
Total nonoperating revenues, net	13,506	43,095	56,601
Income before transfers	29,036	1,370,529	1,399,565
Transfers out	(27,500)	(200,000)	(227,500)
Change in net position	1,536	1,170,529	1,172,065
Net position, beginning of year	639,751	16,200,581	16,840,332
Net position, end of year	\$ 641,287	\$ 17,371,110	\$ 18,012,397

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, 2023

	Solid Waste Fund	Stormwater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,005,774	\$ 3,052,881	\$ 5,058,655
Payments to suppliers	<u>(1,923,820)</u>	<u>(1,681,229)</u>	<u>(3,605,049)</u>
Net cash provided by operating activities	<u>81,954</u>	<u>1,371,652</u>	<u>1,453,606</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	13,506	34,278	47,784
Net sales and purchases of marketable securities	<u>(501,899)</u>	<u>13,277</u>	<u>(488,622)</u>
Net cash provided by (used in) investing activities	<u>(488,393)</u>	<u>47,555</u>	<u>(440,838)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out to other funds	<u>(27,500)</u>	<u>(200,000)</u>	<u>(227,500)</u>
Net cash used in non-capital financing activities	<u>(27,500)</u>	<u>(200,000)</u>	<u>(227,500)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Receipt of capital grant	-	8,817	8,817
Purchase of capital assets	<u>-</u>	<u>(512,529)</u>	<u>(512,529)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(503,712)</u>	<u>(503,712)</u>
Net increase (decrease) in cash and cash equivalents	(433,939)	715,495	281,556
Cash and cash equivalents, beginning of year	<u>1,738,152</u>	<u>2,305,468</u>	<u>4,043,620</u>
Cash and cash equivalents, end of year	<u>\$ 1,304,213</u>	<u>\$ 3,020,963</u>	<u>\$ 4,325,176</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 15,530	\$ 1,327,434	\$ 1,342,964
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	244,945	244,945
Change in assets and liabilities:			
Increase in accounts receivable	(2,450)	(52,783)	(55,233)
Increase in due from other funds	-	(68,989)	(68,989)
Decrease in intergovernmental receivable	-	60,172	60,172
Increase in prepaid expenses	-	(427)	(427)
Increase (decrease) in accounts payable	17,410	(142,516)	(125,106)
Increase in due to other funds	-	3,816	3,816
Increase in unearned revenue	<u>51,464</u>	<u>-</u>	<u>51,464</u>
Net cash provided by operating activities	<u>\$ 81,954</u>	<u>\$ 1,371,652</u>	<u>\$ 1,453,606</u>

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

CITY OF PEACHTREE CORNERS, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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 units, entities for which the City has a significant financial and operational relationship. The blended component units are reported as if they are a part of the City because their primary purpose is to provide services to the City. Separate financial statements are not prepared for the component units.

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 one of the purposes of the DDA is to construct certain City facilities and to account for their subsequent activities. In addition, DDA debt is repaid entirely with the City’s resources. 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.

The Curiosity Lab of the City of Peachtree Corners 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 Curiosity Lab’s governing body is appointed by the City. The Board members consist of three members, two of which are officials of the City. The Curiosity Lab is an economic development initiative by the City that consists of technology infrastructure, which includes a three-mile autonomous vehicle test track available for use by companies and other third parties. Financial information with regard to the component unit can be obtained from the Curiosity Lab’s administrative office at 147 Technology Parkway, Peachtree Corners, Georgia 30092. Separate financial statements for the Curiosity Lab are not prepared.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Public Facilities Authority (the "PFA") of the City of Peachtree Corners exists to obtain favorable financing and funding for public facilities, buildings, equipment, and services exclusively for the City. The PFA is governed by a seven-member board of directors consisting of the mayor and all members of the City Council. Although it is legally separate from the City, the activities of the PFA are reported within the City's General Fund, and all of its debt and assets are reported as a form of the City's debt and assets.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2022, 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, including lease liabilities, as well as expenditures related to long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Motor vehicle taxes, sales taxes, franchise taxes, business taxes, investment income 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 **American Rescue Plan Act Fund** is a special revenue fund and accounts for the amounts awarded to the City under the Coronavirus State and Local Fiscal Recovery Funds program, provided for under the American Rescue Plan Act of 2021.

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.

The City reports three nonmajor governmental funds:

The **Curiosity Lab**, which accounts for economic development initiatives and technological activities of the Curiosity Lab innovation incubator.

The **Downtown Development Authority Fund (DDA)** accounts for capital improvements and general economic development initiatives of the City.

The **Opioid Settlement Fund** accounts for the restricted funds received from legal settlements related to the nationwide opioid epidemic.

In accounting and reporting for its proprietary operations, the City applies all 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2023, 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.

E. Cash, Cash Equivalents, 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.

The City's investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023, 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 and right-to-use leased 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.

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 and right-to-use leased assets of the City are depreciated/amortized using the straight-line method over the following useful lives:

Machinery and equipment	5-10 years
Right-to-use leased equipment	5 years
Intangibles	15 years
Improvements	15-30 years
Buildings	30 years
Right-to-use leased buildings	5 years
Infrastructure	20-100 years

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets 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 assets 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 one item that qualifies for reporting in this category related to deferred revenue on a lease receivable, which is reported both at the fund level and the government wide level.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leases

Lessee

The City is a lessee for noncancellable leases of a building and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for a noncancellable leases of space within a building. The City recognizes a lease receivable asset and a deferred inflow of resources in the fund level and government-wide financial statements. The City recognizes lease receivable assets with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leases (continued)

Lessor (continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The lease agreement entered into by the City does not contain a stated interest rate. Therefore, the Authority has used its estimated incremental borrowing rate as the discount rate for the lease. The City has estimated this incremental borrowing rate to be 0.52% for the lease in which the City is currently involved as the lessor.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the City is reasonably certain to collect.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable asset.

N. 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)

N. 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 City Council, through resolution, has delegated to the Finance Director and City Manager the authority to assign funds for a particular purpose.
- **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.

O. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$22,676,970 difference are as follows:

Revenue bonds payable	\$	(20,700,000)
Bond premium		(533,587)
Lease liability		(430,942)
Accrued interest		(627,614)
Compensated absences		(384,827)
Net adjustment to decrease fund balance - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>(22,676,970)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.” The details of this \$2,385,311 difference are as follows:

Capital outlay	\$	5,088,883
Depreciation and amortization expense		<u>(2,703,572)</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>2,385,311</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 (Continued)

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$8,967,387 difference are as follows:

Issuance of revenue bonds	\$ (10,150,000)
Principal payments on bonds payable	990,000
Principal payments on lease liabilities	<u>192,613</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>\$ (8,967,387)</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 \$483,147 difference are as follows:

Compensated absences	\$ (77,740)
Accrued interest	(498,638)
Amortization of bond premium	<u>93,231</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>\$ (483,147)</u>

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 Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess Expenditures Over Appropriations

For the year ended June 30, 2023, the following funds and departments had actual expenditures in excess of their appropriations:

General Fund:	
General government	
Legislative	\$ 1,198
Community Development	8,012

These expenditures in excess of appropriations were funded by available fund balance, savings in other departments and non-reimbursement based intergovernmental revenues.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency obligations; obligations of the State of Georgia; obligations of other counties; municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by the U.S. Government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Operating funds of the City are currently invested in U.S. Treasury notes; U.S. Government agency obligations, and mortgage backed securities; or maintained in demand deposit, savings, and money market accounts with financial institutions.

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, 2023, the City had deposits with four (4) 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 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2023, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

Investment	Weighted Average Maturity	Credit Rating	Fair Value
Federal agency securities	1,390.98 Days	AAA	\$ 7,939,907
Federal mortgage-backed securities	33.97 Days	AAA	2,846,704
U.S. treasury notes	0.72 Days	AAA	5,615,095
			<u>\$ 16,401,706</u>

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for the identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2023:

Investment	Level 1	Level 2	Fair Value
Federal agency securities	\$ 2,510,726	\$ 5,429,181	\$ 7,939,907
Federal mortgage-backed securities	-	2,846,704	2,846,704
U.S. treasury notes	5,615,095	-	5,615,095
Total investments measured at fair value	<u>\$ 8,125,821</u>	<u>\$ 8,275,885</u>	<u>\$ 16,401,706</u>

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, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

Receivables at June 30, 2023, for the City's individual major funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>SPLOST</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Nonmajor Funds</u>
Receivables:					
Accounts	\$ 747,906	\$ -	\$ 11,603	\$ 65,128	\$ 9,871
Other governments	-	1,272,707	-	5,222	-
Less allowance for uncollectible	-	-	(3,000)	(7,000)	-
Net total receivable	<u>\$ 747,906</u>	<u>\$ 1,272,707</u>	<u>\$ 8,603</u>	<u>\$ 63,350</u>	<u>\$ 9,871</u>

NOTE 6. LEASE RECEIVABLE

The City has leased a portion of the second floor of City Hall to a third party. The City receives variable monthly payments ranging from \$46,850 to \$51,203, which include the principal and interest components of the payments. As the lease does not contain a specific interest rate, the City has used its incremental borrowing rate of 0.52% as the discount rate for the lease. For the current year, the City recognized \$475,095 in lease revenue and \$5,574 in interest revenue related to the lease. Also, the City has a deferred inflow of resources associated with this lease that will be recognized over the lease term that ends on November 30, 2024. This deferred inflows of resources has a balance of \$549,160 as of June 30, 2023. As of June 30, 2023, the City's receivable for lease payments was \$663,399.

	<u>Beginning Balance</u>	<u>Modifications</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease receivable	\$ 1,425,262	\$ (234,930)	\$ -	\$ (526,933)	\$ 663,399	\$ 464,005

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	\$ 15,173,544	\$ -	\$ -	\$ -	\$ 15,173,544
Construction in progress	7,955,514	4,556,791	-	(4,772,143)	7,740,162
Total	<u>23,129,058</u>	<u>4,556,791</u>	<u>-</u>	<u>(4,772,143)</u>	<u>22,913,706</u>
Capital assets, being depreciated:					
Machinery and equipment	6,011,723	331,774	-	269,111	6,612,608
Buildings	23,728,328	16,000	-	-	23,744,328
Infrastructure	23,355,053	144,976	-	2,339,845	25,839,874
Improvements	3,512,987	39,342	-	2,163,187	5,715,516
Furniture and fixtures	106,089	-	-	-	106,089
Intangibles	274,765	-	-	-	274,765
Total	<u>56,988,945</u>	<u>532,092</u>	<u>-</u>	<u>4,772,143</u>	<u>62,293,180</u>
Less accumulated depreciation for:					
Machinery and equipment	(1,662,956)	(655,621)	-	-	(2,318,577)
Buildings	(2,776,144)	(791,033)	-	-	(3,567,177)
Infrastructure	(3,559,440)	(870,423)	-	-	(4,429,863)
Improvements	(479,656)	(155,807)	-	-	(635,463)
Furniture and fixtures	(45,524)	(16,419)	-	-	(61,943)
Intangibles	(36,635)	(18,318)	-	-	(54,953)
Total	<u>(8,560,355)</u>	<u>(2,507,621)</u>	<u>-</u>	<u>-</u>	<u>(11,067,976)</u>
Total capital assets being depreciated, net	<u>48,428,590</u>	<u>(1,975,529)</u>	<u>-</u>	<u>4,772,143</u>	<u>51,225,204</u>
Governmental activities capital assets, net excluding leased assets	<u>\$ 71,557,648</u>	<u>\$ 2,581,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>74,138,910</u>
Leased assets, net (Note 8)					<u>426,186</u>
Total capital assets, net as reported in the statement of net position					<u>\$ 74,565,096</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Construction in progress	\$ 181,192	\$ 55,078	\$ -	\$ 236,270
Total	<u>181,192</u>	<u>55,078</u>	<u>-</u>	<u>236,270</u>
Capital assets, being depreciated:				
Infrastructure	15,061,247	457,451	-	15,518,698
Total	<u>15,061,247</u>	<u>457,451</u>	<u>-</u>	<u>15,518,698</u>
Less accumulated depreciation for:				
Infrastructure	(3,216,194)	(244,945)	-	(3,461,139)
Total	<u>(3,216,194)</u>	<u>(244,945)</u>	<u>-</u>	<u>(3,461,139)</u>
Business-type capital assets being depreciated, net	<u>11,845,053</u>	<u>212,506</u>	<u>-</u>	<u>12,057,559</u>
Business-type activities capital assets, net	<u>\$ 12,026,245</u>	<u>\$ 267,584</u>	<u>\$ -</u>	<u>\$ 12,293,829</u>

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

Governmental activities:	
General government	\$ 1,736,397
Housing and development	
Public works	<u>967,175</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 2,703,572</u>
Business-type activities:	
Stormwater	<u>\$ 244,945</u>
Total depreciation expense - business-type activities	<u>\$ 244,945</u>

NOTE 8. LEASED ASSETS

A summary of lease asset activity for the City for the year ended June 30, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Lease assets:				
Building	\$ 137,984	\$ -	\$ -	\$ 137,984
Equipment	676,145	-	-	676,145
Total	<u>814,129</u>	<u>-</u>	<u>-</u>	<u>814,129</u>
Less accumulated amortization for:				
Building	(68,992)	(68,992)	-	(137,984)
Equipment	(123,000)	(126,959)	-	(249,959)
Total	<u>(191,992)</u>	<u>(195,951)</u>	<u>-</u>	<u>(387,943)</u>
Total leased assets, net	<u>\$ 622,137</u>	<u>\$ (195,951)</u>	<u>\$ -</u>	<u>\$ 426,186</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 11,540,000	\$ 10,150,000	\$ (990,000)	\$ 20,700,000	\$ 1,445,000
Bond premium	626,818	-	(93,231)	533,587	-
Lease liabilities	623,555	-	(192,613)	430,942	122,684
Compensated absences	307,087	264,636	(186,896)	384,827	115,448
Governmental activity					
Long-term liabilities	<u>\$ 13,097,460</u>	<u>\$ 10,414,636</u>	<u>\$ (1,462,740)</u>	<u>\$ 22,049,356</u>	<u>\$ 1,683,132</u>

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

Revenue Bonds – Direct Placement

In November 2020, the Public Facilities Authority issued Series 2020A revenue bonds and Series 2020B taxable revenue bonds for the purpose of refunding the Series 2017A Certificates of Participation and the Series 2018 Downtown Development Authority bonds. The bonds were issued at a premium of \$733,257 and interest rates ranging from 0.48% to 4.00%. The refunding resulted in debt service savings of \$1,133,145 over the life of the new bonds, and a net, economic gain of approximately \$1,030,677. Interest payments are due semiannually beginning January 1, 2021 and principal payments are due annually beginning on July 1, 2021. The bonds are scheduled to mature on July 1, 2033. As of June 30, 2023, the outstanding balance is \$10,550,000.

In December 2022, the Public Facilities Authority issued Series 2022A revenue bonds and Series 2022B revenue bonds, to finance the cost of a renovation project at City Hall. The Series 2022A and 2022B bonds carry interest rates of 4.33% and 5.33%, respectively. Beginning July 1, 2023, payments of interest are due semiannually and principal payments are due annually. The bonds are scheduled to mature on July 1, 2037. As of June 30, 2023, the outstanding balance is \$10,150,000.

The debt service requirements to maturity for revenue bonds are as follows:

	Principal	Interest	Total
2024	\$ 1,445,000	\$ 739,419	\$ 2,184,419
2025	1,165,000	686,054	1,851,054
2026	1,470,000	644,114	2,114,114
2027	1,525,000	594,054	2,119,054
2028	1,575,000	540,931	2,115,931
2029-2033	8,750,000	1,826,221	10,576,221
2034-2038	4,770,000	525,038	5,295,038
	<u>\$ 20,700,000</u>	<u>\$ 5,555,831</u>	<u>\$ 26,255,831</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Lease Liabilities

In October 2020, the City entered into a five-year lease agreement as lessee for the installation and use of environmental surveillance equipment. In conjunction with the City's implementation of GASB Statement No. 87 as of July 1, 2021, an initial lease liability was recorded in the amount of \$309,283. As of June 30, 2023, the value of the lease liability was \$185,567. The City is required to make annual payments of \$68,042. The lease has an interest rate of 0.52%. The equipment has a 5-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$340,211 and had accumulated amortization of \$162,805.

In December 2021, the City entered into a six-year lease agreement as lessee for the installation and use of environmental surveillance equipment. An initial lease liability was recorded in the amount of \$366,862. As of June 30, 2023, the value of the lease liability was \$245,375. The City is required to make annual payments of \$62,500. The lease has an interest rate of 0.89%. The equipment has a 6-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$366,862 and had accumulated amortization of \$118,082.

The debt service requirements to maturity for lease liabilities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 122,684	\$ 2,316	\$ 125,000
2025	122,723	2,277	125,000
2026	123,584	1,416	125,000
2027	61,951	549	62,500
	<u>\$ 430,942</u>	<u>\$ 6,558</u>	<u>\$ 437,500</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of due to/from other funds as of June 30, 2023 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	American Rescue Plan Fund	\$ 433,434
SPLOST Fund	General Fund	32,885
Stormwater Fund	General Fund	70,969
Nonmajor Governmental Funds	General Fund	60,552
		<u>\$ 597,840</u>

The interfund balance between the General Fund and SPLOST Fund is the result of private source revenue used to help fund SPLOST projects that was initially credited to the General Fund and at year-end the revenue was recorded to the correct fund. The interfund balance between the General Fund and the American Rescue Plan Act Fund is the result of amounts paid by the General Fund on behalf of the American Rescue Plan Act Fund. The interfund balance between the General Fund and the Stormwater Fund is the result of grant reimbursement funds deposited to the General operating account that were transferred to the Stormwater operating account in July 2023. The interfund balance between the General Fund and the Opioid Settlement Fund is the result of Opioid Settlement Fund revenue deposited to General Fund cash accounts, as the City does not maintain separate deposit accounts for the Opioid Settlement Fund as of June 30, 2023. The Interfund balances are due to the timing of year end and the actual payments and receipts between the funds.

The composition of interfund transfers for the year ended June 30, 2023 is as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
American Rescue Plan Fund	General Fund	\$ 5,000,000
Stormwater Fund	General Fund	200,000
Sanitation Fund	General Fund	27,500
General Fund	Nonmajor Governmental Funds	500,000
		<u>\$ 5,727,500</u>

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 funds from the American Rescue Plan Act Fund to the General Fund representing the portion of federal program funds used by the City to cover revenue replacement. Lastly, transfers are used to move funds from the General Fund to the nonmajor governmental fund for the City's funding contribution to the Curiosity Lab.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. 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. As of June 30, 2023 the City has construction and other contract commitments of \$5,067,502.

NOTE 12. DEFINED CONTRIBUTION RETIREMENT PLAN

The City of Peachtree Corners' defined contribution retirement plans are single employer defined contribution plans established and administered by the Georgia Municipal Association ("GMA") and International City/County Managers Association ("ICMA") for all City employees. At June 30, 2023 there were 22 plan members under GMA and 2 members 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 under both plans. Employees are not required to contribute to the plans. Employees are eligible and fully vested immediately upon entering the plans. Plan provisions and contribution requirements are established and may be amended by the City's Council. For the fiscal year ending June 30, 2023, contributions to the plans were \$215,866 by the employees and \$419,116 by the City.

NOTE 13. 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, 229 Peachtree St. NE, Ste 100, Atlanta, Georgia 30303.

NOTE 14. 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
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Motor vehicle taxes	\$ 1,200,000	\$ 1,300,000	\$ 1,397,446	\$ 97,446
Franchise taxes	4,100,000	4,300,000	4,277,206	(22,794)
Business taxes	3,670,000	4,340,000	4,443,550	103,550
Insurance premium taxes	3,200,000	3,180,000	3,180,853	853
Other taxes	805,000	810,000	837,737	27,737
Licenses and permits	1,805,000	1,550,000	1,553,192	3,192
Fines and forfeitures	5,000	5,000	7,963	2,963
Contributions	200,000	50,000	56,000	6,000
Investment income	10,000	206,550	229,143	22,593
Miscellaneous	507,500	637,700	583,110	(54,590)
Total revenues	15,502,500	16,379,250	16,566,200	186,950
Expenditures:				
Current:				
General government:				
Legislative	110,400	93,000	94,198	(1,198)
Executive	1,336,100	1,363,600	1,362,935	665
City clerk	376,250	389,750	366,611	23,139
General administration	4,848,600	4,840,325	2,145,812	2,694,513
Financial administration	825,000	824,500	800,585	23,915
Legal	960,000	892,100	858,107	33,993
General buildings and ground	1,827,000	2,962,000	2,908,729	53,271
Technology	1,856,100	1,955,600	1,920,501	35,099
Public information	916,800	916,800	846,434	70,366
Total general government	13,056,250	14,237,675	11,303,912	2,933,763
Public Safety	-	145,000	143,602	1,398
Public Works	1,825,000	2,188,000	2,101,449	86,551
Community development				
Community development	1,238,650	1,438,650	1,446,730	(8,080)
Code enforcement	455,000	498,500	498,462	38
Protective inspection administration	910,000	830,800	830,770	30
Total community development	2,603,650	2,767,950	2,775,962	(8,012)
Debt service:				
Principal	-	1,182,775	1,182,613	162
Interest	-	257,350	257,433	(83)
Bond issuance costs	-	260,000	257,500	2,500
Total debt service	-	1,700,125	1,697,546	2,579
Total expenditures	17,484,900	21,038,750	18,022,471	3,016,279
Deficiency of revenues over expenditures:	(1,982,400)	(4,659,500)	(1,456,271)	3,203,229
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	2,578	2,578
Transfers in	5,227,500	5,227,500	5,227,500	-
Transfers out	(3,245,100)	(1,000,000)	(500,000)	500,000
Bond issuance	-	10,150,000	10,150,000	-
Total other financing sources (uses)	1,982,400	14,377,500	14,880,078	502,578
Net change in fund balance	-	9,718,000	13,423,807	3,705,807
Fund balance, beginning of year	17,536,770	17,536,770	17,536,770	-
Fund balance, end of year	\$ 17,536,770	\$ 27,254,770	\$ 30,960,577	\$ 3,705,807

CITY OF PEACHTREE CORNERS, GEORGIA
AMERICAN RESCUE PLAN ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Intergovernmental	\$ 8,197,860	\$ 8,197,860	\$ 6,082,867	\$ (2,114,993)
Interest income	5,000	50,000	66,377	16,377
Total revenues	<u>8,202,860</u>	<u>8,247,860</u>	<u>6,149,244</u>	<u>(2,098,616)</u>
Expenditures:				
General government	<u>800,000</u>	<u>3,247,860</u>	<u>1,082,867</u>	<u>2,164,993</u>
Total expenditures	<u>800,000</u>	<u>3,247,860</u>	<u>1,082,867</u>	<u>2,164,993</u>
Excess of revenues over expenditures	<u>7,402,860</u>	<u>5,000,000</u>	<u>5,066,377</u>	<u>66,377</u>
Other financing uses:				
Transfers out	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>-</u>
Total other financing uses	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>-</u>
Net change in fund balance	2,402,860	-	66,377	66,377
Fund balance, beginning of year	<u>6,032</u>	<u>6,032</u>	<u>6,032</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,408,892</u>	<u>\$ 6,032</u>	<u>\$ 72,409</u>	<u>\$ 66,377</u>

SUPPLEMENTARY INFORMATION

CITY OF PEACHTREE CORNERS, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

	Opioid Settlement Fund	Downtown Development Authority	Curiosity Lab	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 223	\$ 409,822	\$ 410,045
Accounts receivable	-	-	9,871	9,871
Due from other funds	60,552	-	-	60,552
Total assets	<u>\$ 60,552</u>	<u>\$ 223</u>	<u>\$ 419,693</u>	<u>\$ 480,468</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 5,032	\$ 5,032
Accrued expenses	-	-	2,227	2,227
Total liabilities	<u>-</u>	<u>-</u>	<u>7,259</u>	<u>7,259</u>
FUND BALANCES				
Restricted:				
Health and welfare	60,552	-	-	60,552
Assigned:				
Community development	-	223	412,434	412,657
Total fund balances	<u>60,552</u>	<u>223</u>	<u>412,434</u>	<u>473,209</u>
Total liabilities and fund balances	<u>\$ 60,552</u>	<u>\$ 223</u>	<u>\$ 419,693</u>	<u>\$ 480,468</u>

CITY OF PEACHTREE CORNERS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Opioid Settlement Fund	Downtown Development Authority Fund	Curiosity Lab	Total Nonmajor Governmental Funds
REVENUES				
Fines and forfeitures	\$ 60,552	\$ -	\$ -	\$ 60,552
Charges for services	-	-	338,796	338,796
Miscellaneous	-	-	73	73
Total revenues	60,552	-	338,869	399,421
EXPENDITURES				
Community development	-	-	556,704	556,704
Total expenditures	-	-	556,704	556,704
Excess (Deficiency) of revenues over expenditures	60,552	-	(217,835)	(157,283)
OTHER FINANCING SOURCES				
Transfers in	-	-	500,000	500,000
Total other financing sources	-	-	500,000	500,000
Net change in fund balances	60,552	-	282,165	342,717
FUND BALANCES, beginning of year	-	223	130,269	130,492
FUND BALANCES, end of year	<u>\$ 60,552</u>	<u>\$ 223</u>	<u>\$ 412,434</u>	<u>\$ 473,209</u>

CITY OF PEACHTREE CORNERS, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2023

<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	<u>\$ 19,970,315</u>	<u>\$ 19,970,315</u>	<u>\$ 17,762,488</u>	\$ 649,293	<u>\$ 18,411,781</u>
Total 2014 SPLOST Fund expenditures for the year ended June 30, 2023				<u>\$ 649,293</u>	
2017 SPLOST Program:					
Transportation Projects	<u>\$ 37,557,816</u>	<u>\$ 36,250,000</u>	<u>\$ 30,367,254</u>	\$ 3,777,466	<u>\$ 34,144,720</u>
Total 2017 SPLOST Fund expenditures for the year ended June 30, 2023				<u>\$ 3,777,466</u>	
2023 SPLOST Program:					
Transportation Projects	\$ 47,800,544	\$ 47,800,544	\$ -	\$ -	\$ -
Administrative Facilities & Equipment	5,000,000	5,000,000	-	5,550	5,550
Recreational/Cultural Facilities & Equipment	5,000,000	5,000,000	-	-	-
	<u>\$ 57,800,544</u>	<u>\$ 57,800,544</u>	<u>\$ -</u>		<u>\$ 5,550</u>
Total 2023 SPLOST expenditures for the year ended June 30, 2023				<u>\$ 5,550</u>	
Expenditures funded from other intergovernmental revenue					
2017 Transportation Projects				<u>859,845</u>	
Total SPLOST Fund expenditures for the year ended June 30, 2023				<u>\$ 5,292,148</u>	

STATISTICAL SECTION

This part of the City of Peachtree Corners' annual comprehensive 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.....	51
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	55
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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	58
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information.....	61
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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	64
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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 annual comprehensive financial report for the relevant year.

CITY OF PEACHTREE CORNERS, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	\$ 61,154,962	\$ 58,618,434	\$ 53,400,852	\$ 42,287,279 ⁽¹⁾	\$ 31,398,362	\$ 19,665,011	\$ 10,019,701	\$ 16,937,513	\$ 16,964,506	\$ 17,617,500
Restricted	17,866,243	11,691,725	8,304,328	11,896,435	16,305,525	24,029,342	22,548,883	10,242,980	6,153,466	1,679,194
Unrestricted	20,479,839	17,280,155	12,209,562 ⁽²⁾	9,856,190 ⁽¹⁾	7,532,811	1,488,047	3,042,824	9,483,434	6,151,991	7,299,535
Total governmental activities net position	<u>\$ 99,501,044</u>	<u>\$ 87,590,314</u>	<u>\$ 73,914,742</u>	<u>\$ 64,039,904</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 12,280,520	\$ 11,880,215	\$ 11,708,786	\$ 11,557,040	\$ 11,112,663	\$ 10,697,642	\$ 11,103,907	\$ -	\$ -	\$ -
Unrestricted	5,731,877	4,960,117	4,804,938	3,799,731	3,022,705	2,389,653	303,607	214,840	152,285	31,984
Total business-type activities net position	<u>\$ 18,012,397</u>	<u>\$ 16,840,332</u>	<u>\$ 16,513,724</u>	<u>\$ 15,356,771</u>	<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>
Primary government:										
Net investment in capital assets	\$ 73,435,482	\$ 70,498,649	\$ 65,109,638	\$ 53,844,319	\$ 42,511,025	\$ 30,362,653	\$ 21,123,608	\$ 16,937,513	\$ 16,964,506	\$ 17,617,500
Restricted	17,866,243	11,691,725	8,304,328	11,896,435	16,305,525	24,029,342	22,548,883	10,242,980	6,153,466	1,679,194
Unrestricted	26,211,716	22,240,272	17,014,500	13,655,921	10,555,516	3,877,700	3,346,431	9,698,274	6,304,276	7,331,519
Total primary government net assets	<u>\$ 117,513,441</u>	<u>\$ 104,430,646</u>	<u>\$ 90,428,466</u>	<u>\$ 79,396,675</u>	<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>

(1) Beginning in 2021, the Curiosity Lab was reported as a blended component unit.

(2) The City implemented GASB 87 Leases as of July 1, 2021, which required a restatement of opening governmental activities net position in fiscal year 2022.

CITY OF PEACHTREE CORNERS, GEORGIA

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 14,181,982	\$ 15,209,992	\$ 10,013,386	\$ 8,230,367	\$ 6,580,944	\$ 5,209,278	\$ 2,605,719	\$ 3,902,482	\$ 4,903,523	\$ 2,495,125
Public safety	143,602 ⁽²⁾	-	-	-	-	-	-	-	-	-
Public works	3,262,603	3,424,509	2,176,264	3,802,752	3,432,436	3,657,463	2,624,129	3,741,601	3,415,879	618,244
Housing and development	3,360,886	3,086,178	5,500,499	2,605,463	2,499,823	2,100,069	2,036,045	1,504,682	4,873,257	968,196
Interest on long-term debt	920,340	167,607	529,426	439,422	475,238	537,112	348,795	318	958	1,523
Total governmental activities expenses	21,869,413	21,888,286	18,219,575	15,078,004	12,988,441	11,503,922	7,614,688	9,149,083	13,193,617	4,083,088
Business-type activities:										
Solid waste	1,941,230	1,854,505	1,774,598	1,533,125	1,387,232	1,227,963	1,228,517	1,237,324	1,157,119	616,337
Stormwater	1,718,058	1,692,951	1,526,403	1,576,439	1,661,169	1,065,870	-	-	-	-
Total business-type activities expenses	3,659,288	3,547,456	3,301,001	3,109,564	3,048,401	2,293,833	1,228,517	1,237,324	1,157,119	616,337
Total primary government expenses	\$ 25,528,701	\$ 25,435,742	\$ 21,520,576	\$ 18,187,568	\$ 16,036,842	\$ 13,797,755	\$ 8,843,205	\$ 10,386,407	\$ 14,350,736	\$ 4,699,425
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,543,483	\$ 1,464,795	\$ 1,289,024	\$ 1,014,239	\$ 1,140,911	\$ 550,601	\$ 530,939	\$ 404,620	\$ 371,106	\$ 330,275
Community development	1,000,203	1,457,781	1,132,098	1,457,646	875,540	947,529	744,185	655,604	618,159	627,142
Operating grants and contributions	6,138,867	8,145,230	2,988,598	200,000	36,630	90,510	40,841	50,500	131,610	16,252
Capital grants and contributions	10,435,200	9,840,939	10,175,357	8,497,235	9,289,365	6,828,012	6,442,363	6,196,928	6,065,266	1,550,469
Total governmental activities program revenues	19,117,753	20,908,745	15,585,077	11,169,120	11,342,446	8,416,652	7,758,328	7,307,652	7,186,141	2,524,138
Business-type activities:										
Charges for services:										
Solid waste	1,956,760	1,873,598	1,807,070	1,725,230	1,511,305	1,306,364	1,317,284	1,299,879	1,275,180	647,278
Stormwater	3,045,492	2,964,719	2,862,864	2,825,187	2,857,462	2,667,250	-	-	-	-
Operating grants and contributions	8,817	129,272	7,470	-	-	-	-	-	-	-
Total business-type activities program revenues	5,011,069	4,967,589	4,677,404	4,550,417	4,368,767	3,973,614	1,317,284	1,299,879	1,275,180	647,278
Total program revenues	\$ 24,128,822	\$ 25,876,334	\$ 20,262,481	\$ 15,719,537	\$ 15,711,213	\$ 12,390,266	\$ 9,075,612	\$ 8,607,531	\$ 8,461,321	\$ 3,171,416
Net (expense)/revenue										
Governmental activities	\$ (2,751,660)	\$ (979,541)	\$ (2,634,498)	\$ (3,908,884)	\$ (1,645,995)	\$ (3,087,270)	\$ 143,640	\$ (1,841,431)	\$ (6,007,476)	\$ (1,558,950)
Business-type activities	1,351,781	1,420,133	1,376,403	1,440,853	1,320,366	1,679,781	88,767	62,555	118,061	30,941
Total primary government	\$ (1,399,879)	\$ 440,592	\$ (1,258,095)	\$ (2,468,031)	\$ (325,629)	\$ (1,407,489)	\$ 232,407	\$ (1,778,876)	\$ (5,889,415)	\$ (1,528,009)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Motor vehicle taxes	\$ 1,397,446	\$ 1,317,855	\$ 1,198,950	\$ 884,182	\$ 728,251	\$ 559,032	\$ 849,532	\$ 1,056,930	\$ 756,524	\$ 660,859
Franchise taxes	4,277,206	4,234,332	4,002,094	4,032,511	3,702,272	4,994,280	3,220,188	3,053,324	3,028,563	3,281,768
Business taxes	4,443,550	3,964,997	3,326,225	3,229,901	3,511,286	3,430,487	2,606,672	2,567,228	2,396,689	2,451,150
Insurance taxes	3,180,853	3,152,255	3,052,960 ⁽¹⁾	-	-	-	-	-	-	-
Other excise taxes	837,737	837,298	801,902	3,636,354	3,485,333	3,572,639	2,741,913	2,555,514	2,495,463	482,579
Investment income (loss)	295,520	42,896	1,227	13,443	858	1,708	180,353	2,399	3,971	8,815
Gain on sale of capital assets	2,578	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	100,116	270,603	-	-	-
Special item - donation of infrastructure at incorporation	-	-	-	-	-	-	-	-	-	17,300,303
Transfers	227,500	1,105,480	219,450	219,450	272,293	-	-	-	-	-
Total governmental activities	14,662,390	14,655,113	12,602,808	12,015,841	11,700,293	12,658,262	9,869,261	9,235,395	8,681,210	24,615,474
Business-type activities:										
Investment income (loss)	47,784	11,955	-	-	-	-	-	-	2,240	1,043
Transfers	(227,500)	(1,105,480)	(219,450)	(219,450)	(272,293)	-	-	-	-	-
Total business-type activities	(179,716)	(1,093,525)	(219,450)	(219,450)	(272,293)	-	-	-	2,240	1,043
Total primary government	\$ 14,482,674	\$ 13,561,588	\$ 12,383,358	\$ 11,796,391	\$ 11,428,000	\$ 12,658,262	\$ 9,869,261	\$ 9,235,395	\$ 8,683,450	\$ 24,616,517
Change in Net Position										
Governmental activities	\$ 11,910,730	\$ 13,675,572	\$ 9,968,310	\$ 8,106,957	\$ 10,054,298	\$ 9,570,992	\$ 10,012,901	\$ 7,393,964	\$ 2,673,734	\$ 23,056,524
Business-type activities	1,172,065	326,608	1,156,953	1,221,403	1,048,073	1,679,781	88,767	62,555	120,301	31,984
Total primary government	\$ 13,082,795	\$ 14,002,180	\$ 11,125,263	\$ 9,328,360	\$ 11,102,371	\$ 11,250,773	\$ 10,101,668	\$ 7,456,519	\$ 2,794,035	\$ 23,088,508

(1) In 2021 the City began reporting its insurance premium tax collection as a separate tax revenue. Previously this was reported as other taxes.

(2) In December 2022, the City appointed its first City Marshal, establishing a Public Safety function.

CITY OF PEACHTREE CORNERS, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable - Prepays	\$ 214,683	\$ 170,420	\$ 423,352	\$ 432,175	\$ 369,309	\$ 275,156	\$ 66,833	\$ 23,069	\$ 22,176	\$ 15,071
Nonspendable - Long Term										
Lease Receivable	37,882	115,675	-	-	-	-	-	-	-	-
Committed	4,722,231	-	-	-	-	-	-	-	-	-
Assigned	17,910,868	1,118,976	1,116,340	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	6,977,722	-	-	-
Unassigned	8,074,913	16,131,699	10,815,220	9,690,675	7,524,729	8,672,304	491,803	12,712,468	9,362,173	7,343,335
Total general fund	<u>\$ 30,960,577</u>	<u>\$ 17,536,770</u>	<u>\$ 12,354,912</u>	<u>\$ 10,122,850</u>	<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>
All Other Governmental Funds										
Nonspendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,954	\$ 3,954	\$ -	\$ -	\$ -
Assigned:										
Community development	412,657	130,492	191,460	138,887 (3)	-	-	-	-	-	-
Restricted:										
Capital projects	16,106,723	10,963,671	8,247,694 (2)	18,394,216	23,106,102	22,898,540	25,141,358 (1)	10,242,980	6,153,466	1,679,194
Health and welfare	60,552	-	-	-	-	-	-	-	-	-
Federal programs	72,409	6,032	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 16,652,341</u>	<u>\$ 11,100,195</u>	<u>\$ 8,439,154</u>	<u>\$ 18,533,103</u>	<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>

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

(2) In 2021, land held for development in the DDA was included in capital assets of governmental activities, causing a significant decrease the fund balance of the DDA.

(3) Beginning in 2021, the Curiosity Lab was reported as a blended component unit.

CITY OF PEACHTREE CORNERS, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 14,136,792	\$ 13,506,737	\$ 12,382,131	\$ 11,782,948	\$ 11,427,142	\$ 12,556,438 (3)	\$ 9,418,305	\$ 9,232,996	\$ 8,677,239	\$ 6,880,381
Licenses and permits	1,553,192	2,075,459	1,661,639	1,927,576	1,508,645	1,439,684	1,270,861	1,051,717	982,359	942,425
Intergovernmental	16,460,929	17,514,352	13,162,704	7,992,485	9,240,565 (4)	6,890,558	6,476,754	6,246,928	6,170,876	1,566,721
Fines and forfeitures	68,515	7,166	19,603	8,891	7,594	4,080	4,263	8,507	6,906	14,992
Charges for services	338,796	248,522	185,322	-	-	-	-	-	-	-
Contributions	56,000	275,938	-	-	-	15,000	-	500	26,000	-
Investment income (loss)	352,658	(70,291)	2,478	76,347	86,288	14,672	186,803	2,399	3,971	8,815
Miscellaneous	583,183	591,429	554,558	535,418	500,212	154,482	270,603	-	-	-
Total revenues	<u>33,550,065</u>	<u>34,149,312</u>	<u>27,968,435</u>	<u>22,323,665</u>	<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>
Expenditures										
Current:										
General government	12,386,779	13,713,664 (8)	9,132,501	7,026,396	8,644,696	9,570,418	9,082,273 (1)	3,837,772	4,867,436	2,610,537
Public safety	143,602 (9)	-	-	-	-	-	-	-	-	-
Public works	2,101,449	1,727,704	1,657,630	1,605,618	1,603,306	1,791,515	1,939,000	1,647,176	2,773,950	285,000
Housing and development	3,332,666	3,083,444	5,460,684	2,563,179	7,413,523	13,949,204 (2)	2,036,045	1,504,682	1,719,968	968,196
Capital outlay	5,292,148	7,815,167	18,616,456 (6)	12,562,137 (5)	5,120,744 (4)	3,415,754	2,599,912	2,107,414	-	-
Debt service:										
Principal	1,182,613	1,175,574	840,000	815,000	645,000	-	-	4,983	4,824	4,259
Interest	257,433	263,202	404,291	453,859	465,284	354,739	305,693	318	958	1,523
Bond issuance costs	257,500	-	227,995 (7)	-	-	-	-	-	-	-
Total expenditures	<u>24,954,190</u>	<u>27,778,755</u>	<u>36,339,557</u>	<u>25,026,189</u>	<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>
Excess of revenues over expenditures	<u>8,595,875</u>	<u>6,370,557</u>	<u>(8,371,122)</u>	<u>(2,702,524)</u>	<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>
Other Financing Sources (Uses)										
Proceeds from sale of assets	2,578	-	-	-	-	-	-	-	-	-
Issuance of long term debt	10,150,000 (10)	366,862	12,525,000 (7)	-	-	7,175,000	8,000,000	-	-	-
Transfers in	5,727,500	6,611,187	1,232,351	838,096	3,584,356	971,788	19,552,648	-	-	128,725
Transfers out	(5,500,000)	(5,505,707)	(1,012,901)	(618,646)	(3,312,063)	(971,788)	(19,552,648)	-	-	(128,725)
Deposit with escrow agent	-	-	(12,875,000) (7)	-	-	-	-	-	-	-
Premium from bond issuance	-	-	733,257 (7)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>10,380,078</u>	<u>1,472,342</u>	<u>602,707</u>	<u>219,450</u>	<u>272,293</u>	<u>7,175,000</u>	<u>8,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 18,975,953</u>	<u>\$ 7,842,899</u>	<u>\$ (7,768,415)</u>	<u>\$ (2,483,074)</u>	<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>
Debt service as a percentage of noncapital expenditures	7.2%	7.1%	7.2%	8.9%	8.7%	3.3%	3.1%	0.1%	0.1%	0.2%

- (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.
(5) Increase in capital outlay is due to construction of Pedestrian Bridge project.
(6) Increase in capital outlay is due to DDA transfer of land from held for development to capital assets.
(7) In 2021 the City issued Series 2020A and 2020B revenue bonds to refund previously outstanding Series 2018 bonds and Series 2017A certificates of participation.
(8) Increase compared to prior year is attributed to commencement of several construction projects in the City.
(9) In December 2022, the City appointed its first City Marshal, establishing a Public Safety function.
(10) In December 2022, the City issued Series 2022A and 2022B revenue bonds to finance renovations at City Hall.

CITY OF PEACHTREE CORNERS, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN 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					
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%
2019	1,396,993,500	1,302,653,340	99,535,010	734,400	16,478,940	27,558,120	210,714	2,288,505	2,841,875,519	0.00	7,104,688,798	40%
2020	1,473,088,840	1,468,899,500	113,475,830	274,160	12,631,050	27,736,040	189,700	2,341,774	3,093,953,346	0.00	7,734,883,365	40%
2021	1,521,487,380	1,448,295,490	96,901,940	747,440	10,002,610	31,280,320	88,500	2,301,318	3,106,502,362	0.00	7,766,255,905	40%
2022	1,854,469,340	1,874,184,160	125,446,350	747,440	8,485,140	33,797,520	72,640	4,190,502	3,893,012,088	0.00	9,732,530,220	40%

Source: Gwinnett County Tax Commissioner

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

CITY OF PEACHTREE CORNERS, GEORGIA

PRINCIPAL FRANCHISE TAXPAYERS CURRENT AND NINE YEARS AGO

Franchise Taxpayer	2023			2014		
	Revenue	Rank	Percentage of Total Revenue	Revenue	Rank	Percentage of Total Revenue
Georgia Power	\$ 2,590,789	1	60.57 %	\$ 1,488,161	1	45.35 %
Waste Management	805,958	2	18.84	57,182	4	1.74
Atlanta Gas Light	431,029	3	10.08	983,038	2	29.95
Comcast	302,091	4	7.06	660,069	3	20.11
Bellsouth	105,687	5	2.47	6,508	7	0.20
Republic Services	20,095	6	0.47	49,355	5	1.50
Zayo Group	6,313	7	0.15			
Uniti Fiber	4,803	8	0.11			
Level 3 Communication	4,471	9				
MCI Metro	3,157	10				
Advanced Disposal				28,041	6	0.85
American Disposal Service of Georgia				4,869	8	0.15
Waste Eliminator				3,107	9	0.09
Waste Pro of Georgia				1,339	10	0.04
Totals	<u>\$ 4,274,393</u>			<u>\$ 3,281,669</u>		

Source: Peachtree Corners Finance Department

CITY OF PEACHTREE CORNERS, GEORGIA

FRANCHISE TAX RATES LAST TEN CALENDAR YEARS

Calendar Year	Telecommunication	Cable	Electric	Solid Waste
2014	3%	5%	4%	3%
2015	3%	5%	4%	3%
2016	3%	5%	4%	3%
2017	3%	5%	4%	3%
2018	3%	5%	4%	3%
2019	3%	5%	4%	3%
2020	3%	5%	4%	10%
2021	3%	5%	4%	10%
2022	3%	5%	4%	10%
2023	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 TEN FISCAL YEARS

Fiscal Period Ended June 30,	Governmental Activities				Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable Direct Placement	Certificates of Participation	Lease Payable	Total		
2014	\$ -	\$ -	\$ 9,807	\$ 9,807	0.001 %	0.26
2015	-	-	4,983	4,983	0.000	0.13
2016	-	3,153,289	-	3,153,289	0.179	73.72
2017	-	8,000,000	-	8,000,000	0.446	187.03
2018	7,175,000	8,000,000	-	15,175,000	0.826	350.72
2019	7,175,000	7,355,000	-	14,530,000	0.800	333.95
2020	6,795,000	6,920,000	-	13,715,000	0.778	324.67
2021	13,245,049	-	-	13,245,049	0.716	313.54
2022	12,166,818	-	623,555	12,790,373	0.685	302.78
2023	21,233,587	-	430,942	21,664,529	1.096	512.85

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, 2023

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping debt			
Gwinnett County GO Bonds, Leases Payable ⁽¹⁾	\$ 211,091,000	8 %	\$ 16,887,280
Gwinnett County Board of Education GO Bonds, Certificates of Participation ⁽²⁾	1,272,727,284	8 %	101,818,183
Total overlapping debt	1,483,818,284		118,705,463
City of Peachtree Corners direct debt	21,664,529	100 %	21,664,529
Total direct and overlapping debt	\$ 1,505,482,813		\$ 140,369,992

(1) Gwinnett County Annual Comprehensive Financial Report for December 31, 2022.

(2) Gwinnett County Board of Education Annual Comprehensive Financial Report for June 30, 2022.

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 TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Assessed Value	\$ 3,893,012,088	\$ 3,106,502,362	\$ 3,093,953,346	\$ 2,841,875,519	\$ 2,604,692,290	\$ 2,543,057,936	\$ 2,409,363,032	\$ 2,318,301,275	\$ 2,362,369,850	\$ 1,759,027,633
Add back: exempt real property	4,190,502	2,301,318	2,341,774	2,288,505	2,520,060	2,473,334	2,326,608	2,002,065	1,840,140	310,859,307
Total assessed value	<u>\$ 3,897,202,590</u>	<u>\$ 3,108,803,680</u>	<u>\$ 3,096,295,120</u>	<u>\$ 2,844,164,024</u>	<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>
Debt Limit - 10% of Assessed Value	<u>\$ 389,720,259</u>	<u>\$ 310,880,368</u>	<u>\$ 309,629,512</u>	<u>\$ 284,416,402</u>	<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>
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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Legal Debt Margin	<u>\$ 389,720,259</u>	<u>\$ 310,880,368</u>	<u>\$ 309,629,512</u>	<u>\$ 284,416,402</u>	<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>
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%	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 TEN FISCAL YEARS

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2014	38,006	\$ 1,496,714	\$ 39,381	38.6	3,649	4.3 %
2015	38,006	1,516,819	39,910	37.9	3,738	5.4
2016	42,773	1,765,156	41,268	35.2	3,753	2.6
2017	42,773	1,792,488	41,907	34.8	3,805	4.0
2018	43,268	1,837,289	42,463	36.1	3,817	3.3
2019	43,509	1,816,109	41,741	36.1	3,794	3.0
2020	42,243	1,763,265	41,741	36.4	3,831	2.8
2021	42,243	1,849,525	43,783	36.5	3,865	7.2
2022	42,243	1,867,816	44,216	35.3	3,869	3.6
2023	42,243	1,975,874	46,774	35.6	3,830	2.4

(1) Source: U.S. Census Bureau - 2020 Census

(2) Source: U.S. Census Bureau - 2021 Estimates

(3) Source: Georgia Department of Education (High School Enrollment Only)

(4) Bureau of Labor Statistics July 2023

Note: 2020-2023 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 NINE YEARS AGO

Employer	2023			2014		
	Employees (2)	Rank	Percentage of Total City Employment (3)	Employees (1)	Rank	Percentage of Total City Employment (3)
Soliant	565	1	1.37 %			
Siemens Industry Inc.	534	2	1.30			
Carmax	492	3	1.20			
Molnlycke Healthcare US	449	4	1.09			
Immucor Inc.	375	5	0.91			
Capstone Logistics	355	6	0.86	495	4	1.21 %
Pond & Company	353	7	0.86			
Fleetcor Technologies Operating	350	8	0.85	225	10	0.55
Ryerson	325	9	0.79	290	7	0.71
Virtucom	318	10	0.77			
The Network Inc.				950	1	2.33
All Risks Ltd.				725	2	1.78
Phoenix Corporation				585	3	1.44
Career Builder LLC				420	5	1.03
Fiserv				292	6	0.72
Technical Innovation LLC				287	8	0.70
ACI Worldwide Corp				285	9	0.70
All other employers	37,039		90.00	36,206		88.83
Totals	41,155		100.00 %	40,760		100.00 %

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

(2) Source: 2023 City of Peachtree Corners Business License Department

(3) Source: U. S. Census Bureau

CITY OF PEACHTREE CORNERS, GEORGIA

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

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	17	14	12	11	11	10	7	7	5	4
Judicial	1	1	1	1	1	1	1	1	1	1
Public works										
Highways and streets	16.5	17.5	17.5	17.5	17	17	12	12	9	-
Housing and development	11	12	13	13	13	11	11	11	8	8
Total	45.5	44.5	43.5	42.5	42	39	31	31	23	13

Source: City of Peachtree Corners Human Resources Department

Note: Fiscal year 2014 is the City's first full year of operations. The City has gradually taken 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 TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function										
General government										
Ordinances approved	22	24	32	17	21	27	12	27	25	11
Special events held	36	44	54	17	12	9	2	2	2	2
Court cases	47	25	35	30	9	10	-	47	31	86
Bond rating	Aa1	Aa1	Aa1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Software applications supported	19	19	19	13	9	8	7	7	7	7
Grants managed	5	3	6	4	3	4	3	2	3	1
Public works										
Work orders processed	1,873	1585	2197	2036	1630	1019	1351	1468	N/A	N/A
Housing and development										
Stormwater plans reviewed	76	91	71	73	12	90	50	23	24	23
New building permits issued	1,163	1,295	1,235	1,446	1,337	1,141	436	1,102	1,027	1,115

Sources: Various City and County departments.

CITY OF PEACHTREE CORNERS, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Works										
Streets (miles)	121	121	121	121	121	121	121	121	121	121
Stormwater Pipe (feet)	233,134	252,215	253,568	261,949	260,338	260,338	252,874	252,874	252,874	252,874
Stormwater Structures	3,512	3,631	3,893	3,924	3,928	3,928	3,816	3,816	3,816	3,816
Parking Garage	1	1	1	1	1	-	-	-	-	-
Traffic Management System	1	1	1	1	-	-	-	-	-	-
Traffic Signal	1	1	1	1	-	-	-	-	-	-
General Government										
Land (acres)	21.7	21.7	21.40	18.78	18.78	4.35	4.35	-	-	-
Buildings										
Owned	2	2	2	2	2	1	1	-	-	-
Leased	1	1	1	1	1	1	1	1	1	1
Vehicles	6	1	1	-	-	-	-	-	-	-
Autonomous Vehicle Test Track (miles)	1.5	1.5	1.5	1.5	-	-	-	-	-	-
Play Structures	5	4	3	3	2	-	-	-	-	-
Fitness Trail	1	1	1	1	-	-	-	-	-	-

Source: Various City departments.

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

COMPLIANCE SECTION



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

**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, each major fund, and the aggregate remaining fund information of the City of Peachtree Corners, Georgia (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 11, 2023.

Report on 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") as a basis for designing 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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2023



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

Opinion on Each Major Federal Program

We have audited the City of Peachtree Corners, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
December 11, 2023

CITY OF PEACHTREE CORNERS, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Contract or Project Number	Sub-recipient Expenditures	Total Expenditures
U.S. DEPARTMENT OF THE TREASURY				
Passed through the State of Georgia				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0005117	\$ 840,015	\$ 6,082,867
Total U.S. Department of the Treasury			840,015	6,082,867
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed through Georgia Environmental Protection Division				
Nonpoint Source Implementation Grants	66.460	751-210072	-	8,817
Total U.S. Environmental Protection Agency			-	8,817
Total Expenditures of Federal Awards			\$ 840,015	\$ 6,091,683

See accompanying note to schedule of expenditures of federal awards.

CITY OF PEACHTREE CORNERS, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Peachtree Corners, Georgia and is presented on the accrual basis of accounting. 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* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The City did not utilize the 10% de minimis indirect cost rate.

CITY OF PEACHTREE CORNERS, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ yes X no

Significant deficiencies identified?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major program:

Material weaknesses identified?

___ yes X no

Significant deficiencies identified?

___ yes X none reported

Type of auditor's report issued on compliance for major program

Unmodified

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

___ yes X no

Identification of major program:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

COVID-19: Coronavirus State and Local Fiscal Recovery Fund

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

\$750,000

Auditee qualified as low-risk auditee?

X yes ___ no

CITY OF PEACHTREE CORNERS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

None reported