



City of Holly Springs

Date: Thursday, September 9, 2021

Location: 3235 Holly Springs Parkway

City Council Work Session Agenda 7:00 p.m.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

“Veterans of U.S. military services may proudly salute the flag while not in uniform based on a change in the governing law on 25 July 2007.”

III. INVOCATION

IV. SWEARING IN CEREMONY

- Swearing In Ceremony for Councilman Kevin Moore
By: Karen Norred, City Clerk/Human Resources Director

V. SPECIAL PRESENTATION

- Cherokee FOCUS
Presented By: Sonia Carruthers, Executive Director/CEO

VI. PUBLIC COMMENTS

VII. NEW BUSINESS

- A. Discuss the 2020 Comprehensive Annual Financial Report
Presented By: Denise Lamazares, Finance Director & Robert H. Logan, City Manager
- B. Discuss an ordinance to set the 2021 millage rate pursuant to Section 6.02 of the City Charter
Presented By: Denise Lamazares, Finance Director

- C. Discuss the adoption of a resolution authorizing the execution of an intergovernmental contract with the Urban Redevelopment Agency of the City of Holly Springs, Georgia (URA) and other documents related to the issuance of the URA's revenue bond

Presented By: Robert H. Logan, City Manager

- D. Discuss a proposal from BM&K Construction and Engineering for Professional Design Services for the Holly Springs Parkway at Fox Creek Drive Project

Presented By: Robert H. Logan, City Manager

- E. Discuss the Workforce Innovation and Opportunity Act Youth Services Contract by and between the Atlanta Regional Commission and the City of Holly Springs, Georgia

Presented By: Robert H. Logan, City Manager

- F. Discuss the Stormwater Inspector/Equipment Operator job description

Presented By: Karen Norred, City Clerk/Human Resources Director

VIII. ADJOURNMENT

City Council Special Called Meeting

Agenda

Immediately following the Work Session

I. CALL TO ORDER

II. NEW BUSINESS

1. Approve/deny an ordinance to set the 2021 millage rate at 4.220 mills pursuant to Section 6.02 of the City Charter
2. Approve/deny the adoption of a resolution authorizing the execution of an intergovernmental contract with the Urban Redevelopment Agency of the City of Holly Springs, Georgia (URA) and other documents related to the issuance of the URA's revenue bond and authorize the Mayor to execute the documents
3. Approve/deny the Workforce Innovation and Opportunity Act Youth Services Contract by and between the Atlanta Regional Commission and the City of Holly Springs, Georgia and authorize the Mayor to execute the contract documents
4. Approve/deny the Stormwater Inspector/Equipment Operator job description

III. ADJOURNMENT

EXECUTIVE SESSION

- Real Estate



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Tommy Hardin Pavilion

FOR THE YEAR ENDED
DECEMBER 31, 2020

2020



Corporal Naveed Babar



J.B. Owens Park, Hickory Road



Mayor Steven W. Miller, Fire Station #3

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PREPARED BY

Denise Lamazares

Finance Director

SUBMITTED BY

Robert H. Logan, CPA, CGMA

City Manager

**CITY OF HOLLY SPRINGS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

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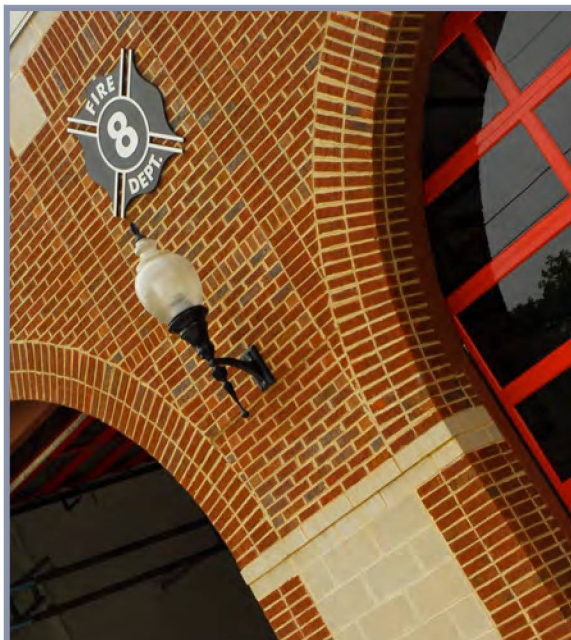
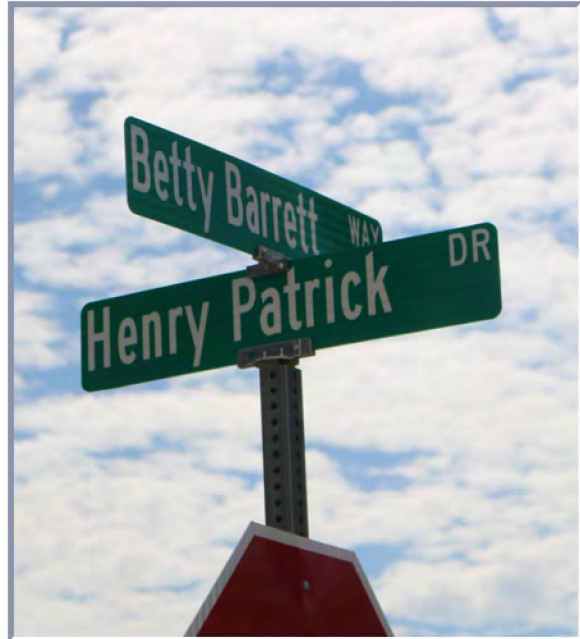
**CITY OF HOLLY SPRINGS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

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Holly Springs
Christmas Parade



Chief Tommy Keheley &
Officer Brandon Boyce

INTRODUCTORY SECTION

Mayor
Steven W. Miller

Council Members
Karen Barnett
Dee Phillips
Jeff Wilbur
Kyle Whitaker
Michael Roy Zenchuk II



City of Holly Springs

Post Office Box 990
Holly Springs, GA 30142
www.hollyspringsga.us
Office: 770-345-5536 – Fax: 770-345-0209

City Attorney
Robert M. Dyer

City Clerk
Karen Norred

City Manager
Robert H. Logan

June 17, 2021

Honorable Mayor Steven W. Miller
Members of the City Council, and
Citizens of the City of Holly Springs

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Holly Springs, Georgia for the fiscal year ended December 31, 2020, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and that disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City's financial statements have been audited by Mauldin & Jenkins, 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 Holly Springs for the year ended December 31, 2020 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 Holly Springs' financial statements for the year ended December 31, 2020 are fairly stated 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

The City of Holly Springs was incorporated in 1906 around the busy train depot established by the Louisville & Nashville (L&N) Railroad. Holly Springs was once known for its "green marble" quarry on the west side of the City as well as a destination for local farmers to ship their goods on the L&N Railroad. As Metropolitan Atlanta has grown over the past several decades, the City of Holly Springs has become more suburban in character with light industry, commercial establishments, and numerous residential developments. The City is in the center of Cherokee County approximately thirty-five miles north of Atlanta on I-575 and currently consists of 7.30 square miles.

Policy making and legislative authority is vested in the Mayor and five Council Members. The term of each office is four years with elections staggered every two years. The City of Holly Springs is divided into five geographic wards, which are elected at-large by plurality vote. Candidates must reside in the ward in which they are seeking office when qualifying as a candidate. Each candidate is required to reside in such ward during the member's period of service and continue to be registered and eligible to vote in municipal elections of the City. Candidates elected to office in the November election take office in the month of January of the following year and are sworn in at the first council meeting of the year.

The City operates under a city council/manager form of government pursuant to the constitution and laws of the State of Georgia and the City of Holly Springs' Charter. The City Manager is responsible for the daily operations of all City departments and possesses all of the administrative powers granted to the government under the constitution and laws of the State of Georgia and the City's Charter.

This report includes all funds of the City. The City provides a full range of services including police and fire protection, the construction and maintenance of highways, streets, and infrastructure, recreational activities, and cultural events. In addition to general governmental activities, the City also operates a Stormwater Utility. The City's reporting entity also includes the balances and activities of three quasi-governmental entities, the Holly Springs Downtown Development Authority, a discretely presented component unit, the Holly Springs Parks and Recreation Authority and the Urban Redevelopment Agency of the City of Holly Springs, Georgia, blended component units.

The City, in conjunction with its component units, is striving to improve the lives of its residents through the creation of new parks and recreation venues, upgrades to stormwater infrastructure, roads and sidewalks, the redevelopment of the downtown core area and the acquisition of vehicles and equipment for public safety. The Mayor and City Council are very proactive in planning for the future and initiating projects to meet future needs of the community.

As shown below, the City of Holly Springs has experienced a considerable amount of growth in the past 50 years and anticipates more growth in the future as the Atlanta Metropolitan Statistical Area (MSA) continues to expand:

Year	Population	Percentage (%) of County
1970	575	1.85%
1980	687	1.33%
1990	2,406	2.67%
2000	3,195	2.22%
2010	9,189	4.29%
2020	17,969	6.82%

ECONOMIC CONDITION AND OUTLOOK

Some of the factors, which will contribute to the future growth and development of the City of Holly Springs are listed below:

Improved Transportation System

The City started construction in the summer of 2016 to realign and upgrade the intersection of Hickory Road, Holly Springs Parkway and P. Rickman Industrial Drive to improve the flow of traffic in downtown Holly Springs. The Project included the construction of a roundabout on Hickory Road, the construction of a new roadway from Palm Street to Hickory Road (Betty Barrett Way), the addition of a westbound through lane on Hickory Road and improvements to the intersection of Hickory Road and Palm Street. This project was completed in 2020 and has improved traffic flow in downtown Holly Springs and alleviated congestion east of the Town Center.

Water and Sewer Availability

The City of Holly Springs, in conjunction with the Cherokee County Water and Sewerage Authority, entered into an intergovernmental agreement to construct the Downtown Holly Springs Sanitary Sewer Project in 2012. The project was completed in 2015 provides sanitary sewer for the proposed Holly Springs Town Center Project and various industries in the Hickory Springs Industrial Park. In addition, sanitary sewer lines were extended within the Hickory Springs Industrial Park in 2020 during the construction of Cobb Industrial, Inc., a new steel fabrication company that relocated its operations to Holly Springs, to serve their new corporate headquarters and production facilities.

Availability of Large Tracts of Land

The eastern section of Holly Springs continues to experience many land use changes primarily due to the large areas of vacant land in this area. Management expects continued development in this area as the City of Holly Springs accepts annexation and rezoning applications for commercial and residential uses along the Hickory Road and State Highway 140 corridors.

Recent Economic Development

The City of Holly Springs has seen significant redevelopment north of Sixes Road on Holly Springs Parkway. The intersection of Sixes Road and Interstate 575 is the northern terminus of a reversible toll lane project that was constructed by the Georgia Department of Transportation in a public private partnership two years ago. Prior to the completion of this project, there was a great deal of interest in this area from developers. Two large market rate apartment complexes were completed at this intersection in 2019 and a third complex is now under construction. In addition, a single-family detached residential development is under construction on Sixes Road just west of the interstate. Northside Hospital and Wellstar Health System own several large parcels of land along the western side of I-575 at Sixes Road for the construction of future medical facilities to serve our community. Wellstar Health System completed phase I of their health park in the fall of 2019 generating approximately one hundred new jobs.

Budgetary Controls

The City of Holly Springs maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the General Fund, Hotel/Motel Tax Fund, Parks and Recreation Fund, Operating Grant Fund, Town Center Fund, SPLOST III Fund, SPLOST IV Fund, SPLOST V Fund and Stormwater Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the department level.

The City of Holly Springs submits its annual budget to the Government Finance Officers Association for consideration of the Distinguished Budget Presentation Award each year. The City has received this award from 2010 through 2020.

Financial Policies

The City adopted a Financial Management Policy on September 15, 2008 which management follows in the preparation of its annual budget and daily financial operations. The City of Holly Springs amended its Financial Policy on November 16, 2020 to increase the percentage of budget stabilization reserves to twenty-five percent (25%) of budgeted expenditures in the General Fund to cover unforeseen budget shortfalls. The Policy also provides guidelines for the use of contingencies for unexpected expenditures, cash and investment management, grant management, purchasing policies and internal control policies.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding 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 (GAAP). The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

Long-Term Financial Planning

The City actively engages in multi-year financial planning. The City updates its five-year capital improvement plan annually to account for future capital acquisitions and capital asset replacements. The City is actively engaged in long-term forecasting to determine areas where infrastructure upgrades are going to be needed. The Finance Director uses various data in forecasts for future operating and capital needs in the preparation of the City's annual budget document as well.

MAJOR INITIATIVES

Holly Springs Town Center Project

In 2016, the City of Holly Springs issued a request for proposals (RFP) for Master Development Services for the City of Holly Springs Town Center Project. The City received three proposals in early 2017 and selected one of the firms with whom to negotiate a master development agreement. Pursuant to the request for proposals, the master development agreement includes design and construction oversight for the mixed-use development which includes retail units, multi-family residential units, senior living residential units, single-family detached residential units and City Hall with a town green and amphitheater. Construction of the Town Center Road Network Project, utilities and associated infrastructure was completed in 2020. Bids for the Holly Springs Town Center Project site work were due on June 17, 2021. This phase of the project is anticipated to take approximately a year. The vertical construction for the parking deck, amphitheater, City Hall, and multi-purpose buildings are projected to start in 2022.

Holly Springs Parkway Widening Project Phase II

The City of Holly Springs applied for funding from the State Road and Tollway Authority (SRTA) and the Georgia Transportation Infrastructure Bank (GTIB) for grant and loan funds for the widening of Holly Springs Parkway from Rabbit Hill Road to Ronnell Road in 2020. The City of Holly Springs was awarded the grant and loan funds on August 12, 2020 in the amount of \$1,250,000 and \$3,500,000, respectively. The total budget for the project is \$5,599,495 including preliminary engineering, right-of-way acquisition and construction. At year end, the Holly Springs Parkway Widening Project Phase II was in the design and right-of-way acquisition phase. Upon completion, the project will include the addition of one northbound and one southbound travel lane, the addition of a raised and landscaped median, stormwater infrastructure improvements, sidewalks, and pedestrian lamp posts. The project is scheduled for completion in the first quarter of 2022.

Holly Springs Parkway Widening Project Phase III

The City of Holly Springs applied for funding from the State Road and Tollway Authority (SRTA) for loan funds for the widening of Holly Springs Parkway from Ronnell Road to Childers Road during the first quarter of 2021. The City of Holly Springs was awarded \$6,000,000 through the Georgia Transportation Infrastructure Bank (GTIB) on May 1, 2021. The budget for this phase of the project includes \$387,496 for preliminary engineering, \$1,582,545 for the acquisition of additional right-of-way and \$4,029,959 for construction. At year end, the Holly Springs Parkway Widening Project Phase III was in the preliminary design phase. Survey work was completed in the first quarter of 2021. This project will include the construction of a four-lane roadway with a raised median, stormwater infrastructure improvements, sidewalks, and pedestrian lamp posts. This project is scheduled for completion in the summer of 2023.

AWARDS AND ACKNOWLEDGEMENTS

Independent Audit

The Mayor, City Council and the State of Georgia require an annual audit to be performed on the books of account, financial records, and transactions of all administrative departments of the City by independent Certified Public Accountants selected by the City Council. This requirement has been complied with and the auditor's opinion has been included in this report.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Holly Springs for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the seventh consecutive year that the City has achieved this prestigious award. 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 (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report will 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 this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire City staff and the Certified Public Accounting firm of Mauldin & Jenkins. We would also like to thank the Mayor and members of the City Council for their interest in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

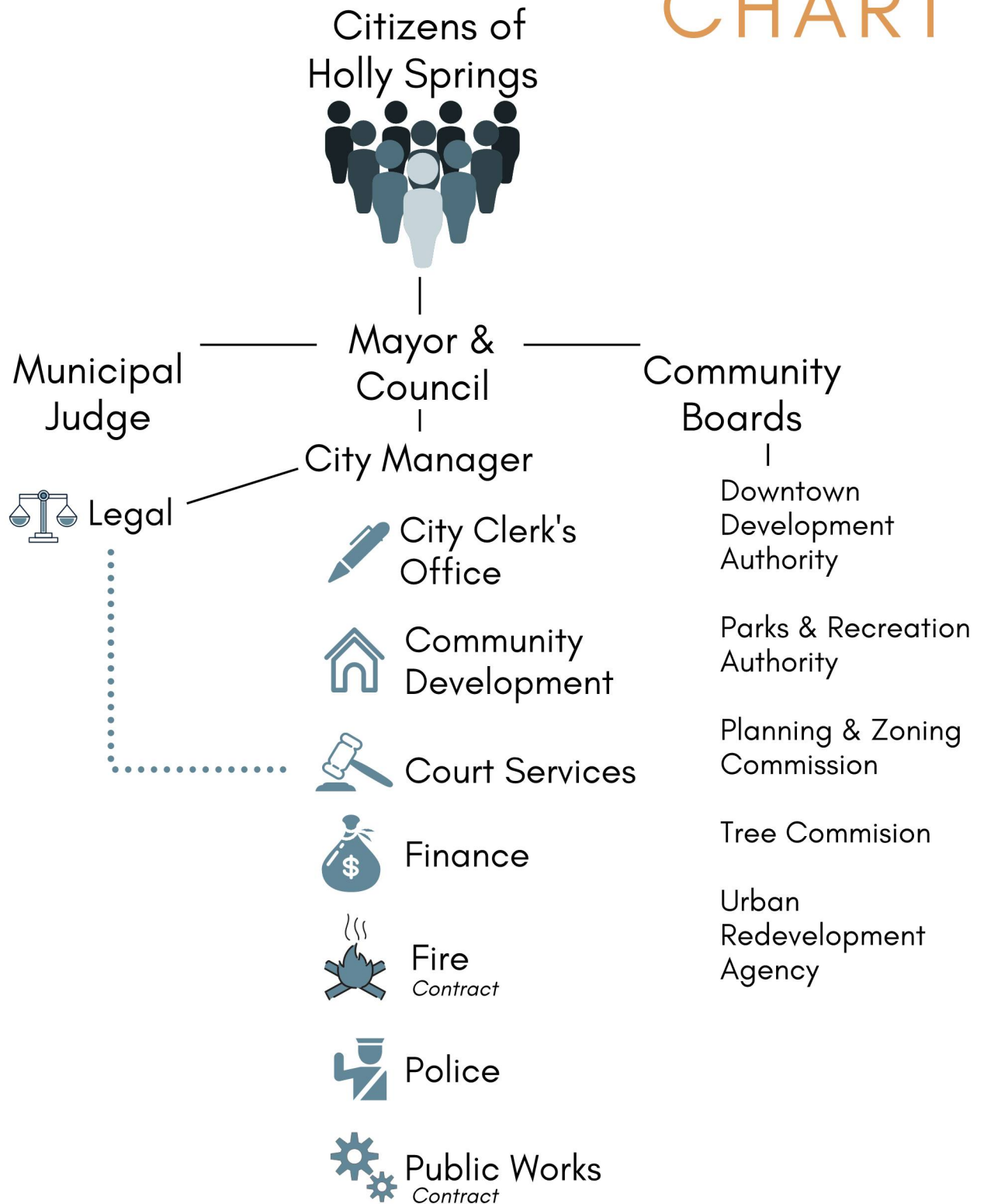
A handwritten signature in blue ink, reading "Denise Lamazares".

Denise Lamazares
Finance Director

A handwritten signature in blue ink, reading "Robert H. Logan".

Robert H. Logan, CPA, CGMA
City Manager

ORGANIZATION CHART





Steven W. Miller
Mayor



Michael R. Zenchuk II
Mayor Pro Tem | Ward 3



Kyle Whitaker
Ward 1



Dee Phillips
Ward 2



Karen Barnett
Ward 4



Jeff Wilbur
Ward 5

Progress

MAYOR &
COUNCIL

PRINCIPAL OFFICERS



Robert H. Legon, CRA, CGMA
City Manager



Karen Norred, CMC, ACHRM
City Clerk/HR Director



Tommy Keholey
Chief of Police



Nancy Moon
Community Development
Director



Denise Lamazares
Finance Director



Donna Sanders
Court Administrator



Erin Honea, EDFP
Economic Development
Director/Asst. City Clerk

Dyer & Rusbridge, PC
City Attorney

Optech Monette, LLC
Public Works

Mauldin and Jenkins, LLC
City Auditors



Government Finance Officers Association

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

Presented to

**City of Holly Springs
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION



Public Information Open House,
Hickory Springs Parkway Project



Pinning Ceremony for
Chief Tommy Keheley

INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of the City Council of the
City of Holly Springs, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Holly Springs, Georgia** (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Holly Springs, Georgia as of December 31, 2020, 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.

Emphasis of Matter

As discussed in Note 15, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of January 1, 2020. This standard significantly changed the accounting for City of Holly Springs' activities previously reported as agency funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13), General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (on page 47), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 48), and the Schedule of City Contributions (on page 49) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

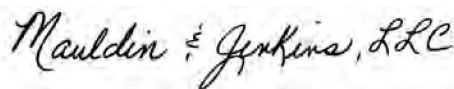
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, the schedule of projects constructed with special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and 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 Auditor Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedule of projects constructed with special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards, (collectively, "the supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, 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.



Atlanta, Georgia
June 17, 2021

**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

As the management of the City of Holly Springs, Georgia (the "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 December 31, 2020. The audit is required by Georgia law. A Statement of Net Position and the Statement of Activities provides a picture of the activities of the City. Fund Financial Statements provide a more detailed view of the City's services and the revenue dedicated to fund them.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020 are as follows:

- The City's combined net position increased \$3,758,917 (8.06%) to \$50,382,027 from \$46,623,110 in 2019.
- Combined revenue increased \$2,427,601 (20.07%) to \$14,523,036 from \$12,095,435 in 2019, of which governmental activities totaled \$13,651,634 and business-type activities totaled \$871,402.
- Overall expenses increased \$1,107,440 (11.47%) to \$10,764,119 from \$9,656,679 in 2019, of which governmental activities totaled \$10,434,156 and business-type activities totaled \$329,963.
- As of December 31, 2020, the City's governmental funds reported combined ending fund balances of \$7,617,374. At December 31, 2020, the unassigned fund balance is \$2,281,466.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the 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 operations, in a manner similar to private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the primary government.

There are two government-wide statements: 1) The Statement of Net Position and 2) The Statement of Activities.

The Statement of Net Position

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, deferred inflows of resources, 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

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (i.e., uncollected taxes and earned but unused accrued vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include the general government, judicial, public safety, public works, health and welfare,

**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

culture and recreation and housing and development. The business-type activities include the stormwater utility. Component units include legally separate entities that meet the criteria for inclusion in the City's financial statements discussed in the notes to the financial statements, Note 1. The City includes one discretely presented component unit in its government-wide financial statements: The Holly Springs Downtown Development Authority.

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

FUND FINANCIAL STATEMENTS

The Fund Financial statements begin on page 16 and provide detailed information about the City's funds. Some funds are required to be established by state law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on 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 government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. 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 in the government-wide statements.

The City maintains four governmental fund types: General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Three individual funds are considered to be major funds: General Fund, SPLOST V Fund and Town Center Fund. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14 through 18 of this report.

Proprietary Funds

Proprietary funds are used to account for activities that operate similar to those of commercial enterprises found in the private sector. The City maintains the Stormwater Utility Fund as an enterprise fund. Proprietary funds provide the same type of information as the government-wide financial statements but in greater detail.

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

Fiduciary Fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City uses a custodial fund for the collection and remittance of cash appearance bond related activity for the Municipal Court.

**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The basic fiduciary fund financial statements can be found on pages 22 through 23 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

The notes to financial statements can be found on pages 24 through 46 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees as well as a Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund. This schedule compares the original and final adopted budget of the General Fund of the City of Holly Springs to the actual revenues and expenditures.

The required supplementary information, including related notes, can be found on pages 47 through 49 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (governmental and business-type activities) totaled \$50,382,027 at December 31, 2020.

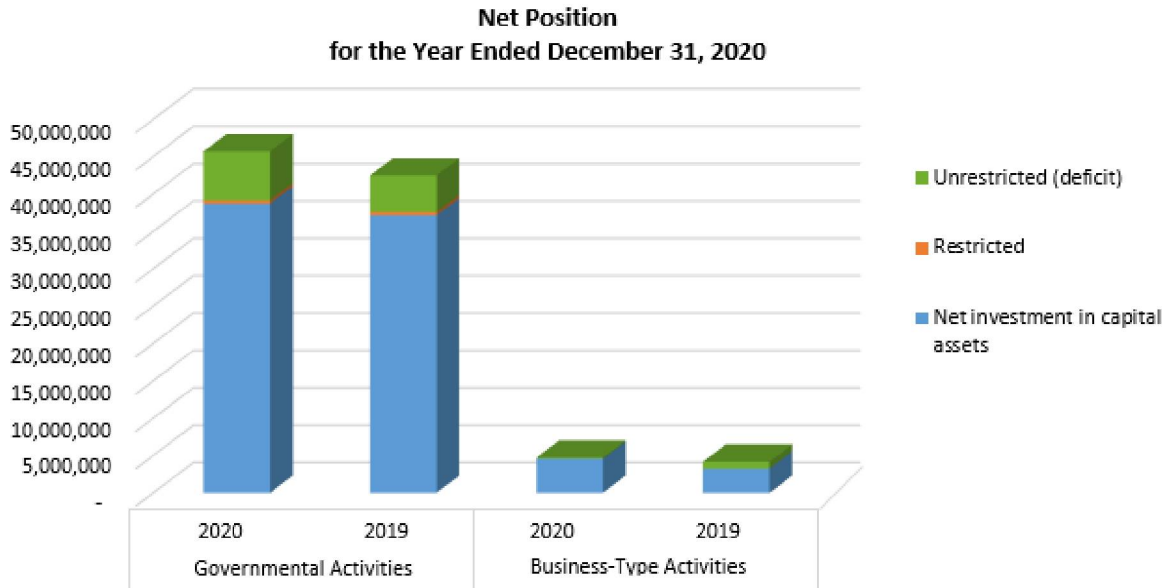
Combined net position includes a net investment in capital assets of \$43,239,303 (e.g., land, infrastructure, buildings, equipment, and other); less accumulated depreciation and any related debt outstanding that was needed to build or acquire the assets. The City uses these assets to provide services to the citizens and the businesses in the City; consequently, this net position is not available for future spending. The city has \$430,968 of restricted net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how it can be used. The City has \$6,711,756 in unrestricted net position at December 31, 2020.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$13,663,619	\$11,328,242	\$ 56,414	\$ 927,148	\$13,720,033	\$12,255,390
Capital Assets	48,040,063	40,781,345	5,015,165	3,243,491	53,055,228	44,024,836
Total Assets	61,703,682	52,109,587	5,071,579	4,170,639	66,775,261	56,280,226
Deferred Outflows of Resources	644,850	345,176	13,093	4,546	657,943	349,722
Current liabilities	1,995,990	1,235,666	200,103	10,669	2,196,093	1,246,335
Non-current liabilities	9,652,499	4,094,188	187,863	9,249	9,840,362	4,103,437
Total Liabilities	11,648,489	5,329,854	387,966	19,918	12,036,455	5,349,772
Deferred Inflows of Resources	5,014,722	4,657,066	-	-	5,014,722	4,657,066
Net Position:						
Net Investment in Capital Assets	38,697,277	37,131,975	4,542,026	3,243,491	43,239,303	40,375,466
Restricted	430,968	426,410	-	-	430,968	426,410
Unrestricted	6,557,076	4,909,458	154,680	911,776	6,711,756	5,821,234
Total Net Position	\$45,685,321	\$42,467,843	\$4,696,706	\$4,155,267	\$50,382,027	\$46,623,110

**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

City of Holly Springs' Net Position

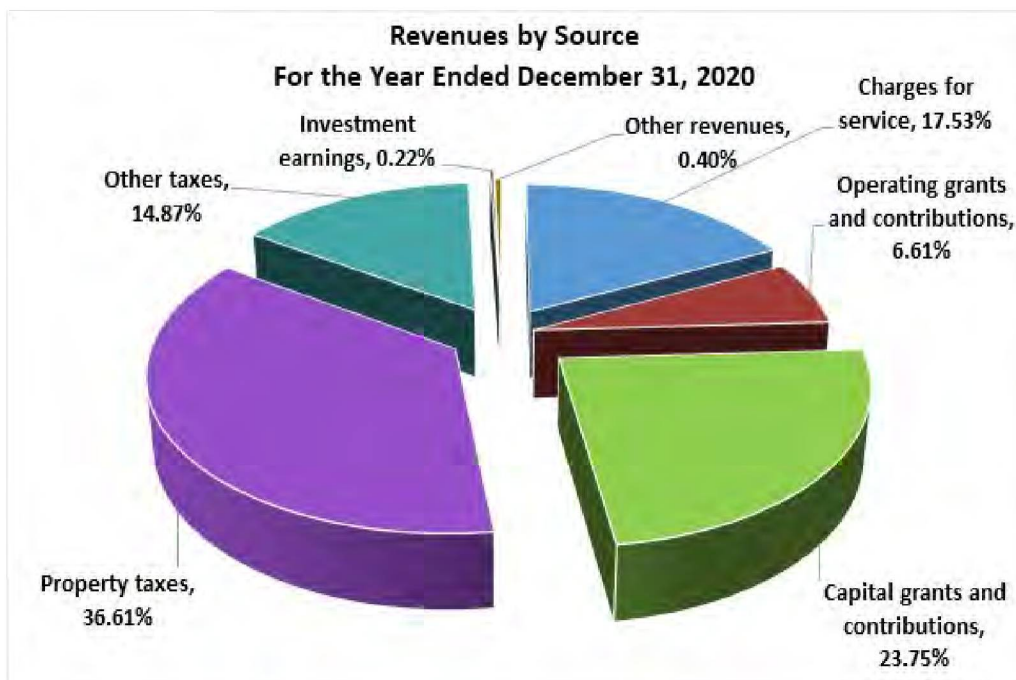
As of December 31, 2020, the City of Holly Springs is able to present positive balances in net position for its governmental and business-type activities.



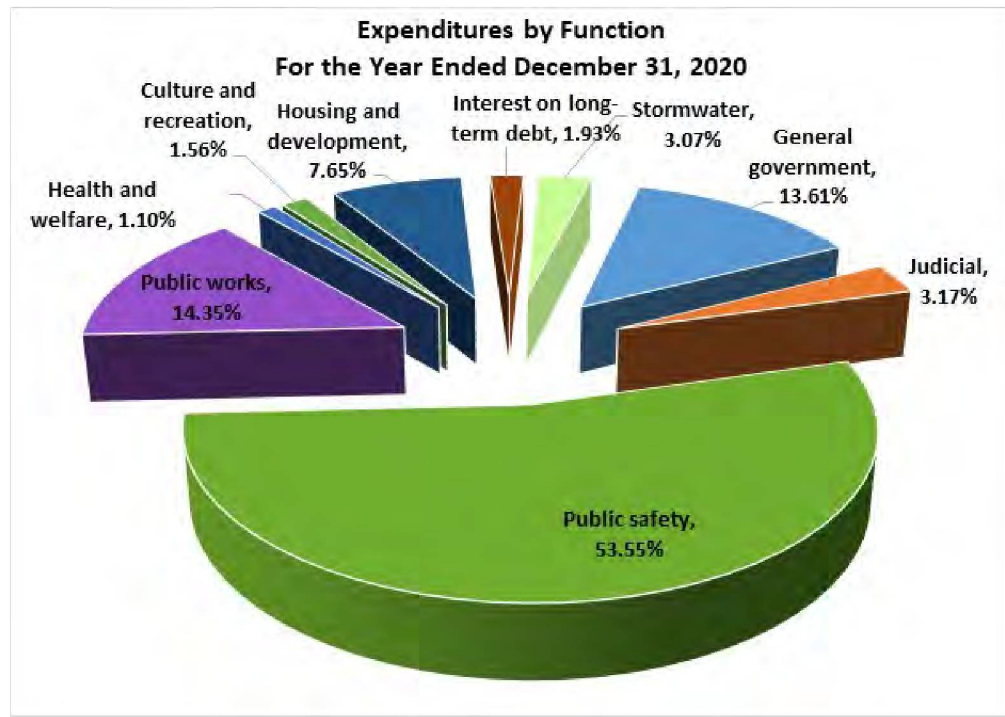
**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

City of Holly Springs' Changes in Net Position

Revenues	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for service	\$ 2,124,752	\$ 2,218,783	\$ 421,320	\$ 405,617	\$ 2,546,072	\$ 2,624,400
Operating grants and contributions	960,555	207,780	-	-	960,555	207,780
Capital grants and contributions	2,999,820	2,416,876	449,573	-	3,449,393	2,416,876
General revenues:						
Property taxes	5,317,852	4,746,878	-	-	5,317,852	4,746,878
Other taxes	2,158,928	1,960,712	-	-	2,158,928	1,960,712
Investment earnings	31,747	64,700	509	837	32,256	65,537
Other revenues	57,980	73,252	-	-	57,980	73,252
Total revenues	13,651,634	11,688,981	871,402	406,454	14,523,036	12,095,435
Expenses						
General government	1,465,002	1,157,638	-	-	1,465,002	1,157,638
Judicial	341,441	272,503	-	-	341,441	272,503
Public safety	5,764,524	5,253,835	-	-	5,764,524	5,253,835
Public works	1,544,921	1,329,733	-	-	1,544,921	1,329,733
Health and welfare	118,907	183,219	-	-	118,907	183,219
Culture and recreation	167,587	307,982	-	-	167,587	307,982
Housing and development	823,734	823,982	-	-	823,734	823,982
Interest on long-term debt	208,040	64,745	-	-	208,040	64,745
Stormwater	-	-	329,963	263,042	329,963	263,042
Total Expenses	10,434,156	9,393,637	329,963	263,042	10,764,119	9,656,679
Change in net position	3,217,478	2,295,344	541,439	143,412	3,758,917	2,438,756
Beginning net position	42,467,843	40,172,499	4,155,267	4,011,855	46,623,110	44,184,354
Ending net position	\$45,685,321	\$42,467,843	\$4,696,706	\$4,155,267	\$50,382,027	\$46,623,110



**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**



Governmental Activities

The governmental activities of the City increased net position by \$3,217,478. The primary focus of the governmental activities of the City is to maintain and improve city-wide infrastructure as well as to provide public safety, judicial services, health and welfare services, parks and recreation opportunities, and community development and zoning services for our residents. The explanations for significant changes in net position are summarized below.

Revenues

Property tax revenues increased by \$570,974 (12.03%) in 2020 from 2019 due to growth in the tax digest. Charges for services decreased \$94,031 (4.24%) due to a decrease in the number of building permits issued during 2020 for commercial projects. Operating Grants and Contributions increased \$752,775 (362.29%) due to the receipt of grant funding through the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in 2020. Capital grants and contributions increased \$582,944 (24.12%) due to the contribution of road infrastructure by developers in Phase III of the Riverside subdivision.

Expenses

General government expenses increased \$307,364 (26.55%) in 2020 from 2019 due to costs attributable to the transition to a new software package in 2020 for all financial and administrative applications. Judicial expenses increased \$68,938 (25.30%) in 2020 from 2019 due to the addition of staff and additional court sessions during 2020. Public safety expenses increased \$510,689 (9.72%) primarily due to an increase in the fire district fees paid to Cherokee County in 2020. Public works expenses increased \$215,188 (16.18%) from 2020 from 2019 due to increased maintenance costs incurred for city infrastructure. Health and welfare expenses decreased \$64,312 (35.10%) due to a decrease in funding from the Atlanta Regional Commission for the Workforce Investment Act and Workforce Innovation and Opportunity Act (WIA/WIOA) Youth Grant Programs. Culture and recreation expenses decreased \$140,395 (45.59%) in 2020 from 2019 due to the completion of the Cagle Family Farm Demolition Project in 2019. Housing and development expenses in 2020 were substantially the same as 2019.

**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Interest expenses on long-term debt increased \$143,295 in 2020 from 2019 due to the issuance of additional debt in 2020 for the Holly Springs Town Center Project.

FUND FINANCIAL ANALYSIS

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.

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 financial requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the City's governmental funds reported combined ending fund balances of \$7,617,374.

Major Governmental Funds

The General Fund is the operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$7,407,635, which was comprised of nonspendable fund balance of \$2,829,515 and unassigned fund balance of \$4,578,120. Fund balance in the General Fund increased \$1,294,304 (20.66%) in 2020 from 2019. The primary reason for the increase was the receipt of Coronavirus Aid, Relief and Economic Security Act (CARES Act) grant funding received by the City of Holly Springs in August of 2020.

The SPLOST V Fund is a capital projects fund of the City. The purpose of this fund is to account for the collection of special purpose local option sales tax (SPLOST) and the construction of approved capital projects. At the end of the current fiscal year, the unassigned fund balance (deficit) of the SPLOST V Fund was (\$2,296,654). Fund balance in the SPLOST V Fund increased \$761,821 in 2020 from 2019 due to a reduction in project construction costs during the year.

The Town Center Fund is also a capital projects fund of the City. The purpose of this fund is to account for the construction of the Holly Springs Town Center Project. Fund balance in the Town Center Fund decreased \$162,149 in 2020 from 2019 due to a reduction in transfers from the General Fund and Urban Redevelopment Agency to cover 2020 construction costs. The fund balance at year end was comprised of assigned fund balance in the amount of \$5,243.

Non-Major Governmental Funds

The Debt Service Fund accounts for the retirement of principal and interest on city-issued debt instruments. In 2019, the City of Holly Springs General Fund transferred \$2,179,368 to the Debt Service Fund to retire future debt. The City of Holly Springs will transfer the proceeds of land sales into the Debt Service Fund in future years to retire debt issued for the construction of the Town Center Project.

Special Revenue Funds are used to account for the City's collection and disbursement of specific revenues that are legally restricted for specified purposes. The City has four non-major special revenue funds: Parks and Recreation Fund, Hotel/Motel Tax Fund, Urban Redevelopment Agency of the City of Holly Springs, Georgia, and Multiple Grant Fund.

Capital Projects Funds are used to account for the City's acquisition and construction of major capital assets and capital improvements to city infrastructure. The City has two non-major capital projects funds: SPLOST III Fund and SPLOST IV Fund.

**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Non-major governmental funds revenues totaled \$586,063 for the fiscal year ending December 31, 2020. Non-major governmental fund expenditures totaled \$550,751. Fund balance for all non-major governmental funds was \$2,501,150. Non-major fund balances increased \$146,303 primarily due to an increase in alcohol excise tax revenue during the COVID-19 Pandemic.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The City has one enterprise fund: The Stormwater Utility Fund.

The Stormwater Utility Fund has a net position of \$4,696,706 at December 31, 2020, an increase of \$541,439 over 2019. Net investment in capital assets is \$4,542,026 and the unrestricted net position is \$154,680. Net position increased in 2020 due to the contribution of stormwater infrastructure from the developers of Phase III of the Riverside subdivision.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's comparison of actual revenues and expenditures in the General Fund to the adopted budget can be found on page 47 of the annual report. In 2020, the City had a net favorable budget variance of \$1,294,304. There was a favorable revenue budget variance of \$582,264. The original budget adopted by the City of Holly Springs reflected a very conservative projection for property taxes, franchise taxes, business taxes, licenses and permits and fines and forfeitures. However, by mid-year in 2020 the City had realized revenues in excess of appropriations and the budget was amended to reflect the increased revenues in the amount of \$535,000. The favorable budget variance for all expenditure categories in 2020 was \$679,932. Management continues to operate under a conservative budget to ensure that the City of Holly Springs maintains a sufficient budget stabilization fund to cover unexpected expenditures and emergencies as they arise during the course of normal operations.

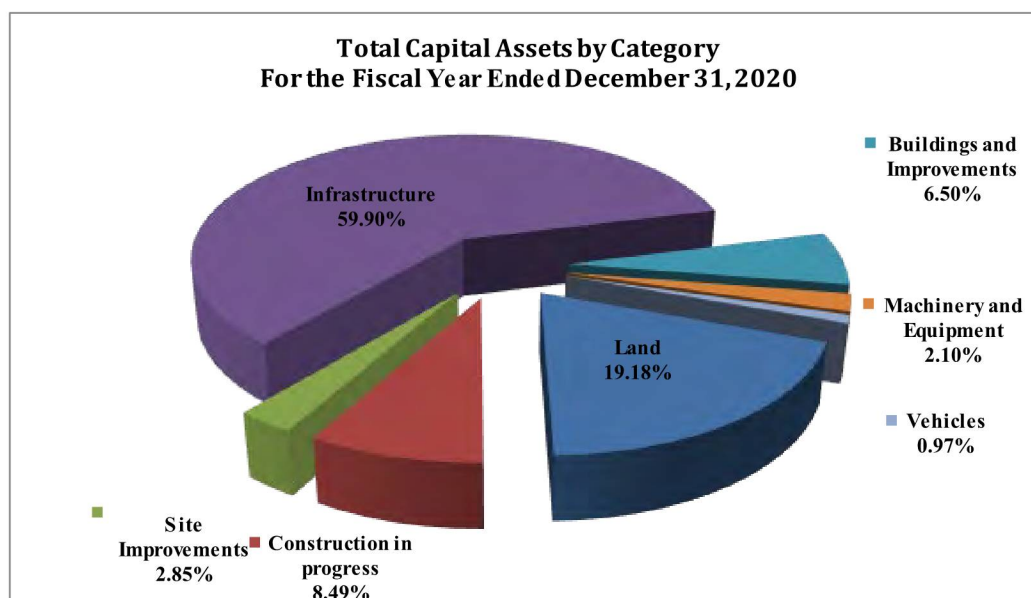
CAPITAL ASSETS

The table below presents capital assets of the primary government, net of accumulated depreciation:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$10,161,151	\$ 9,601,721	\$ 12,600	\$ 12,600	\$10,173,751	\$ 9,614,321
Construction in progress	3,522,542	4,088,011	984,110	39,204	4,506,652	4,127,215
Site improvements	1,512,729	1,573,131	-	-	1,512,729	1,573,131
Infrastructure	28,002,748	22,721,174	3,779,321	3,176,623	31,782,069	25,897,797
Buildings and improvements	3,447,941	1,438,764	-	-	3,447,941	1,438,764
Machinery and equipment	875,961	767,180	239,134	11,466	1,115,095	778,646
Vehicles	516,991	591,364	-	3,598	516,991	594,962
Net, capital assets	<u>\$48,040,063</u>	<u>\$40,781,345</u>	<u>\$5,015,165</u>	<u>\$3,243,491</u>	<u>\$53,055,228</u>	<u>\$44,024,836</u>

See Note 1G in the notes to the financial statements for the City's policies regarding capital assets. Note 6 in the notes to the financial statements provides a summary of capital asset activity for the year ended December 31, 2020.

**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**



LONG-TERM DEBT

The table below represents long-term debt outstanding as of December 31, 2020 and 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Notes payable -						
direct placement	\$ 2,036,413	\$ 2,156,339	\$ -	\$ -	\$ 2,036,413	\$ 2,156,339
Bonds payable -						
direct placement	7,277,135	1,493,031	-	-	7,277,135	1,493,031
Financed purchases	-	-	216,520	-	216,520	-
Net pension liability	1,145,201	702,177	23,252	9,249	1,168,453	711,426
Compensated absences	183,335	153,845	-	-	183,335	153,845
Total	\$ 10,642,084	\$ 4,505,392	\$ 239,772	\$ 9,249	\$ 10,881,856	\$ 4,514,641

The City reported long-term debt of \$10,881,856 as of December 31, 2020 exclusive of interest expense. The City has no general obligation debt outstanding at December 31, 2020. See Note 8 in the notes to the financial statements for a summary of all debt activity and a summary of all debt held by the City of Holly Springs at December 31, 2020.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Mayor and Council in conjunction with the staff of the City of Holly Springs have continued to aggressively address the current and future needs of the City by focusing on sound financial management, the use of current resources for capital expenditures and an extensive budgeting process. The City's General Fund budget for fiscal year 2021 is \$9,500,000. This is the same as the amended budget from the prior year. The City of Holly Springs continues to prepare conservative budgets and has established a budget stabilization reserve to ensure the City has sufficient operating funds in the event of unforeseen circumstances. The City also plans to maintain the millage rate for maintenance and operations at 4.400 mills in 2021 and adopt the millage rate for the Fire District as proposed by the Cherokee County Board of Commissioners.

**CITY OF HOLLY SPRINGS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

In 2014 the City entered into a ten-year option agreement for the acquisition of land for use as a future park. In the summer of 2016, the City activated the Holly Springs Parks and Recreation Authority (blended component unit) and exercised the option to acquire the property. The Holly Springs Parks and Recreation Authority issued a bond in the amount of \$3,200,000 for the purchase of the property. The City included a provision in its 2020 budget for debt service for the bond and has also proposed using future proceeds from a Special Purpose Local Option Sales Tax (SPLOST) to retire the debt. See Note 8 in the notes to the financial statements for additional information regarding the Series 2016 Holly Springs Parks and Recreation Authority Bond.

The City anticipates continued growth in 2021 in the commercial sector at exits 11 and 14 on I-575 due to the opening of the Northwest Corridor Project along the interstate that includes reversible toll lanes for area residents. The City completed Phase I of the Holly Springs Parkway Corridor Project in the summer of 2019. The City applied for funding from the State Road and Tollway Authority (SRTA) through the Georgia Transportation Infrastructure Bank (GTIB) in 2020 and 2021 for additional funding for the construction of Phases II and III of the Holly Springs Parkway Corridor Project. On June 23, 2020, Governor Brian Kemp announced that the City of Holly Springs had been awarded \$1.25 million in grant funds and \$3.5 million in loan funds for Phase II of the Project. On February 25, 2021, Governor Kemp announced that the City of Holly Springs had been awarded a \$6 million loan through GTIB for Phase III of the Project. The City is currently in the design and right-of-way phase for the Project. Upon completion, the Holly Springs Parkway Widening Project will include a four-lane highway with a median as well as sidewalks and pedestrian lamp posts. The project will improve traffic flow in the area and provide opportunities for additional development within the corridor.

The City of Holly Springs and the Holly Springs Downtown Development Authority have been assembling and acquiring blighted property within the Town Center District since 2008. The City plans to construct a mixed-use development referred to as the Holly Springs Town Center Project on the site which will include a new City Hall, parking deck, amphitheater, open space, and ancillary structures. In addition, the City plans to enter into a contract in the summer of 2021 for the sale of land to the private sector for the construction of single-family houses, townhomes, an apartment building, multi-use buildings with lofts over retail, restaurants, and a brewery. The City has also constructed road improvements in the area as well as water, stormwater, and sanitary sewer infrastructure to accommodate the development of the project. The City received bids for the site work for the Town Center Project on June 17, 2021 and plans to issue a notice to proceed in the summer of 2021. Vertical construction of the parking deck and other structures is anticipated to begin in the spring of 2022. Upon completion, the private sector components of the Town Center Project will include 65 fee-simple residential units, over 35,000 square feet of commercial space, 75 lofts and approximately 200 market-rate apartments. The public sector components will include a 24,000 square foot City Hall, 300 spaces in the public parking deck as well as the amphitheater, park area and plazas.

The outbreak of the COVID-19 pandemic in the spring of 2020 did not have a significant effect on the 2020 budget and overall operations of the City of Holly Springs. During the first six months of 2021, the City has not experienced any significant collection issues or reductions in revenue attributable to COVID-19.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the City of Holly Springs' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Denise Lamazares at the City of Holly Springs, P.O. Box 990, Holly Springs, GA 30142. Please visit our website at www.hollyspringsga.us for additional information.

CITY OF HOLLY SPRINGS, GEORGIA

Statement of Net Position

December 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 9,408,908	\$ 232,868	\$ 9,641,776	\$ 79,600
Investments	2,385,707	-	2,385,707	36,349
Taxes receivable, net of allowances	363,290	-	363,290	-
Accounts receivable, net of allowances	719,075	-	719,075	113
Due from other governments	492,970	-	492,970	-
Internal balances	181,154	(181,154)	-	-
Prepaid items	112,515	4,700	117,215	-
Total Current Assets	13,663,619	56,414	13,720,033	116,062
Noncurrent Assets:				
Capital Assets:				
Nondepreciable capital assets	13,683,693	996,710	14,680,403	1,706,312
Depreciable capital assets, net	34,356,370	4,018,455	38,374,825	21,481
Total Noncurrent Assets	48,040,063	5,015,165	53,055,228	1,727,793
TOTAL ASSETS	61,703,682	5,071,579	66,775,261	1,843,855
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	644,850	13,093	657,943	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	644,850	13,093	657,943	-
LIABILITIES				
Current Liabilities:				
Accounts payable	678,475	70,181	748,656	-
Deposits payable	700	-	700	-
Retainage payable	29,238	75,465	104,703	-
Accrued salaries and payroll taxes	72,870	1,020	73,890	-
Accrued interest payable	93,427	1,528	94,955	-
Compensated absences payable, current portion	119,168	-	119,168	-
Financed purchases, current portion	-	51,909	51,909	-
Notes payable - direct placement, current portion	314,861	-	314,861	-
Bonds payable - direct placement, current portion	555,556	-	555,556	-
Unearned revenue	131,695	-	131,695	-
Total Current Liabilities	1,995,990	200,103	2,196,093	-
Noncurrent Liabilities:				
Compensated absences payable	64,167	-	64,167	-
Financed purchases	-	164,611	164,611	-
Notes payable - direct placement	1,721,552	-	1,721,552	-
Bonds payable - direct placement	6,721,579	-	6,721,579	-
Net pension liability	1,145,201	23,252	1,168,453	-
Total Noncurrent Liabilities	9,652,499	187,863	9,840,362	-
TOTAL LIABILITIES	11,648,489	387,966	12,036,455	-
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues - property taxes	5,014,722	-	5,014,722	-
TOTAL DEFERRED INFLOWS OF RESOURCES	5,014,722	-	5,014,722	-
NET POSITION				
Net investment in capital assets	38,697,277	4,542,026	43,239,303	1,727,793
Restricted for:				
Capital projects	384,954	-	384,954	-
Tourism	8,880	-	8,880	-
Grants	37,134	-	37,134	-
Unrestricted	6,557,076	154,680	6,711,756	116,062
TOTAL NET POSITION	\$ 45,685,321	\$ 4,696,706	\$ 50,382,027	\$ 1,843,855

See accompanying notes to the basic financial statements.

CITY OF HOLLY SPRINGS, GEORGIA

Statement of Activities For the Year Ended December 31, 2020

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities:				
General government	\$ 1,465,002	\$ 83,030	\$ 841,648	\$ 366,597
Judicial	341,441	674,383	-	-
Public safety	5,764,524	78,249	-	444,195
Public works	1,544,921	34,310	118,907	1,845,343
Parks, recreation and culture	167,587	25	-	343,685
Housing and development	823,734	1,254,755	-	-
Health and welfare	118,907	-	-	-
Interest on long-term debt	208,040	-	-	-
Total Governmental Activities	10,434,156	2,124,752	960,555	2,999,820
Business-Type Activities:				
Stormwater	329,963	421,320	-	449,573
Total Business-Type Activities	329,963	421,320	-	449,573
Total - Primary Government	\$ 10,764,119	\$ 2,546,072	\$ 960,555	\$ 3,449,393
Component Unit:				
Downtown Development Authority	\$ 6,193	\$ -	\$ -	\$ -
Total - Component Unit	\$ 6,193	\$ -	\$ -	\$ -
GENERAL REVENUES:				
Taxes:				
Property				
Sales				
Insurance premium				
Franchise				
Business and occupation				
Hotel/Motel				
Unrestricted investment earnings				
Miscellaneous				
Total General Revenues				
Change in Net Position				
NET POSITION BEGINNING OF YEAR				
NET POSITION END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
\$ (173,727)	\$ -	\$ (173,727)	\$ -
332,942	-	332,942	-
(5,242,080)	-	(5,242,080)	-
453,639	-	453,639	-
176,123	-	176,123	-
431,021	-	431,021	-
(118,907)	-	(118,907)	-
(208,040)	-	(208,040)	-
(4,349,029)	-	(4,349,029)	-
-	540,930	540,930	-
-	540,930	540,930	-
(4,349,029)	540,930	(3,808,099)	-
-	-	-	(6,193)
-	-	-	(6,193)
5,317,852	-	5,317,852	-
444,622	-	444,622	-
746,094	-	746,094	-
829,062	-	829,062	-
135,574	-	135,574	-
3,576	-	3,576	-
31,747	509	32,256	458
57,980	-	57,980	-
7,566,507	509	7,567,016	458
3,217,478	541,439	3,758,917	(5,735)
42,467,843	4,155,267	46,623,110	1,849,590
\$ 45,685,321	\$ 4,696,706	\$ 50,382,027	\$ 1,843,855

See accompanying notes to the basic financial statements.

CITY OF HOLLY SPRINGS, GEORGIA

Balance Sheet Governmental Funds December 31, 2020

	General Fund	SPLOST V Fund	Town Center Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 6,591,900	\$ 196,332	\$ 155,234	\$ 2,465,442	\$ 9,408,908
Investments	2,385,707	-	-	-	2,385,707
Receivables (net of allowance for uncollectibles):					
Taxes	362,969	-	-	321	363,290
Accounts	642,357	-	-	76,718	719,075
Due from other funds	181,154	-	-	-	181,154
Intergovernmental receivable	85,549	402,506	-	4,915	492,970
Prepaid items	112,515	-	-	-	112,515
Advances to other funds	2,717,000	-	-	-	2,717,000
TOTAL ASSETS	\$ 13,079,151	\$ 598,838	\$ 155,234	\$ 2,547,396	\$ 16,380,619
LIABILITIES					
Accounts payable	\$ 369,468	\$ 149,254	\$ 149,991	\$ 9,762	\$ 678,475
Deposits payable	-	-	-	700	700
Retainage payable	-	29,238	-	-	29,238
Accrued liabilities	72,870	-	-	-	72,870
Advances from other funds	-	2,717,000	-	-	2,717,000
Unearned revenue	131,695	-	-	-	131,695
TOTAL LIABILITIES	574,033	2,895,492	149,991	10,462	3,629,978
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	5,014,722	-	-	-	5,014,722
Unavailable revenue - property taxes	28,873	-	-	-	28,873
Unavailable revenue - charges for services	-	-	-	35,784	35,784
Unavailable revenue - municipal court fines	53,888	-	-	-	53,888
TOTAL DEFERRED INFLOWS OF RESOURCES	5,097,483	-	-	35,784	5,133,267
FUND BALANCES					
Nonspendable:					
Prepaid items	112,515	-	-	-	112,515
Advances	2,717,000	-	-	-	2,717,000
Restricted:					
Tourism	-	-	-	8,880	8,880
Grant purposes	-	-	-	37,134	37,134
Capital projects	-	-	-	349,170	349,170
Committed for culture and recreation	-	-	-	513,325	513,325
Assigned:					
Capital projects	-	-	5,243	-	5,243
Debt service	-	-	-	1,592,641	1,592,641
Unassigned (deficit)	4,578,120	(2,296,654)	-	-	2,281,466
TOTAL FUND BALANCES (DEFICIT)	7,407,635	(2,296,654)	5,243	2,501,150	7,617,374
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 13,079,151	\$ 598,838	\$ 155,234	\$ 2,547,396	

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.	48,040,063
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	118,545
Deferred outflows and inflows of resources as well as the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(500,351)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(9,590,310)
Net position of governmental activities	<u>\$ 45,685,321</u>

See accompanying notes to the basic financial statements.

CITY OF HOLLY SPRINGS, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	SPLOST V Fund	Town Center Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 7,025,947	\$ -	\$ -	\$ 448,198	\$ 7,474,145
Licenses and permits	1,306,895	-	-	-	1,306,895
Intergovernmental	830,148	2,357,926	-	118,907	3,306,981
Charges for services	94,119	32,000	-	8,299	134,418
Fines and forfeitures	697,594	-	-	-	697,594
Investment earnings	31,396	491	351	2,344	34,582
Contributions	11,500	-	-	-	11,500
Miscellaneous	49,665	-	-	8,315	57,980
TOTAL REVENUES	10,047,264	2,390,417	351	586,063	13,024,095
EXPENDITURES					
Current:					
General government	1,455,956	-	-	-	1,455,956
Judicial	335,159	-	-	-	335,159
Public safety	5,390,586	-	-	-	5,390,586
Public works	584,292	-	-	-	584,292
Culture and recreation	4,440	-	-	89,327	93,767
Health and welfare	-	-	-	118,907	118,907
Housing and development	799,635	-	-	1,541	801,176
Capital outlay	-	1,628,596	6,235,613	-	7,864,209
Debt service:					
Principal	-	-	-	154,926	154,926
Interest	-	-	-	125,059	125,059
Issuance costs	-	35,000	-	60,991	95,991
TOTAL EXPENDITURES	8,570,068	1,663,596	6,235,613	550,751	17,020,028
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,477,196	726,821	(6,235,262)	35,312	(3,995,933)
OTHER FINANCING SOURCES (USES)					
Issuance of long term debt	-	35,000	-	5,784,104	5,819,104
Transfers in	-	-	6,073,113	50,000	6,123,113
Transfers out	(400,000)	-	-	(5,723,113)	(6,123,113)
Sale of capital assets	67,108	-	-	-	67,108
TOTAL OTHER FINANCING SOURCES (USES)	(332,892)	35,000	6,073,113	110,991	5,886,212
NET CHANGE IN FUND BALANCES	1,144,304	761,821	(162,149)	146,303	1,890,279
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	6,263,331	(3,058,475)	167,392	2,354,847	5,727,095
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 7,407,635	\$ (2,296,654)	\$ 5,243	\$ 2,501,150	\$ 7,617,374

See accompanying notes to the basic financial statements.

CITY OF HOLLY SPRINGS, 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 December 31, 2020*

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

Net change in fund balances - total governmental funds	\$ 1,890,279
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	6,650,021
Net effect of miscellaneous transactions involving capital assets (i.e. donations, disposals and sales) is to decrease net position.	608,697
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(11,520)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the repayment of the long-term debt.	(5,664,178)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(255,821)</u>
Change in net position - governmental activities	<u><u>\$ 3,217,478</u></u>

See accompanying notes to the basic financial statements.

CITY OF HOLLY SPRINGS, GEORGIA*Statement of Net Position**Proprietary Fund**December 31, 2020*

	Stormwater Fund
ASSETS	
Current Assets:	
Cash	\$ 232,868
Prepaid items	4,700
Total Current Assets	237,568
Noncurrent Assets:	
Capital assets:	
Nondepreciable capital assets	996,710
Depreciable capital assets, net	4,018,455
Total Noncurrent Assets	5,015,165
TOTAL ASSETS	5,252,733
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	13,093
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,093
LIABILITIES	
Current Liabilities:	
Accounts payable	70,181
Retainage payable	75,465
Accrued salaries and payroll taxes	1,020
Accrued interest	1,528
Current portion of financed purchases	51,909
Due to other funds	181,154
Total Current Liabilities	381,257
Noncurrent Liabilities:	
Long term portion of financed purchases	164,611
Net pension liability	23,252
Total Noncurrent Liabilities	187,863
TOTAL LIABILITIES	569,120
NET POSITION	
Investment in capital assets	4,542,026
Unrestricted	154,680
TOTAL NET POSITION	\$ 4,696,706

See accompanying notes to the basic financial statements.

CITY OF HOLLY SPRINGS, GEORGIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2020

	<u>Stormwater Fund</u>
OPERATING REVENUES	
Charges for services	\$ 421,320
TOTAL OPERATING REVENUES	<u>421,320</u>
OPERATING EXPENSES	
Personal services and employee benefits	71,412
Purchased and contractual services	155,624
Materials and supplies	10,724
Depreciation	<u>90,675</u>
TOTAL OPERATING EXPENSES	<u>328,435</u>
OPERATING INCOME	92,885
NON-OPERATING INCOME	
Interest earned	509
Interest expense	(1,528)
Capital contributions	<u>449,573</u>
TOTAL NON-OPERATING INCOME	<u>448,554</u>
CHANGE IN NET POSITION	541,439
NET POSITION - BEGINNING OF YEAR	<u>4,155,267</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,696,706</u></u>

See accompanying notes to the basic financial statements.

CITY OF HOLLY SPRINGS, GEORGIA*Statement of Cash Flows**Proprietary Funds**For the Year Ended December 31, 2020*

	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 766,252
Cash payments to employees for services	(66,840)
Cash payments for goods and services	(29,067)
NET CASH PROVIDED BY OPERATING ACTIVITIES	670,345
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(1,412,776)
Proceeds from issuance of long term debt	216,520
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,196,256)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	509
NET CASH PROVIDED BY INVESTING ACTIVITIES	509
NET DECREASE IN CASH AND CASH EQUIVALENTS	(525,402)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	758,270
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 232,868
RECONCILIATION OF OPERATING INCOME TO	
NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 92,885
Adjustments:	
Depreciation	90,675
(Increase) decrease in assets and deferred outflows of resources:	
Due from other funds	163,778
Prepaid items	400
Deferred outflows of resources (pensions)	(8,547)
Increase (decrease) in liabilities:	
Accounts payable	61,416
Retainage payable	75,465
Accrued salaries and payroll taxes	(884)
Due to other funds	181,154
Net pension liability	14,003
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 670,345
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Donated infrastructure	\$ 449,573

See accompanying notes to the basic financial statements.

FINANCIAL SECTION

Fiduciary Fund



CITY OF HOLLY SPRINGS, GEORGIA

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2020

	Municipal Court Fund
ASSETS	
Cash and cash equivalents	\$ 56,581
Total assets	56,581
LIABILITIES	
Due to others	17,673
Total liabilities	17,673
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	38,908
Total net position	\$ 38,908

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

CITY OF HOLLY SPRINGS, GEORGIA
Statement of Revenues, Expenses, and Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2020

	Municipal Court Fund
ADDITIONS	
Fines and forfeitures	\$ 860,467
Criminal and civil bonds	76,848
Total additions	937,315
DEDUCTIONS	
Payments to other governments	316,122
Payments to the General Fund	621,193
Other custodial disbursements	24,872
Total deductions	962,187
Change in fiduciary net position	(24,872)
NET POSITION, beginning of year, restated	63,780
NET POSITION, end of year	\$ 38,908

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

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Holly Springs, 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 was incorporated in 1906 and operates under a city council/manager form of government. Policy making and legislative authority are vested in the Mayor and five council members. The City Manager is responsible for the daily operations of all City departments. The City provides basic services which include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. Stormwater management services are also provided.

The accompanying financial statements present the City (the “primary government”) and its component units, entities for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. Blended component units are included within the financial statements of the governmental funds section of the primary government.

The **Holly Springs Downtown Development Authority (“DDA”)** has been included as a discretely presented component unit in the accompanying financial statements. The DDA was created June 21, 1999, with the primary purpose of promoting development through revitalization of the downtown area of the City. The DDA derives revenue from rent charged on a building contributed to the DDA by the City. The DDA is fiscally dependent on the City for the funding of its obligations and any debt. The City Council appoints all members of the board of directors. Financial information related to the DDA may be obtained from the City upon request. Separate financial statements for the DDA are not prepared.

The **Holly Springs Parks and Recreation Authority (“HSPRA”)** has been included as a blended component unit in the accompanying financial statements. The HSPRA was created May 17, 2004, with the primary purpose of acquiring real estate for the future development of a city park. The City possesses the authority to review, approve and revise the budget and governs collection and disbursement of funds. The City Council serves as the board of directors. Separate financial statements for HSPRA are not prepared. Financial information related to HSPRA may be obtained from the office of the City Manager of the City of Holly Springs.

The **Urban Redevelopment Agency of the City of Holly Springs, Georgia (“the Agency”)** has been included as a blended component unit in the accompanying financial statements. The Agency was created July 15, 2019, with the primary focus of revitalization and promotion of development within the Town Center District. The City Council appoints all members of the board of directors. The Authority creates a financial burden for the City, as the debt issued by the Authority is secured through intergovernmental agreements with the City, and will be repaid with City resources. The City possesses the authority to review, approve and revise the budget and governs collection and disbursement of funds. Separate financial statements for the Agency are not prepared. Financial information related to Agency may be obtained from the office of the City Manager of the City of Holly Springs.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Fiduciary activities of the City are reported only in the fund financial statements. The effect of inter-fund activity has been removed from the government-wide statements, except for interfund services provided and used. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from its legally separate discretely presented *component unit* for which the primary government is financially accountable.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Statement of Activities reports the degree to which the direct expenses of a given function or segment is 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*. The comparison of direct expenses and program revenues identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Separate government-wide and fund financial statements are presented, and they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for the City's governmental funds, proprietary fund and fiduciary fund, even though the latter is excluded from the government-wide financial statements.

The fund financial statements provide information about the City's funds, including its fiduciary fund. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The focus of fund financial statements is on major governmental and enterprise funds rather than on fund types. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The Stormwater Utility, the City's proprietary fund, began operations in January 2010. The Utility was formed to provide stormwater management services and stormwater management systems and facilities in order to reduce pollution and increase water quality within the City. The operations of the Utility are supported by stormwater service fees based on the relative contribution of each customer to the demand for stormwater management services.

The Municipal Court Fund, a fiduciary (custodial) fund, was formed in January 2014 in order to account for funds that the City holds for others in an agency capacity, including municipal court bonds. Prior to 2014, such funds were accounted for in the City's General Fund.

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 and custodial 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. Sales taxes are recognized when the underlying transaction occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government-wide net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net position restricted for capital projects reflect the restrictions of their use.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances from/to other funds
- Transfers in/out

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 (SPLOST) V Fund** is used to account for revenues provided by a 2016 referendum authorizing a one percent Special Purpose Local Option Sales Tax for Cherokee County, to be shared with the City. SPLOST V revenues are to be used for facilities, and improvements in connection with transportation, law enforcement vehicles and equipment, emergency communications system improvements and equipment; parks and recreation facilities; public works and fleet vehicles and equipment; general government buildings; and debt for the financing of such projects.

The **Town Center Fund** account for financial resources used to acquire, construct, and maintain Town Center capital projects for use by the City.

The City reports the following major proprietary fund:

The **Stormwater Fund** accounts for the revenues derived from stormwater fees charged to customers and used for stormwater management activities.

Additionally, the City reports the following fund types:

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The **Debt Service Fund** accumulates resources that are restricted, committed, or assigned for the principal and interest payments on long-term obligations of the governmental funds.

Capital projects funds account for financial resources used to acquire, construct, and maintain capital projects for use by the City.

The **Custodial Fund** discussed above is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other governments or individuals.

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. Expenditures generally are recorded in the accounting period in which a liability is incurred, as under accrual accounting. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, sales taxes, franchise taxes, licenses and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering such services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services provided.

Operating expenses of the enterprise fund include the cost of these 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. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

E. Prepaid Items

Certain payments to vendors for services that will benefit future accounting periods are recorded as prepaid items in both government-wide and governmental fund financial statements. These items are accounted for using the consumption method. Prepaid items reported by governmental funds are also equally offset by fund balance classified as nonspendable, which indicates they do not constitute "available, spendable financial resources" even though they are a component of net current assets.

F. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund, special revenue funds, Debt Service Fund, and capital projects funds of the City. The governmental fund's budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund and each special revenue fund for each fiscal year through passage of an annual budget ordinance and amended as required. The City adopts project-length budgets for the capital projects funds. During the fiscal year ended December 31, 2020, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include land, buildings and improvements, vehicles, machinery and equipment, and infrastructure assets (such as roads, bridges, sidewalks, storm water and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value as of the date donated.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives are expensed as incurred.

Land and construction in progress are not depreciated. Other capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Machinery and equipment	3-30
Vehicles	6-15
Land improvements	20-30
Buildings and improvements	20-50
Infrastructure	30-75

H. Compensated Absences

The City's policy allows employees meeting eligibility requirements to accumulate earned but unused vacation leave benefits up to a maximum of 280 hours. Employees who have completed six months of satisfactory job performance are reimbursed for accumulated vacation benefits upon separation of service. Accordingly, the liability for compensated absences in the government-wide statements consists of unpaid, accumulated vacation leave. Accrued, but unpaid, sick leave at year end is not recorded as a liability as it is contingent upon employees' future illness and is not paid upon separation of service.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities of the primary government under governmental or proprietary activities in the Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Interfund Transactions and Balances

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" and "advances to/from other funds."

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Items which qualify for reporting as deferred outflows and deferred inflows of resources in the accompanying financial statements under the *economic resources measurement focus* and accrual basis of accounting are pension amounts in connection with changes in the City's net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed; for example, the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. This amount will reduce the net pension liability in the next fiscal year.

Items which also qualify to be reported as deferred inflows of resources include property taxes levied in 2020 for the 2021 budget and certain unavailable revenues under the *current financial resources measurement focus*. Accordingly, such items appear in the governmental activities statement of net position and the governmental funds balance sheet as deferred inflows of resources and will be recognized as an inflow of resources in 2021 (both) or the period in which the amounts become available (governmental funds only).

L. Fund Balance

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

Fund balances are classified as follows:

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

Restricted: Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed: Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (passage of a resolution) of the City Council. The same formal action is required to subsequently remove a commitment of fund balance.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Balance (Continued)

Assigned: Fund balances are reported as assigned when they include amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. By passage of a resolution establishing the City's fund balance policy, the City Council has delegated the City Manager the authority to assign amounts to be used for specific purposes.

Unassigned: Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. In addition, any remaining deficits in the City's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned. The City reports positive unassigned fund balance only in the general fund. The City, by ordinance, has created a minimum fund balance policy to be no less than 25% of budgeted expenditures in the General Fund.

The City's policy would be to use restricted fund balances first when expenditure is made for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Otherwise, it is the City's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are made for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

M. Net Position

Net position in financial reporting is based on the *economic resources measurement focus* and represents the difference between (a) total assets and deferred outflows of resources and (b) total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used 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. The remaining portion of net position is reported as unrestricted.

The City's policy would be to use restricted net position first when expenditure is made for purposes for which both restricted and unrestricted net position is available.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Holly Springs Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 expenditures/expenses during the reporting period. Actual results could differ from these estimates.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 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 \$9,590,310 difference are as follows:

Notes payable - direct placement	\$ (2,036,413)
Bonds payable - direct placement	(7,277,135)
Accrued interest payable	(93,427)
Compensated absences	<u>(183,335)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ (9,590,310)</u></u>

Another element of that reconciliation states that “deferred outflows and inflows of resources as well as the net pension liability related to the City’s pension plan are not expected to be liquidated with expendable available resources and, therefore, are not reported in the funds.” The details of this \$500,351 difference are as follows:

Net pension liability	\$ (1,145,201)
Deferred outflows of resources - pension related items	<u>644,850</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ (500,351)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes 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 explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$6,650,021 difference are as follows:

Capital outlay	\$ 7,869,956
Depreciation expense	<u>(1,219,935)</u>
Net adjustment to increase <i>net changes in fund balance – total governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<u><u>\$ 6,650,021</u></u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes 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 explains that “Net effect of miscellaneous transactions involving capital assets (i.e. donations, disposals and sales) is to decrease net position.” The details of this \$608,697 difference are as follows:

Donated infrastructure	\$ 639,059
Disposal of capital assets, net book value	<u>(30,362)</u>
Net adjustment to increase <i>net changes in fund balance – total governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<u><u>\$ 608,697</u></u>

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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. This amount represents the repayment of the long-term debt.” The details of this \$5,664,178 difference are as follows:

Issuance of bonds payable - direct placement	\$ (5,784,104)
Issuance of notes payable - direct placement	(35,000)
Repayment of notes payable	<u>154,926</u>
Net adjustment to decrease <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ (5,664,178)</u></u>

Another element of that reconciliation explains 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 \$255,821 difference are as follows:

Accrued interest	\$ (82,981)
Compensated absences	(29,490)
Change in net pension liability and related deferred inflows and outflows of resources	<u>(143,350)</u>
Net adjustment to decrease <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ (255,821)</u></u>

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The City’s annual budgets are prepared on anticipated revenues and appropriated expenditures. Revenue anticipation, generally conservative, is designed to help ensure fiscal responsibility and maintain a balanced budget. The operating budget includes proposed expenditures and the means of financing them are based on prior year results and estimated current needs.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level.

The applicable statutes of the State of Georgia require the City to operate under an annual balanced budget adopted by resolution for all governmental funds. A budget is defined as being balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. Appropriated budgets are adopted on a modified accrual basis which is consistent with generally accepted accounting principles for governmental funds. Annual budgets are adopted for the General Fund and each special revenue fund. Capital project funds have project length budgets. Budget amounts are as originally adopted, or as amended by City Council.

Supplementary appropriations made during the year by the City Council were primarily the result of preliminary construction costs attributable to the Holly Springs Town Center Project and transfers for the establishment of the Debt Service Fund for the retirement of debt issued by the Holly Springs Parks and Recreation Authority and the Urban Redevelopment Agency of the City of Holly Springs, Georgia. All appropriations lapse at year end.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the City.

B. Fund Deficit

The SPLOST V Fund is reporting a deficit fund balance as of December 31, 2020 of \$2,296,654. This deficit will be recovered through intergovernmental receipt of SPLOST revenues in future years.

NOTE 4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities of the State of Georgia. 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 December 31, 2020, the City had deposits with two (2) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and 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 certificates of deposit with other financial institutions that did not individually exceed standard depository insurance limits. As of December 31, 2020, all of the City's deposits with financial institutions were insured and/or collateralized as required by State statutes.

Total deposits and investments as of December 31, 2020, are summarized as follows:

As reported in the Statement of Net Position

Cash deposited with financial institutions	\$ 9,641,776
Certificates of deposit	2,385,707
	<u>\$ 12,027,483</u>

Investments of the General Fund consist of eight certificates of deposit placed with an FDIC insured financial institution. The certificates are for terms ranging from 13 to 25 months, bear interest rates ranging from 0.20% to 0.90%, and have maturities ranging from May 27, 2021 to December 12, 2022.

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 identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's certificate of deposits are nonparticipating interest-earning investment contracts and are recorded at cost.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 5. RECEIVABLES

The City bills and collects its own property taxes. Property taxes were levied on October 6, 2020, with bills being payable on or before December 20, 2020, after which the account is assessed penalties and interest, or the property is subject to a lien, as applicable. The penalty dates are April 20, 2021, August 20, 2021, December 20, 2021 and April 20, 2022, with the lien date being February 20, 2021. Property taxes receivable at year end is based on the tax levy, less amounts collected prior to December 31, 2020. The property taxes levied in October were intended for use in the 2021 budget year. Therefore, the entire 2020 digest levy is included in deferred revenue on the governmental funds' balance sheet and the governmental activities Statement of Net Position. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually for collectability.

Stormwater fees were billed on behalf of the Stormwater Utility Fund by the General Fund in connection with its tax levy on October 6, 2020. Such fees are for the calendar year 2020 and, accordingly, are not deferred at year end. Stormwater fees receivable at year end have been reviewed for collectability by management, and the fees owed to the Stormwater Utility Fund by the General Fund at year end are recorded in the due to/due from accounts of the General Fund and the Stormwater Utility Fund.

Receivables for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	SPLOST V Fund	Nonmajor Governmental Funds
Receivables:			
Taxes	\$ 362,969	\$ -	\$ 321
Intergovernmental	85,549	402,506	4,915
Stormwater fees	80,831	-	-
Fines	71,851	-	-
Accounts	554,062	-	76,718
Gross receivables	1,155,262	402,506	81,954
Less allowance for uncollectibles	(64,387)	-	-
Net receivables	<u>\$ 1,090,875</u>	<u>\$ 402,506</u>	<u>\$ 81,954</u>

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 9,601,721	\$ 559,430	\$ -	\$ -	\$ 10,161,151
Construction in progress	4,088,011	4,097,738	-	(4,663,207)	3,522,542
Total capital assets, not being depreciated	13,689,732	4,657,168	-	(4,663,207)	13,683,693
Capital assets, being depreciated:					
Land improvements	1,845,652	-	-	-	1,845,652
Buildings and improvements	1,936,547	2,133,409	-	-	4,069,956
Vehicles	1,567,193	153,848	(279,840)	(4,500)	1,436,701
Machinery and equipment	1,880,444	206,029	-	4,500	2,090,973
Infrastructure	27,154,066	1,358,561	-	4,663,207	33,175,834
Total capital assets, being depreciated	34,383,902	3,851,847	(279,840)	4,663,207	42,619,116
Less accumulated depreciation for:					
Land improvements	272,521	60,402	-	-	332,923
Buildings and improvements	497,783	124,232	-	-	622,015
Vehicles	975,829	193,359	(249,478)	(4,000)	919,710
Machinery and equipment	1,113,264	101,748	-	4,000	1,215,012
Infrastructure	4,432,892	740,194	-	-	5,173,086
Total accumulated depreciation	7,292,289	1,219,935	(249,478)	-	8,262,746
Total capital assets, being depreciated, net	27,091,613	2,631,912	(30,362)	4,663,207	34,356,370
Governmental activities capital assets, net	\$ 40,781,345	\$ 7,289,080	\$ (30,362)	\$ -	\$ 48,040,063

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 12,600	\$ -	\$ -	\$ -	\$ 12,600
Construction in progress	39,204	1,135,459	-	(190,553)	984,110
Total capital assets, not being depreciated	51,804	1,135,459	-	(190,553)	996,710
Capital assets, being depreciated:					
Vehicles	21,598	-	-	-	21,598
Machinery and equipment	35,679	255,520	-	-	291,199
Infrastructure	3,615,643	471,370	-	190,553	4,277,566
Total capital assets, being depreciated	3,672,920	726,890	-	190,553	4,590,363
Less accumulated depreciation for:					
Vehicles	18,000	3,598	-	-	21,598
Machinery and equipment	24,213	27,852	-	-	52,065
Infrastructure	439,020	59,225	-	-	498,245
Total accumulated depreciation	481,233	90,675	-	-	571,908
Total capital assets, being depreciated, net	3,191,687	636,215	-	190,553	4,018,455
Business-type activities capital assets, net	<u>\$ 3,243,491</u>	<u>\$ 1,771,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,015,165</u>

Depreciation expense for the year ended December 31, 2020, was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 22,811
Public safety	259,426
Public works	864,638
Culture and recreation	66,270
Housing and development	6,790
Total depreciation expense - governmental activities	<u>\$ 1,219,935</u>

Business-type activities:

Stormwater Utility	<u>\$ 90,675</u>
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CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Component Unit – Holly Springs Downtown Development Authority

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Development Authority:				
Capital assets, not being depreciated:				
Land	\$ 1,706,312	\$ -	\$ -	\$ 1,706,312
Total capital assets, not being depreciated	<u>1,706,312</u>	<u>-</u>	<u>-</u>	<u>1,706,312</u>
Capital assets, being depreciated:				
Buildings and improvements	58,599	-	-	58,599
Furnitures and fixtures	<u>10,901</u>	<u>-</u>	<u>-</u>	<u>10,901</u>
Total capital assets, being depreciated	<u>69,500</u>	<u>-</u>	<u>-</u>	<u>69,500</u>
Less accumulated depreciation for:				
Buildings and improvements	35,165	1,953	-	37,118
Furnitures and fixtures	<u>10,901</u>	<u>-</u>	<u>-</u>	<u>10,901</u>
Total accumulated depreciation	<u>46,066</u>	<u>1,953</u>	<u>-</u>	<u>48,019</u>
Total capital assets, being depreciated, net	<u>23,434</u>	<u>(1,953)</u>	<u>-</u>	<u>21,481</u>
Development Authority capital assets, net	<u>\$ 1,729,746</u>	<u>\$ (1,953)</u>	<u>\$ -</u>	<u>\$ 1,727,793</u>

Depreciation of \$1,953 for the year ended December 31, 2020, was charged to expenses of the Authority in the accompanying Statement of Activities.

NOTE 7. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of December 31, 2020, is as follows:

A. Due to/from Other Funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Stormwater Utility Fund	\$ 181,154

The outstanding balances between funds primarily result from the time lag between the dates that the payments between funds are made. All interfund balances are expected to be repaid within one year from the date of the financial statements.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 7. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

B. Advances to/from Other Funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	SPLOST V Fund	\$ 2,717,000

The amount payable to the General Fund relates to a working capital loan related to work on the Holly Springs Parkway project and will be repaid over several years as SPLOST V revenues are collected.

C. Transfers to/from Other Funds

Transfers between funds during the year ended December 31, 2020, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Town Center Fund	General Fund	\$ 350,000
Town Center Fund	Nonmajor governmental funds	5,723,113
Nonmajor governmental funds	General Fund	50,000

Transfers are used to (1) move bond proceeds to the Town Center Fund to cover current year capital projects, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended December 31, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Notes payable -					
direct placement	\$ 2,156,339	\$ 35,000	\$ (154,926)	\$ 2,036,413	\$ 314,861
Bonds payable -					
direct placement	1,493,031	5,784,104	-	7,277,135	555,556
Net pension liability	702,177	665,685	(222,661)	1,145,201	-
Compensated absences	153,845	187,569	(158,079)	183,335	119,168
Governmental activities long-term liabilities	<u>\$ 4,505,392</u>	<u>\$ 6,672,358</u>	<u>\$ (535,666)</u>	<u>\$ 10,642,084</u>	<u>\$ 989,585</u>
Business-type Activities:					
Financed purchases	\$ -	\$ 216,520	\$ -	\$ 216,520	\$ 51,909
Net pension liability	9,249	18,524	(4,521)	23,252	-
Business-type activities long-term liabilities	<u>\$ 9,249</u>	<u>\$ 235,044</u>	<u>\$ (4,521)</u>	<u>\$ 239,772</u>	<u>\$ 51,909</u>

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

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 8. LONG-TERM DEBT (CONTINUED)

Direct Placement - Notes Payable – During the year ended December 31, 2016, Holly Springs Parks and Recreation Authority issued notes payable in the amount of \$3,200,000 for the purpose of purchasing real estate for future park development. Terms of the notes require bi-annual payments of \$179,368 at an interest rate of 2.25% maturing in the year 2026.

Direct Placement - Notes Payable – On August 12, 2020, the City of Holly Springs entered into a note payable agreement in the amount of \$3,500,000 with the Georgia Transportation Infrastructure Bank (GTIB), which included an accompanying GTIB grant, to fund the widening of Holly Springs Parkway. This note is issued in the form of a line of credit whereby no repayment occurs until the time the City draws the funds. As of December 31, 2020, the City has incurred debt issuance costs of \$35,000, which will be withheld from the proceeds from the first draw. As of December 31, 2020, the City had not drawn down any of the available funds. The remaining amount is available for draw as the construction occurs. Terms of the note stipulate that no interest will accrue until the full amount of the note has been drawn down, or until construction is complete, whichever occurs first. Upon the final draw, or completed construction, the note will require 120 monthly payments of principal and interest at 1.56%. The full maturity schedule will be included once the full balance has been drawn down.

The City's debt service requirements to maturity on these notes payable are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 314,861	\$ 43,875	\$ 358,736
2022	357,084	36,652	393,736
2023	329,474	29,262	358,736
2024	336,978	21,757	358,735
2025	344,764	13,972	358,736
2026	353,252	6,062	359,314
Total	<u>\$ 2,036,413</u>	<u>\$ 151,580</u>	<u>\$ 2,187,993</u>

Direct Placement Bonds– On April 14, 2020, the Urban Redevelopment Agency of the City of Holly Springs, Georgia issued general obligation bonds in the amount of \$3,000,000 for the purpose of funding the Town Center Road Network, Industrial Connector, and Town Center Projects. These bonds are issued in the form of a line of credit at the local financial institution whereby no repayment occurs until the time the City draws the funds. As of December 31, 2020, the City had drawn down \$2,277,135 of the \$3,000,000. The remaining amount is available for draw as the construction occurs. The intent of the City is utilize the full \$3,000,000 during the fiscal year ending December 31, 2021. Any unused portions of the issuance will be used to immediately pay down the outstanding balance, once construction is complete. Terms of the bonds require semi-annual payments at an interest rate of 2.35% maturing in the year 2035. The full maturity schedule will be included once the full balance has been drawn down.

Direct Placement Bonds – On August 14, 2019, the Urban Redevelopment Agency of the City of Holly Springs, Georgia issued general obligation bonds in the amount of \$5,000,000 for the purpose of funding the Town Center Road Network, Industrial Connector, and Town Center Projects. These bonds were issued in the form of a line of credit at the local financial institution whereby no repayment occurred until the time the City drew the funds. As of December 31, 2020, the entirety of the amount available had been drawn down by the County. The bonds, which bear an interest rate of 3.10%, mature in August 2029. As of December 31, 2020, the outstanding principal balance is \$5,000,000.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 8. LONG-TERM DEBT (CONTINUED)

The City's debt service requirements to maturity on these bonds payable are as follows:

Year ending December 31,	Principal	Interest	Total
2021	\$ 555,556	\$ 152,823	\$ 708,379
2022	555,556	135,362	690,918
2023	555,556	117,900	673,456
2024	555,556	100,702	656,258
2025	555,556	82,978	638,534
2026-2030	2,222,220	274,928	2,497,148
Total	\$ 5,000,000	\$ 864,693	\$ 5,864,693

Direct Placement – Financed Purchase – During the year ended December 31, 2020, the City entered into a lease agreement as lessee to finance the acquisition of a vehicle used in Stormwater Fund activities. The lease agreement qualifies as a financed lease for accounting purpose as title to the vehicle transfers to the City at the end of the lease term. Lease payments are due in annual installments. The original cost of the City's asset under the financed purchase agreement at December 31, 2020 is \$255,520 and there has been \$52,064 of accumulated depreciation as of year-end. Annual depreciation of this asset is included in depreciation expense in the Stormwater Fund.

The City's debt service requirements to maturity on this lease are as follows:

Year ending December 31,	Principal	Interest	Total
2021	\$ 51,909	\$ 6,063	\$ 57,972
2022	53,362	4,609	57,971
2023	54,856	3,115	57,971
2024	56,393	1,579	57,972
Total	\$ 216,520	\$ 15,366	\$ 231,886

NOTE 9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As a member of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 9. RISK MANAGEMENT (CONTINUED)

Settled claims have not exceeded the coverage in any of the past three years.

The City carries commercial insurance for other risks of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three years.

NOTE 10. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City, as authorized by the City Council, has established The City of Holly Springs Retirement Plan (CHSRP), a defined benefit pension plan, covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City makes no investments on behalf of the CHSRP. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized, and may be amended, by City Council, the CHSRP provides pension benefits and death benefits for plan members and beneficiaries. Eligibility for participation is available immediately beginning with the date of employment for all full-time employees who work at least thirty hours a week. Elected officials are also covered by the CHSRP. Employee benefits fully vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.0% of final average earnings.

An employee may elect early retirement at the age of 55 provided he has a minimum of ten years total credited service. Retirement between the ages of 55-65, will result in a reduced monthly benefit.

To receive full benefits, an employee must be age 65 with at least five years of service. The benefit is based on the highest five year's average earnings. Employees do not contribute toward the plan.

Plan Membership. At July 1, 2020, the date of the most recent actuarial valuation, there were 106 participants consisting of the following:

Retired participants and beneficiaries	11
Vested former participants	37
Active participants	<u>58</u>
Total	<u><u>106</u></u>

Contributions. The plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law (Georgia Code Section 47-20-10). The Board of Trustees of GMEBS has adopted an actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan, as adopted by the City Council, is to contribute an amount equal to or greater than the recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Employees do not contribute to the plan. For the year ended December 31, 2020, the City's contribution rate was 8.97% of annual payroll. City contributions to the plan were \$300,000 for the year ended December 31, 2020.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City

Actuarial data developed in connection with the City's actuarial valuation as of July 1, 2020, were used to measure total pension liability as of March 31, 2020 using update procedures performed by the actuary. The balances as of March 31, 2020, constitute measurements of the net pension liability for the year ending December 31, 2020.

Actuarial assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Net investment rate of return	7.375% net of pension plan investment expense, including inflation
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	0.00%
Inflation	2.25%

Mortality rates for healthy retirees and beneficiaries for the July 1, 2020 valuation were based on the Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. For disabled retirees and beneficiaries, the Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 was used.

The methods and assumptions used in the July 1, 2020 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December of 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019, are summarized in the table below:

Asset class	Target Allocation	Long-term expected real rate of return (1)
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Cash	0%	-
	<u>100%</u>	

(1) rates are shown net of pension plan investment expense and assumed inflation of 2.25%

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at the recommended contribution rate as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability. As of March 31, 2020, the expected long-term rate of return remained the same at 7.375%.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended December 31, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/19	\$ 2,699,445	\$ 1,988,019	\$ 711,426
Changes for the year:			
Service cost	173,684	-	173,684
Interest	213,972	-	213,972
Differences between expected and actual experience	118,354	-	118,354
Assumption changes	13,294	-	13,294
Contributions—employer	-	227,182	(227,182)
Net investment income	-	(156,641)	156,641
Benefit payments, including refunds of employee contributions	(40,341)	(40,341)	-
Administrative expense	-	(8,264)	8,264
Net changes	478,963	21,936	457,027
Balances at 12/31/20	\$ 3,178,408	\$ 2,009,955	\$ 1,168,453

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

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

	1% Decrease 6.375%	Current Discount Rate - 7.375%	1% Increase 8.375%
City's net pension liability	\$ 1,677,910	\$ 1,168,453	\$ 750,612

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2020.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the City recognized pension expense of \$384,492. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions made subsequent to the measurement period	\$ 162,648	\$ -
Assumption changes	27,253	-
Experience differences	216,149	-
Net difference between projected and actual earnings on pension plan investments	251,893	-
Total	<u>\$ 657,943</u>	<u>\$ -</u>

City contributions subsequent to the measurement date of \$162,648 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2021	\$ 130,213
2022	133,283
2023	142,981
2024	88,818
Total	<u>\$ 495,295</u>

NOTE 11. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan (the “City of Holly Springs Deferred Compensation Plan”) created in accordance with Internal Revenue Code (IRC) Section 457(b). The plan, which qualifies as a defined contribution plan, is available to all City employees immediately upon employment. Participants may elect to make pre-tax contributions subject to the deferral limitations of the revenue code. As plan administrator, the City has elected to obtain the services of Mass Mutual as a third party service provider and plan trustee.

As required by Section 457(b) of the IRC, plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. Investments are managed by the trustee under one of the available investment options, or a combination thereof. Accordingly, the assets and liabilities of the plan are not included in the accompanying financial statements. During the year ending December 31, 2020, eleven participating employees contributed \$36,330 to the plan. The City does not contribute to the plan.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 12. JOINT VENTURE

The City, in conjunction with other cities and counties in the Atlanta metropolitan area, is a member of the Atlanta Regional Commission (ARC). Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. Board membership of the ARC includes the chief elected official of each county, one appointed mayor from municipalities in the area, and one appointed citizen representative also from the area. Dues to the ARC are assessed at the County level and are, accordingly, paid by Cherokee County.

Each member county and municipality is required to pay minimum annual dues to the ARC. Georgia law also provides that member governments are liable for any debts or obligations of the ARC (O.C.G.A. 50-8-39.1). Separate financial statements can be provided by contacting the ARC directly at:

Atlanta Regional Commission
229 Peachtree St, NE Ste 100
Atlanta, GA 30303

NOTE 13. HOTEL/MOTEL LODGING TAX

The City imposes a 3% hotel/motel excise tax on lodging facilities within the City. During the year ended December 31, 2020, taxes of \$3,576 were reported as revenue from the lodging tax. According to Georgia statute (O.C.G.A. 48-13-51), all spending of these taxes are required to be for promoting tourism, conventions and trade shows. The City spent \$1,541 (representing 43% of revenues) during 2020 for these purposes.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Fire protection and emergency services are provided by the City through an intergovernmental agreement with Cherokee County, Georgia. The agreement covers a five (5) year period commencing October 1, 2018, and ending September 30, 2023, and includes a renewal provision for an additional five (5) year period. Compensation paid to Cherokee County for such services is determined by a calculation based on millage rates and the tax digest of the City, as defined and adjusted under terms of the agreement. The amount paid by the City for these services during 2020 was \$1,957,356.

In December 2015 the City entered into an agreement for outsourcing its public works department. Under terms of the agreement, Optech Monette, LLC will provide public works management, including all current operation and maintenance services of the City's public works department, which broadly and currently consist of the following activities: streets and drainage, parks and grounds maintenance, landscaping of medians, and solid waste disposal. It also provides for the maintenance of equipment, vehicles and facilities existing within the City's public works operations. The agreement became effective January 1, 2016 and was renewed December 16, 2019 for a base fee of \$418,176, and includes annual increases thereafter of approximately 2% through the end of 2023. During the year ended December 31, 2020, the City paid \$418,176 in connection with these services.

The City routinely enters into various other contracts and agreements in the ordinary course of business. Such commitments are typically not material to the accompanying financial statements.

In the ordinary course of business, circumstances may result in legal actions against the City, which seek remedies or damages. Management and legal counsel have represented that there are no pending, threatened or unasserted legal actions against the City.

CITY OF HOLLY SPRINGS, GEORGIA
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 15. RESTATEMENT

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, the City is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the City to determine if the Municipal Court Fund is still considered fiduciary, and if so, if it is considered a custodial fund under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial fund.

	Fiduciary Activities
Net Position, custodial activities, as previously reported	\$ -
Recognition of the beginning net position of the former Agency	
Fund now reported as Custodial Fund	63,780
Net Position, custodial activities, as restated	<u>\$ 63,780</u>

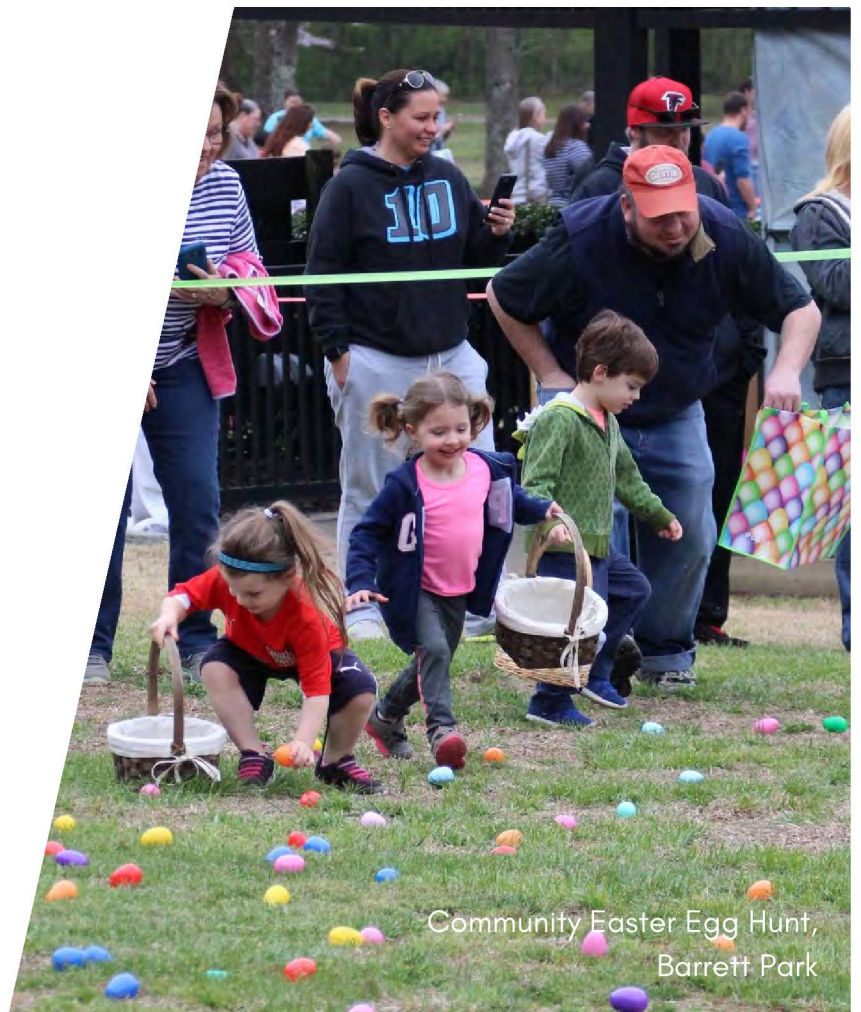
NOTE 16. SUBSEQUENT EVENT

Issuance of Note Payable – Direct Placement

On May 1, 2021 the City entered into a loan agreement with the Georgia Transportation Infrastructure Bank administered by the State Road and Tollway Authority in the amount of \$6,000,000 to finance Phase III of the widening of Holly Springs Parkway. The loan agreement allows for a three year draw down period during which no payments are due other than closing and administrative fees paid at the closing of the loan. After all proceeds have been drawn, which the City expects to be in June 2023, monthly payments of principal and interest will be due over a period of twenty (20) years, bearing interest at 1.63%.

FINANCIAL SECTION

Required Supplementary Information



CITY OF HOLLY SPRINGS, GEORGIA
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property taxes	\$ 4,931,800	\$ 5,074,300	\$ 5,315,217	\$ 240,917
Franchise taxes	675,000	727,500	829,062	101,562
Business taxes	833,500	873,500	881,668	8,168
Licenses and permits	1,162,600	1,117,600	1,306,895	189,295
Intergovernmental	1,000	830,000	830,148	148
Charges for services	108,890	101,095	94,119	(6,976)
Fines and forfeitures	657,250	656,000	697,594	41,594
Investment earnings	35,000	35,000	31,396	(3,604)
Contributions	20,000	10,000	11,500	1,500
Miscellaneous	504,960	40,005	49,665	9,660
TOTAL REVENUES	8,930,000	9,465,000	10,047,264	582,264
EXPENDITURES				
Current:				
General government:				
Governing body	118,805	118,805	109,926	8,879
General administration	1,548,068	1,554,553	1,346,030	208,523
Total general government	1,666,873	1,673,358	1,455,956	217,402
Judicial	314,597	347,597	335,159	12,438
Public safety				
Police services	3,607,334	3,690,145	3,433,230	256,915
Fire services	1,957,356	1,957,356	1,957,356	-
Total public safety	5,564,690	5,647,501	5,390,586	256,915
Public works				
Highways and streets	514,490	504,530	467,284	37,246
Street and traffic lights	102,000	119,000	117,008	1,992
Total public works	616,490	623,530	584,292	39,238
Culture and recreation	29,500	29,500	4,440	25,060
Housing and development				
Community development	627,367	801,705	704,484	97,221
Downtown development	108,483	104,059	79,536	24,523
Intergovernmental	22,000	22,750	15,615	7,135
Total housing and development	757,850	928,514	799,635	128,879
TOTAL EXPENDITURES	8,950,000	9,250,000	8,570,068	679,932
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,000)	215,000	1,477,196	1,262,196
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(250,000)	(400,000)	(150,000)
Proceeds from sale of capital assets	20,000	35,000	67,108	32,108
TOTAL OTHER FINANCING SOURCES (USES)	20,000	(215,000)	(332,892)	(117,892)
NET CHANGE IN FUND BALANCES	-	-	1,144,304	1,144,304
FUND BALANCES - BEGINNING OF YEAR	6,263,331	6,263,331	6,263,331	-
FUND BALANCES - END OF YEAR	\$ 6,263,331	\$ 6,263,331	\$ 7,407,635	\$ 1,144,304

CITY OF HOLLY SPRINGS, GEORGIA
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios
For the Year Ended December 31

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 173,684	\$ 173,655	\$ 146,792	\$ 107,470	\$ 93,900	\$ 87,975
Interest on total pension liability	213,972	185,708	145,308	105,979	88,699	75,978
Differences between expected and actual experience	118,354	56,851	138,511	26,213	56,170	(13,568)
Changes in actuarial assumptions	13,294	-	33,233	-	-	27,840
Changes in benefit terms	-	-	-	293,685	-	-
Benefit payments, including refunds of employee contributions	(40,341)	(38,444)	(34,218)	(17,526)	(14,089)	(14,089)
Net change in total pension liability	478,963	377,770	429,626	515,821	224,680	164,136
Total pension liability - beginning	2,699,445	2,321,675	1,892,049	1,376,228	1,151,548	987,412
Total pension liability - ending (a)	\$ 3,178,408	\$ 2,699,445	\$ 2,321,675	\$ 1,892,049	\$ 1,376,228	\$ 1,151,548
Plan fiduciary net position						
Contributions - employer	\$ 227,182	\$ 164,835	\$ 145,802	\$ 158,790	\$ 384,000	\$ 101,403
Net investment income	(156,641)	68,630	190,954	161,041	8,092	69,731
Benefit payments, including refunds of employee contributions	(40,341)	(38,444)	(34,218)	(17,526)	(14,089)	(14,089)
Administrative expenses	(8,264)	(6,895)	(6,499)	(7,399)	(4,112)	(3,609)
Net change in plan fiduciary net position	21,936	188,126	296,039	294,906	373,891	153,436
Plan fiduciary net position - beginning	1,988,019	1,799,893	1,503,854	1,208,948	835,057	681,621
Plan fiduciary net position - ending (b)	\$ 2,009,955	\$ 1,988,019	\$ 1,799,893	\$ 1,503,854	\$ 1,208,948	\$ 835,057
City's net pension liability - ending (a) - (b)	\$ 1,168,453	\$ 711,426	\$ 521,782	\$ 388,195	\$ 167,280	\$ 316,491
Plan fiduciary net position as a percentage of the total pension liability	63.2%	73.6%	77.5%	79.5%	87.8%	72.5%
Covered payroll	\$ 2,614,311	\$ 1,991,354	\$ 1,798,776	\$ 1,580,812	\$ 1,351,206	\$ 1,296,442
City's net pension liability as a percentage of covered payroll	44.7%	35.7%	29.0%	24.6%	12.4%	24.4%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

CITY OF HOLLY SPRINGS, GEORGIA

Required Supplementary Information Schedule of City Contributions For the Year Ended December 31

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 300,000	\$ 202,910	\$ 152,143	\$ 143,688	\$ 112,284	\$ 107,525
Contributions in relation to the actuarially determined contribution	<u>300,000</u>	<u>202,910</u>	<u>152,143</u>	<u>143,688</u>	<u>112,284</u>	<u>369,925</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (262,400)</u>
Covered payroll	3,344,482	2,370,920	1,864,832	1,776,757	1,515,497	1,296,442
Contributions as a percentage of Covered payroll	8.97%	8.56%	8.16%	8.09%	7.41%	28.53%

Notes to the Schedule

Valuation Date	July 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.38%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 15 years.

The schedule will present 10 years of information once it is accumulated.

FINANCIAL SECTION

Nonmajor Governmental Funds



CITY OF HOLLY SPRINGS, GEORGIA

Combining Balance Sheet Non-major Governmental Funds December 31, 2020

	Special Revenue Funds					Capital Project Funds		Total Non-major Governmental Funds
	Multiple Grant Fund	Parks and Recreation Fund	Hotel/Motel Tax Fund	Urban Redevelopment Agency Fund	Debt Service Fund	SPLOST III Fund	SPLOST IV Fund	
ASSETS								
Cash	\$ 37,218	\$ 477,854	\$ 8,559	\$ -	\$ 1,592,641	\$ 280,106	\$ 69,064	\$ 2,465,442
Receivables (net of allowance for uncollectibles):								
Taxes	-	-	321	-	-	-	-	321
Accounts	-	40,934	-	-	-	35,784	-	76,718
Intergovernmental receivable	4,915	-	-	-	-	-	-	4,915
TOTAL ASSETS	<u>\$ 42,133</u>	<u>\$ 518,788</u>	<u>\$ 8,880</u>	<u>\$ -</u>	<u>\$ 1,592,641</u>	<u>\$ 315,890</u>	<u>\$ 69,064</u>	<u>\$ 2,547,396</u>
LIABILITIES								
Accounts payable	\$ 4,999	\$ 4,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,762
Deposits payable	-	700	-	-	-	-	-	700
TOTAL LIABILITIES	<u>4,999</u>	<u>5,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,462</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - charges for services	-	-	-	-	-	35,784	-	35,784
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,784</u>	<u>-</u>	<u>35,784</u>
FUND BALANCES								
Restricted:								
Tourism	-	-	8,880	-	-	-	-	8,880
Grant purposes	37,134	-	-	-	-	-	-	37,134
Capital projects	-	-	-	-	-	280,106	69,064	349,170
Committed for culture and recreation	-	513,325	-	-	-	-	-	513,325
Assigned for debt service	-	-	-	-	1,592,641	-	-	1,592,641
TOTAL FUND BALANCES	<u>37,134</u>	<u>513,325</u>	<u>8,880</u>	<u>-</u>	<u>1,592,641</u>	<u>280,106</u>	<u>69,064</u>	<u>2,501,150</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 42,133</u>	<u>\$ 518,788</u>	<u>\$ 8,880</u>	<u>\$ -</u>	<u>\$ 1,592,641</u>	<u>\$ 315,890</u>	<u>\$ 69,064</u>	<u>\$ 2,547,396</u>

CITY OF HOLLY SPRINGS, GEORGIA
*Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2020*

	Special Revenue Funds					Capital Project Funds		Total Non-major Governmental Funds
	Multiple Grant Fund	Parks and Recreation Fund	Hotel/Motel Tax Fund	Urban Redevelopment Agency Fund	Debt Service Fund	SPLOST III Fund	SPLOST IV Fund	
REVENUES								
Taxes	\$ -	\$ 444,622	\$ 3,576	\$ -	\$ -	\$ -	\$ -	\$ 448,198
Intergovernmental	118,907	-	-	-	-	-	-	118,907
Charges for services	-	25	-	-	-	5,964	2,310	8,299
Investment earnings	8	199	3	-	1,932	164	38	2,344
Miscellaneous	-	8,315	-	-	-	-	-	8,315
TOTAL REVENUES	118,915	453,161	3,579	-	1,932	6,128	2,348	586,063
EXPENDITURES								
Current:								
Culture and recreation	-	89,327	-	-	-	-	-	89,327
Health and welfare	118,907	-	-	-	-	-	-	118,907
Housing and development	-	-	1,541	-	-	-	-	1,541
Debt service:								
Principal	-	-	-	-	154,926	-	-	154,926
Interest	-	-	-	-	125,059	-	-	125,059
Issuance costs	-	-	-	60,991	-	-	-	60,991
TOTAL EXPENDITURES	118,907	89,327	1,541	60,991	279,985	-	-	550,751
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8	363,834	2,038	(60,991)	(278,053)	6,128	2,348	35,312
OTHER FINANCING SOURCES (USES)								
Proceeds from issuance of debt	-	-	-	5,784,104	-	-	-	5,784,104
Transfers in	-	-	-	-	50,000	-	-	50,000
Transfers out	-	-	-	(5,723,113)	-	-	-	(5,723,113)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	60,991	50,000	-	-	110,991
NET CHANGE IN FUND BALANCES	8	363,834	2,038	-	(228,053)	6,128	2,348	146,303
FUND BALANCES - BEGINNING OF YEAR	37,126	149,491	6,842	-	1,820,694	273,978	66,716	2,354,847
FUND BALANCES - END OF YEAR	\$ 37,134	\$ 513,325	\$ 8,880	\$ -	\$ 1,592,641	\$ 280,106	\$ 69,064	\$ 2,501,150

CITY OF HOLLY SPRINGS, GEORGIA
Multiple Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Intergovernmental	\$ 214,975	\$ 214,975	\$ 118,907	\$ (96,068)
Investment earnings	25	25	8	(17)
TOTAL REVENUES	<u>215,000</u>	<u>215,000</u>	<u>118,915</u>	<u>(96,085)</u>
EXPENDITURES				
Current:				
Health and welfare	<u>215,000</u>	<u>215,000</u>	<u>118,907</u>	<u>96,093</u>
TOTAL EXPENDITURES	<u>215,000</u>	<u>215,000</u>	<u>118,907</u>	<u>96,093</u>
NET CHANGE IN FUND BALANCES	-	-	8	8
FUND BALANCES - BEGINNING OF YEAR	<u>37,126</u>	<u>37,126</u>	<u>37,126</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 37,126</u></u>	<u><u>\$ 37,126</u></u>	<u><u>\$ 37,134</u></u>	<u><u>\$ 8</u></u>

CITY OF HOLLY SPRINGS, GEORGIA
Parks and Recreation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Sales tax	\$ 374,000	\$ 369,000	\$ 444,622	\$ 75,622
Charges for services	50	50	25	(25)
Investment earnings	450	450	199	(251)
Miscellaneous	15,500	8,000	8,315	315
TOTAL REVENUES	<u>390,000</u>	<u>377,500</u>	<u>453,161</u>	<u>75,661</u>
EXPENDITURES				
Current:				
Culture and recreation	140,000	127,500	89,327	38,173
Capital Outlay:	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
TOTAL EXPENDITURES	<u>390,000</u>	<u>377,500</u>	<u>89,327</u>	<u>288,173</u>
NET CHANGE IN FUND BALANCES	-	-	363,834	363,834
FUND BALANCES - BEGINNING OF YEAR	<u>149,491</u>	<u>149,491</u>	<u>149,491</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 149,491</u>	<u>\$ 149,491</u>	<u>\$ 513,325</u>	<u>\$ 363,834</u>

CITY OF HOLLY SPRINGS, GEORGIA
Hotel-Motel Tax Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Hotel/Motel taxes	\$ 4,995	\$ 2,995	\$ 3,576	\$ 581
Investment earnings	5	5	3	(2)
TOTAL REVENUES	<u>5,000</u>	<u>3,000</u>	<u>3,579</u>	<u>579</u>
EXPENDITURES				
Current:				
Housing and development	<u>5,000</u>	<u>3,000</u>	<u>1,541</u>	<u>1,459</u>
TOTAL EXPENDITURES	<u>5,000</u>	<u>3,000</u>	<u>1,541</u>	<u>1,459</u>
NET CHANGE IN FUND BALANCES	-	-	2,038	2,038
FUND BALANCES - BEGINNING OF YEAR	<u>6,842</u>	<u>6,842</u>	<u>6,842</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,842</u>	<u>\$ 6,842</u>	<u>\$ 8,880</u>	<u>\$ 2,038</u>

CITY OF HOLLY SPRINGS, GEORGIA
Urban Redevelopment Agency
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
EXPENDITURES				
Debt service:				
Issuance costs	\$ -	\$ -	\$ 60,991	\$ (60,991)
TOTAL EXPENDITURES	-	-	60,991	(60,991)
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	(60,991)	(60,991)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	3,000,000	6,000,000	5,784,104	(215,896)
Transfers out	(3,000,000)	(6,000,000)	(5,723,113)	276,887
TOTAL OTHER FINANCING SOURCES (USES)	-	-	60,991	60,991
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING OF YEAR	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HOLLY SPRINGS, GEORGIA
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (GAAP Basis)
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,932	\$ (1,932)
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,932</u>	<u>(1,932)</u>
EXPENDITURES				
Debt Service:				
Principal	311,206	311,206	154,926	156,280
Interest	<u>205,113</u>	<u>205,113</u>	<u>125,059</u>	<u>80,054</u>
TOTAL EXPENDITURES	<u>516,319</u>	<u>516,319</u>	<u>279,985</u>	<u>236,334</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(516,319)	(516,319)	(278,053)	238,266
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCES	(516,319)	(516,319)	(228,053)	288,266
FUND BALANCES - BEGINNING OF YEAR	<u>1,820,694</u>	<u>1,820,694</u>	<u>1,820,694</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,304,375</u>	<u>\$ 1,304,375</u>	<u>\$ 1,592,641</u>	<u>\$ 288,266</u>

FINANCIAL SECTION

Discretely Presented Component Unit



CITY OF HOLLY SPRINGS, GEORGIA

Balance Sheet

*Component Unit - Holly Springs Downtown Development Authority
December 31, 2020*

	Holly Springs Downtown Development Authority
ASSETS	
Cash	\$ 79,600
Investments	36,349
Accounts receivable	113
Total assets	\$ 116,062
FUND BALANCE	
Unassigned	\$ 116,062
Total fund balance	\$ 116,062

CITY OF HOLLY SPRINGS, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Component Unit - Holly Springs Downtown Development Authority
For the Year Ended December 31, 2020

	Holly Springs Downtown Development Authority
Revenues:	
Investment earnings	\$ 458
Total revenues	<u>458</u>
Expenditures:	
Current:	
Economic development	<u>4,240</u>
Total expenditures	<u>4,240</u>
Net change in fund balance	(3,782)
Fund balance, beginning of year	<u>119,844</u>
Fund balance, end of year	<u><u>\$ 116,062</u></u>



STATE SECTION

CITY OF HOLLY SPRINGS, GEORGIA
Schedule of Projects Constructed with Special Purpose
Local Option Sales Tax Proceeds
For the Year Ended December 31, 2020

PROJECTS	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
2004 - SPLOST III:						
Streets and sidewalks	\$ 3,407,000	\$ 3,407,000	\$ 2,779,246	\$ -	\$ 2,779,246	82%
New city hall	2,600,000	4,125,438	4,125,438	-	4,125,438	100%
Downtown square and streetscapes	1,602,705	1,602,705	-	-	-	0%
Public safety and public works vehicles and equipment	219,000	219,000	206,487	-	206,487	94%
TOTAL 2004 - SPLOST III	\$ 7,828,705	\$ 9,354,143	\$ 7,111,171	\$ -	\$ 7,111,171	
2010 - SPLOST IV:						
Transportation facilities and improvements	\$ 3,100,000	\$ 8,546,142	\$ 8,546,142	\$ -	\$ 8,546,142	100%
Law enforcement facilities, vehicles and equipment	1,700,000	2,364,927	2,364,927	-	2,364,927	100%
Sewer system infrastructure, facilities and equipment	750,000	822,677	822,677	-	822,677	100%
City hall administrative offices, facilities and equipment	755,000	755,000	50,751	-	50,751	7%
Public works, fire, fleet vehicles and equipment	410,200	410,200	291,795	-	291,795	71%
TOTAL 2010 - SPLOST IV	\$ 6,715,200	\$ 12,898,946	\$ 12,076,292	\$ -	\$ 12,076,292	
2017 - SPLOST V:						
Transportation facilities and improvements	\$ 5,244,912	\$ 23,188,316	\$ 6,186,309	\$ 1,269,883	\$ 7,456,192	32%
Public safety vehicles and equipment	1,428,100	1,428,100	485,865	209,348	695,213	49%
Emergency communications system improvements and equipment	510,576	510,576	170,192	170,192	340,384	67%
Parks and recreation facilities	1,500,000	1,500,000	-	-	-	0%
Public works and fleet vehicles and equipment	75,000	75,000	-	-	-	0%
General government buildings	1,600,000	1,600,000	-	14,173	14,173	1%
TOTAL 2017 - SPLOST V	\$ 10,358,588	\$ 28,301,992	\$ 6,842,366	\$ 1,663,596	\$ 8,505,962	
TOTAL	\$ 24,902,493	\$ 50,555,081	\$ 26,029,829	\$ 1,663,596	\$ 27,693,425	

NOTE - The above schedule has been prepared using the modified accrual basis of accounting. Original estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Taxes. Revised estimated costs represent the project costs funded from Special Purpose Local Option Sales Taxes, as well as local, federal and state sources. Actual costs that are in excess of these amounts have been financed with funds from federal and state grants.

STATISTICAL SECTION



STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends.....	60

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.....	64
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These schedules contain information to help the reader assess the City's most significant local revenue source, Property Tax.

Debt Capacity.....	68
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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.....	70
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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.....	72
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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 comprehensive annual financial report for the relevant year.

CITY OF HOLLY SPRINGS, GEORGIA
NET POSITION BY COMPONENT
LAST NINE YEARS

(accrual basis of accounting)

	2020	2019	2018	2017
Governmental activities				
Net investment in capital assets	\$ 38,697,277	\$ 37,131,975	\$ 32,167,903	\$ 26,030,664
Restricted	430,968	426,410	509,488	253,689
Unrestricted	6,557,076	4,909,458	7,495,108	10,571,279
Total government activities net position	<u>\$ 45,685,321</u>	<u>\$ 42,467,843</u>	<u>\$ 40,172,499</u>	<u>\$ 36,855,632</u>
Business-type activities				
Net investment in capital assets	\$ 4,542,026	\$ 3,243,491	\$ 3,247,671	\$ 2,985,637
Unrestricted	154,680	911,776	764,184	516,814
Total business-type activities net position	<u>\$ 4,696,706</u>	<u>\$ 4,155,267</u>	<u>\$ 4,011,855</u>	<u>\$ 3,502,451</u>
Primary government				
Net investment in capital assets	\$ 43,239,303	\$ 40,375,466	\$ 35,415,574	\$ 29,016,301
Restricted	430,968	426,410	509,488	253,689
Unrestricted	6,711,756	5,821,234	8,259,292	11,088,093
Total primary government net position	<u>\$ 50,382,027</u>	<u>\$ 46,623,110</u>	<u>\$ 44,184,354</u>	<u>\$ 40,358,083</u>

2016	2015	2014	2013	2012	2011
\$ 24,324,215	\$ 19,898,710	\$ 17,729,864	\$ 16,922,381	\$ 14,963,807	\$ 14,655,782
243,680	958,168	989,334	1,121,547	1,435,263	1,459,236
9,491,578	8,909,343	7,970,470	6,763,202	5,800,393	5,225,210
<u>\$ 34,059,473</u>	<u>\$ 29,766,221</u>	<u>\$ 26,689,668</u>	<u>\$ 24,807,130</u>	<u>\$ 22,199,463</u>	<u>\$ 21,340,228</u>
\$ 3,030,866	\$ 2,701,939	\$ 2,417,431	\$ 2,198,900	\$ 843,003	\$ 749,678
397,030	626,637	703,168	801,436	621,855	530,051
<u>\$ 3,427,896</u>	<u>\$ 3,328,576</u>	<u>\$ 3,120,599</u>	<u>\$ 3,000,336</u>	<u>\$ 1,464,858</u>	<u>\$ 1,279,729</u>
\$ 27,355,081	\$ 22,600,649	\$ 20,147,295	\$ 19,121,281	\$ 15,806,810	\$ 15,405,460
243,680	958,168	989,334	1,121,547	1,435,263	1,459,236
9,888,608	9,535,980	8,673,638	7,564,638	6,422,248	5,755,261
<u>\$ 37,487,369</u>	<u>\$ 33,094,797</u>	<u>\$ 29,810,267</u>	<u>\$ 27,807,466</u>	<u>\$ 23,664,321</u>	<u>\$ 22,619,957</u>

CITY OF HOLLY SPRINGS, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS

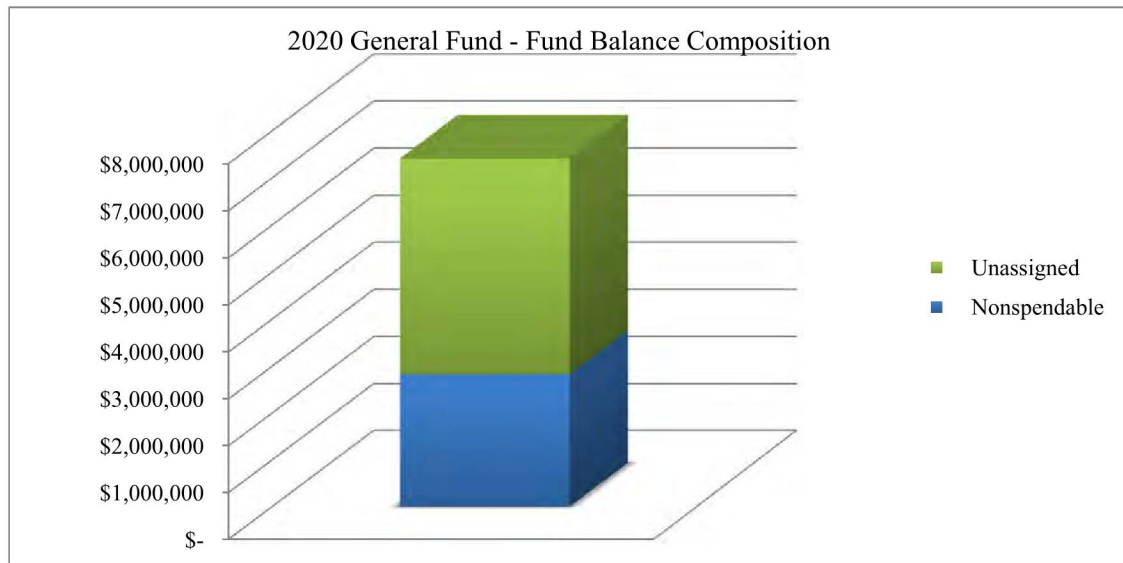
(accrual basis of accounting)

	2020	2019	2018	2017	2016
Expenses					
Governmental Activities:					
General government	\$ 1,465,002	\$ 1,736,735	\$ 1,044,094	\$ 1,040,174	\$ 909,915
Judicial	341,441	272,503	231,180	255,842	256,405
Public safety	5,764,524	4,674,738	4,373,129	4,341,176	3,660,936
Public works	1,544,921	1,329,733	1,252,467	878,923	1,111,932
Health and welfare	118,907	183,219	172,892	179,437	224,872
Culture and recreation	167,587	307,982	172,860	165,714	288,774
Housing and development	823,734	752,982	768,455	663,374	570,308
Interest on long-term debt	208,040	135,745	61,049	931	1,240
Total Governmental Activities Expenses	<u>10,434,156</u>	<u>9,393,637</u>	<u>8,076,126</u>	<u>7,525,571</u>	<u>7,024,382</u>
Business-Type Activities:					
Stormwater utility	329,963	263,042	275,411	252,740	261,832
Total Business-Type Expenses	<u>329,963</u>	<u>263,042</u>	<u>275,411</u>	<u>252,740</u>	<u>261,832</u>
Total Primary Government Expenses	<u>\$ 10,764,119</u>	<u>\$ 9,656,679</u>	<u>\$ 8,351,537</u>	<u>\$ 7,778,311</u>	<u>\$ 7,286,214</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 83,030	\$ 86,108	\$ 110,977	\$ 183,531	\$ 183,362
Judicial	674,383	783,630	465,429	-	-
Public safety	78,249	27,249	8,642	349,414	311,239
Public works	34,310	7,120	357,826	-	-
Culture and recreation	25	25	25	18,544	10,395
Housing and development	1,254,755	1,314,651	1,978,792	1,308,937	930,550
Operating grants and contributions	960,555	207,780	227,619	235,203	243,692
Capital grants and contributions	2,999,820	2,416,876	5,611,562	2,378,027	4,032,287
Total Governmental Activities Program Revenues	<u>6,085,127</u>	<u>4,843,439</u>	<u>8,760,872</u>	<u>4,473,656</u>	<u>5,711,525</u>
Business-type activities:					
Charges for services:					
Stormwater utility	421,320	405,617	320,932	327,271	360,910
Capital grants and contributions	449,573	-	432,000	-	-
Total Business-Type Activities Program Revenues	<u>870,893</u>	<u>405,617</u>	<u>752,932</u>	<u>327,271</u>	<u>360,910</u>
Total Primary Government Program Revenues	<u>\$ 6,956,020</u>	<u>\$ 5,249,056</u>	<u>\$ 9,513,804</u>	<u>\$ 4,800,927</u>	<u>\$ 6,072,435</u>
Net (Expense) Revenue					
Governmental Activities	\$ (4,349,029)	\$ (4,550,198)	\$ 684,746	\$ (3,051,915)	\$ (1,312,857)
Business-Type Activities	540,930	142,575	477,521	74,531	99,078
Total Primary Government Net Expense	<u>\$ (3,808,099)</u>	<u>\$ (4,407,623)</u>	<u>\$ 1,162,267</u>	<u>\$ (2,977,384)</u>	<u>\$ (1,213,779)</u>
General Revenues and Other					
Changes in Net Position					
Governmental Activities:					
Taxes:					
Property tax	\$ 5,317,852	\$ 4,746,878	\$ 4,150,720	\$ 4,062,016	\$ 3,899,541
Franchise tax	829,062	741,199	720,336	677,907	628,911
Business tax	885,244	845,098	790,056	742,319	695,402
Selective sales tax	444,622	374,415	361,458	344,217	334,148
Other revenues	57,980	73,252	48,679	21,773	30,090
Unrestricted investment earnings	31,747	64,700	40,501	15,272	14,064
Gain (Loss) from disposal of capital assets	-	-	-	(15,430)	3,952
Transfers	-	-	6,900	-	-
Total Government Activities	<u>7,566,507</u>	<u>6,845,542</u>	<u>6,118,650</u>	<u>5,848,074</u>	<u>5,606,108</u>
Business-Type Activities:					
Unrestricted investment earnings	509	837	643	24	242
Gain from disposal of capital assets	-	-	38,140	-	-
Transfers	-	-	(6,900)	-	-
Total Business-Type Activities	<u>509</u>	<u>837</u>	<u>31,883</u>	<u>24</u>	<u>242</u>
Total Primary Government	<u>7,567,016</u>	<u>6,846,379</u>	<u>6,150,533</u>	<u>5,848,098</u>	<u>5,606,350</u>
Change in Net Position					
Governmental Activities	\$ 3,217,478	\$ 2,295,344	\$ 6,803,396	\$ 2,796,159	\$ 4,293,251
Business-type activities	541,439	143,412	509,404	74,555	99,320
	<u>\$ 3,758,917</u>	<u>\$ 2,438,756</u>	<u>\$ 7,312,800</u>	<u>\$ 2,870,714</u>	<u>\$ 4,392,571</u>

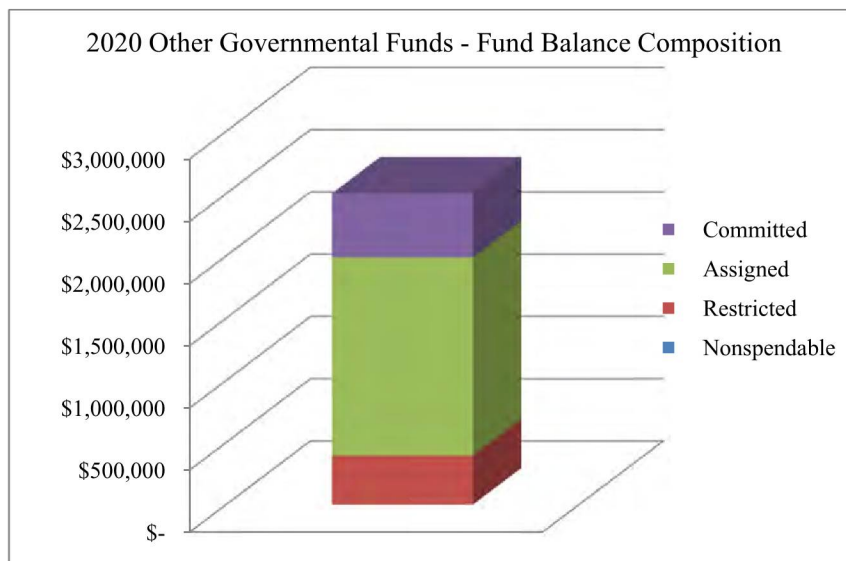
2015	2014	2013	2012	2011
\$ 798,252	\$ 723,511	\$ 821,428	\$ 719,273	\$ 732,277
265,562	213,602	222,432	200,673	187,181
3,193,076	2,714,404	2,546,687	2,454,703	2,326,383
1,752,586	1,410,749	601,360	818,898	584,016
356,242	303,924	346,239	292,991	234,056
153,693	145,443	85,757	90,174	44,086
371,399	305,589	1,081,899	647,357	661,674
3,922	7,428	13,256	27,701	40,884
<u>6,894,732</u>	<u>5,824,650</u>	<u>5,719,058</u>	<u>5,251,770</u>	<u>4,810,557</u>
212,527	202,889	155,272	123,079	73,074
<u>212,527</u>	<u>202,889</u>	<u>155,272</u>	<u>123,079</u>	<u>73,074</u>
<u>\$ 7,107,259</u>	<u>\$ 6,027,539</u>	<u>\$ 5,874,330</u>	<u>\$ 5,374,849</u>	<u>\$ 4,883,631</u>
\$ 143,996	\$ 118,227	\$ 93,365	\$ 100,235	\$ 74,092
-	-	-	-	-
368,899	372,194	440,811	389,084	320,919
-	-	-	-	-
9,620	9,575	7,075	11,322	5,213
793,387	622,488	597,370	159,515	203,542
364,977	320,643	368,733	293,104	237,074
3,491,269	1,506,298	2,507,082	1,254,677	1,176,675
<u>5,172,148</u>	<u>2,949,425</u>	<u>4,014,436</u>	<u>2,207,937</u>	<u>2,017,515</u>
320,493	322,619	298,534	294,523	265,465
102,316	-	1,391,959	-	-
<u>422,809</u>	<u>322,619</u>	<u>1,690,493</u>	<u>294,523</u>	<u>265,465</u>
<u>\$ 5,594,957</u>	<u>\$ 3,272,044</u>	<u>\$ 5,704,929</u>	<u>\$ 2,502,460</u>	<u>\$ 2,282,980</u>
\$ (1,722,584)	\$ (2,875,225)	\$ (1,704,622)	\$ (3,043,833)	\$ (2,793,042)
210,282	119,730	1,535,221	171,444	192,391
<u>\$ (1,512,302)</u>	<u>\$ (2,755,495)</u>	<u>\$ (169,401)</u>	<u>\$ (2,872,389)</u>	<u>\$ (2,600,651)</u>
\$ 3,420,246	\$ 3,212,535	\$ 2,899,441	\$ 2,591,089	\$ 2,647,071
604,313	578,242	528,764	451,734	429,737
644,069	612,157	561,690	551,174	513,649
320,726	297,484	262,465	262,572	244,667
29,072	50,284	52,912	50,932	49,936
7,988	7,061	7,017	8,756	6,589
3,764	-	-	-	-
-	-	-	-	-
<u>5,030,178</u>	<u>4,757,763</u>	<u>4,312,289</u>	<u>3,916,257</u>	<u>3,891,649</u>
518	533	257	496	243
-	-	-	-	-
-	-	-	-	-
<u>518</u>	<u>533</u>	<u>257</u>	<u>496</u>	<u>243</u>
<u>5,030,696</u>	<u>4,758,296</u>	<u>4,312,546</u>	<u>3,916,753</u>	<u>3,891,892</u>
\$ 3,307,594	\$ 1,882,538	\$ 2,607,667	\$ 872,424	\$ 1,098,607
210,800	120,263	1,535,478	171,940	192,634
<u>\$ 3,518,394</u>	<u>\$ 2,002,801</u>	<u>\$ 4,143,145</u>	<u>\$ 1,044,364</u>	<u>\$ 1,291,241</u>

CITY OF HOLLY SPRINGS, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2020	2019	2018	2017
General fund				
Nonspendable	\$ 2,829,515	\$ 3,678,054	\$ 1,490,068	\$ 64,236
Unassigned	4,578,120	2,585,277	7,084,267	6,835,206
Total general fund	<u>\$ 7,407,635</u>	<u>\$ 6,263,331</u>	<u>\$ 8,574,335</u>	<u>\$ 6,899,442</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ 15,322	\$ -
Restricted	395,184	384,662	364,625	277,665
Assigned	1,592,641	1,988,086	17,593	863,673
Committed	513,325	149,491	246,679	-
Unassigned (Deficit)	(2,441,411)	(3,058,475)	(962,561)	(538,965)
Total all other governmental funds	<u>\$ 59,739</u>	<u>\$ (536,236)</u>	<u>\$ (318,342)</u>	<u>\$ 602,373</u>



2016	2015	2014	2013	2012	2011
\$ 52,706	\$ 174,041	\$ 42,510	\$ 77,733	\$ 56,486	\$ 65,788
5,647,642	4,991,439	4,344,293	3,554,510	2,608,226	2,177,067
<u>\$ 5,700,348</u>	<u>\$ 5,165,480</u>	<u>\$ 4,386,803</u>	<u>\$ 3,632,243</u>	<u>\$ 2,664,712</u>	<u>\$ 2,242,855</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
264,209	958,168	1,181,598	1,121,547	1,435,263	1,459,236
442,185	725,129	623,374	587,513	425,332	454,963
-	-	-	-	-	-
(20,529)	-	-	-	-	(211,857)
<u>\$ 685,865</u>	<u>\$ 1,683,297</u>	<u>\$ 1,804,972</u>	<u>\$ 1,709,060</u>	<u>\$ 1,860,595</u>	<u>\$ 1,702,342</u>



CITY OF HOLLY SPRINGS, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS

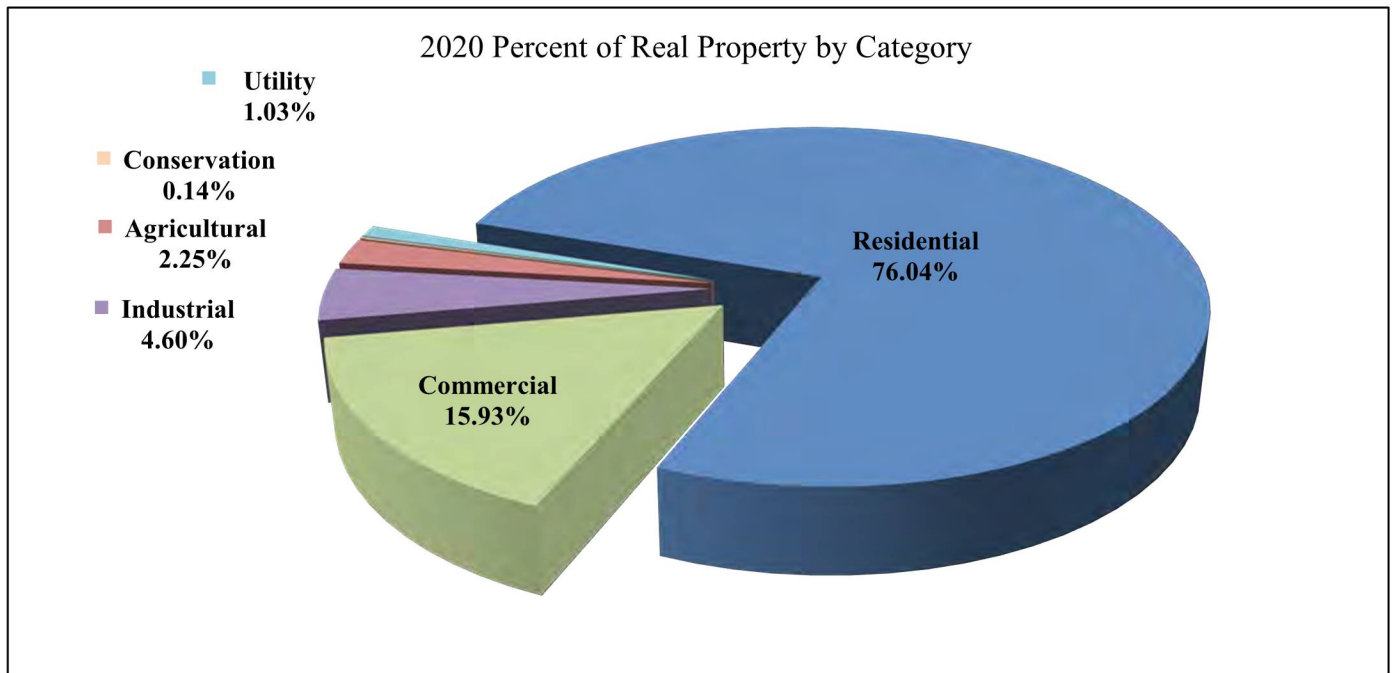
(modified accrual basis of accounting)

	2020	2019	2018	2017
Revenues:				
Taxes	\$ 7,474,145	\$ 6,714,339	\$ 5,989,583	\$ 5,582,428
Licenses and permits	1,306,895	1,387,949	2,884,877	1,358,643
Intergovernmental	3,306,981	2,599,661	2,060,192	2,046,269
Charges for services	134,418	115,214	421,498	142,345
Fines and forfeitures	697,594	738,797	466,287	335,907
Interest	34,582	65,945	42,764	15,406
Donations from private sources	11,500	28,750	28,478	23,855
Other revenue	57,980	68,252	48,679	33,847
Total revenues	<u>13,024,095</u>	<u>11,718,907</u>	<u>11,942,358</u>	<u>9,538,700</u>
Expenditures:				
Current:				
General government	1,455,956	3,750,274	1,542,280	920,148
Judicial	335,159	270,331	235,967	243,688
Public safety	5,390,586	4,920,447	4,131,113	3,589,867
Public works	584,292	577,675	642,451	577,532
Health and welfare	118,907	183,219	172,892	179,437
Culture and recreation	93,767	323,616	117,372	92,014
Housing and development	801,176	733,976	750,990	640,322
Capital outlay	7,864,209	4,556,125	3,325,210	2,316,710
Debt service:				
Principal	154,926	304,436	296,798	336,283
Interest	125,059	125,299	61,938	68,808
Issuance costs	95,991	-	-	-
Total expenditures	<u>17,020,028</u>	<u>15,745,398</u>	<u>11,277,011</u>	<u>8,964,809</u>
Excess(deficiency) of revenues over expenditures	<u>(3,995,933)</u>	<u>(4,026,491)</u>	<u>665,347</u>	<u>573,891</u>
Other financing sources (uses):				
Capital lease issuance	-	-	-	-
Proceeds from issuance of long term debt	5,819,104	1,493,031	-	-
Proceeds from disposal of capital assets	67,108	4,562	38,920	4,748
Transfers in	6,123,113	4,795,671	668,636	898,740
Transfers (out)	(6,123,113)	(4,795,671)	(661,736)	(361,779)
Total other financing sources (uses)	<u>5,886,212</u>	<u>1,497,593</u>	<u>45,820</u>	<u>541,709</u>
Net change in fund balances	<u>\$ 1,890,279</u>	<u>\$ (2,528,898)</u>	<u>\$ 711,167</u>	<u>\$ 1,115,600</u>
Debt service as a percentage of noncapital expenditures:	<u>4.42%</u>	<u>4.49%</u>	<u>4.29%</u>	<u>5.94%</u>

2016	2015	2014	2013	2012	2011
\$ 5,221,402	\$ 4,710,042	\$ 4,399,578	\$ 4,202,032	\$ 3,926,975	\$ 3,806,897
1,012,827	877,253	692,844	661,322	226,580	245,884
3,792,829	1,753,918	1,664,757	1,444,195	1,530,436	1,427,110
100,763	70,533	52,348	30,356	23,546	35,623
334,566	389,908	411,035	427,464	367,364	284,208
15,157	9,808	8,728	8,968	11,383	8,093
18,302	8,075	15,181	22,559	-	-
39,217	30,717	61,255	58,972	85,282	48,996
<u>10,535,063</u>	<u>7,850,254</u>	<u>7,305,726</u>	<u>6,855,868</u>	<u>6,171,566</u>	<u>5,856,811</u>
819,309	799,051	678,717	693,305	695,848	707,668
261,335	286,373	211,556	222,251	199,641	186,549
3,413,547	3,133,362	2,518,284	2,343,040	2,324,164	2,187,997
442,958	349,258	370,357	236,884	252,305	272,116
224,872	356,242	303,938	346,519	293,264	234,298
255,150	150,479	130,547	70,858	74,799	28,712
561,728	397,747	298,874	1,076,180	635,686	658,630
7,941,197	1,607,851	1,950,389	784,233	615,706	348,202
281,417	127,215	138,944	530,848	512,431	441,432
31,418	6,252	6,558	15,911	34,328	46,937
-	-	-	-	-	-
<u>14,232,931</u>	<u>7,213,830</u>	<u>6,608,164</u>	<u>6,320,029</u>	<u>5,638,172</u>	<u>5,112,541</u>
<u>(3,697,868)</u>	<u>636,424</u>	<u>697,562</u>	<u>535,839</u>	<u>533,394</u>	<u>744,270</u>
-	-	133,553	250,829	-	167,259
3,200,000	-	-	-	-	-
35,305	20,578	19,358	29,328	59,905	11,673
382,706	12,872	94,670	650,189	269,145	266,485
<u>(382,706)</u>	<u>(12,872)</u>	<u>(94,670)</u>	<u>(650,189)</u>	<u>(282,334)</u>	<u>(266,485)</u>
<u>3,235,305</u>	<u>20,578</u>	<u>152,911</u>	<u>280,157</u>	<u>46,716</u>	<u>178,932</u>
<u>\$ (462,563)</u>	<u>\$ 657,002</u>	<u>\$ 850,473</u>	<u>\$ 815,996</u>	<u>\$ 580,110</u>	<u>\$ 923,202</u>
<u>4.70%</u>	<u>2.29%</u>	<u>2.69%</u>	<u>9.76%</u>	<u>10.35%</u>	<u>10.25%</u>

CITY OF HOLLY SPRINGS, GEORGIA
ASSESSED VALUE AND ESTIMATED VALUE - ALL TAXABLE PROPERTY
LAST TEN YEARS

Fiscal Year	Real Property					
	Residential Assessed Value	Commercial Assessed Value	Industrial Assessed Value	Agricultural Assessed Value	Conservation Assessed Value	Utility Assessed Value
2011	\$ 195,170,640	\$ 49,082,800	\$ 15,871,720	\$ 8,800,520	\$ 2,924,400	\$ 4,868,234
2012	173,329,840	43,509,800	13,435,360	7,573,600	2,355,680	4,848,338
2013	182,094,854	58,770,035	17,330,187	7,690,760	2,403,480	5,690,880
2014	218,755,382	68,943,876	19,713,060	8,180,320	2,550,760	6,020,800
2015	250,689,224	80,062,121	22,579,326	8,680,160	3,019,080	6,486,480
2016	289,723,362	81,974,594	21,683,912	15,199,000	1,524,400	6,330,920
2017	338,040,992	90,005,201	19,686,382	14,511,480	1,561,440	6,479,800
2018	405,327,714	95,844,347	20,303,507	13,361,280	1,465,240	6,892,920
2019	483,513,483	110,647,714	20,103,336	13,131,480	1,256,480	7,209,200
2020	547,523,816	114,684,952	33,154,398	16,221,750	1,028,943	7,450,843

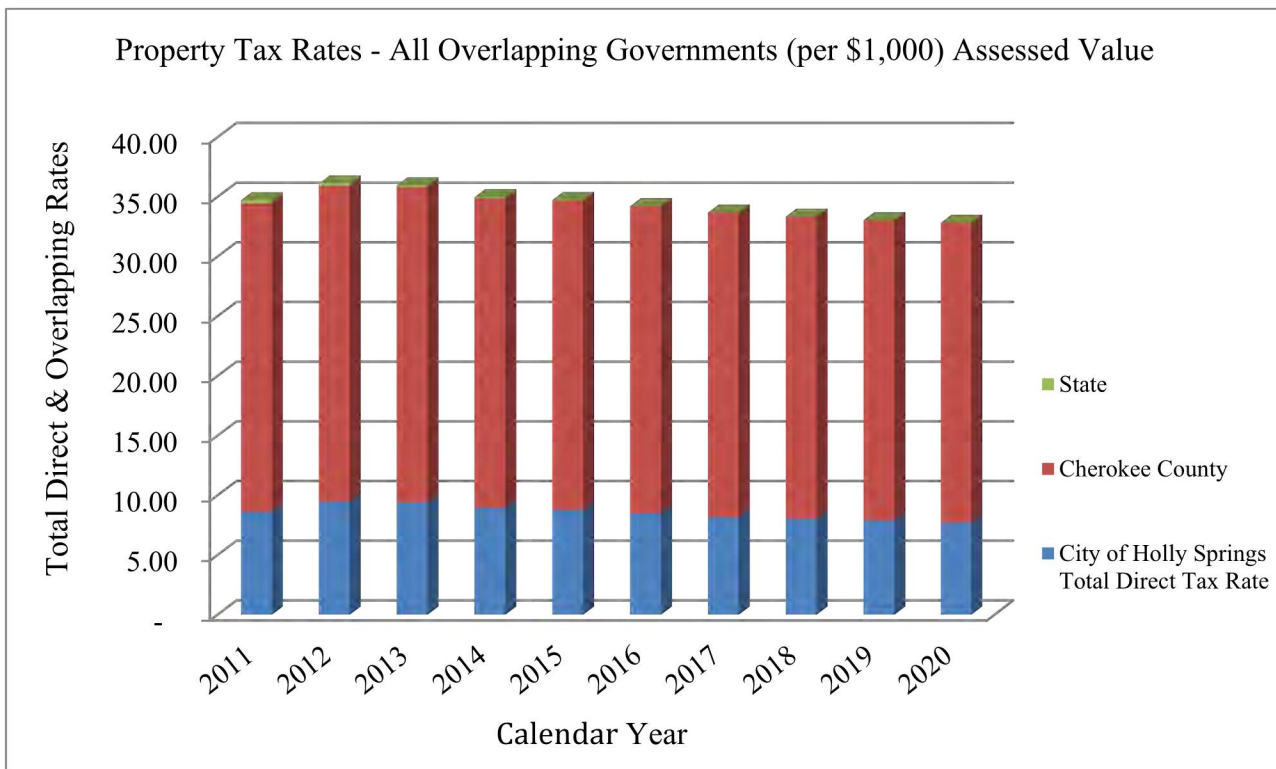


The Cherokee County Assessor performs property tax assessments on all property within Cherokee County including all of the cities therein. The fair market value is determined based on comparables for sales in the area and zoning and land use assumptions. The tax digest is submitted to the Georgia Department of Revenue annually for approval and is then distributed to each of the taxing entities to process the annual property tax bills. Taxes are calculated on forty percent (40%) of the fair value and are due by December 20th in the year in which they are assessed.

Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
Motor Vehicles Assessed Value	Other Assessed Value					
\$ 16,393,730	\$ 18,132,908	\$ 4,853,117	\$ 306,391,835	8.598	\$ 765,979,588	40%
18,846,450	18,930,045	7,804,487	275,024,626	9.449	687,561,565	40%
20,947,510	95,200	5,186,207	289,836,699	9.373	724,591,748	40%
17,028,820	112,960	8,051,200	333,254,778	8.936	833,136,945	40%
12,884,030	110,840	11,484,633	373,026,628	8.751	932,566,570	40%
9,624,910	104,320	2,504,398	423,661,020	8.460	1,059,152,550	40%
7,113,510	104,400	9,396,403	468,106,802	8.148	1,170,267,005	40%
5,522,860	102,720	6,835,069	541,985,519	7.999	1,354,963,798	40%
4,516,000	33,040	20,680,560	619,730,173	7.879	1,549,325,433	40%
3,875,040	19,376	118,706,306	605,252,812	7.692	1,513,132,030	40%

CITY OF HOLLY SPRINGS GEORGIA
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
 (Per \$1,000 of Assessed Value)
 LAST TEN YEARS

Calendar Year	City of Holly Springs Total Direct Tax Rate	Cherokee County	State	Total Direct & Overlapping Rates
2011	8.598	25.856	0.25	34.704
2012	9.449	26.455	0.20	36.104
2013	9.373	26.424	0.15	35.947
2014	8.936	25.922	0.10	34.958
2015	8.751	25.914	0.05	34.715
2016	8.460	25.739	0.00	34.199
2017	8.148	25.514	0.00	33.662
2018	7.999	25.319	0.00	33.318
2019	7.879	25.146	0.00	33.025
2020	7.692	25.123	0.00	32.815



CITY OF HOLLY SPRINGS, GEORGIA
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Mar Harbor Creek LLC	\$ 14,026,440	1	2.32%	\$ 6,563,880	1	2.14%
Kohn Pamela Trustee: Walmart	7,862,069	2	1.30%	4,952,222	3	1.62%
Tree Ridge at Holly Springs	7,555,080	3	1.25%			
Home Depot USA Inc.	5,038,997	4	0.83%	6,755,492	2	2.20%
PSREG Holly Springs Owner LLC	4,886,168	5	0.81%			
Holly Springs Building LLC	4,471,280	6	0.74%			
PMAT East Cherokee LLC	4,110,060	7	0.68%	4,144,520	4	1.35%
Cherokee Auto Land LLC	3,816,720	8	0.63%			
Northside Hospital-Cherokee	3,153,840	9	0.52%	2,773,160	6	0.91%
The Kroger Co.	3,043,497	10	0.50%	2,843,464	5	0.93%
Windstream				1,755,312	7	0.57%
Downtown Hickory Flat, LLC				1,270,240	8	0.41%
Sawnee EMC				1,231,519	9	0.40%
Downtown Hickory Flats, LLC Walgreens				1,067,920	10	0.35%
	<u>\$ 57,964,151</u>		<u>9.58%</u>	<u>\$ 33,357,729</u>		<u>10.89%</u>

CITY OF HOLLY SPRINGS, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy (1)		Amount	Percentage of Levy
2011	\$ 2,392,266	\$ 1,997,607	83.50%	\$ 385,948	\$ 2,383,555	99.64%
2012	2,369,086	2,206,378	93.13%	153,231	2,359,609	99.60%
2013	2,426,198	2,192,899	90.38%	226,997	2,419,896	99.74%
2014	2,722,594	2,578,755	94.72%	137,797	2,716,552	99.78%
2015	2,996,831	2,836,535	94.65%	110,484	2,947,019	98.34%
2016	3,358,570	3,187,187	94.90%	160,480	3,347,667	99.68%
2017	3,604,067	3,419,339	94.87%	166,009	3,585,348	99.48%
2018	4,078,118	3,870,504	94.91%	198,625	4,069,129	99.78%
2019	4,657,066	4,413,414	94.77%	242,853	4,656,267	99.98%
2020	5,014,722	4,689,073	93.51%	N/A	4,689,073	93.51%

(1) The due date for the 2010 property tax digest was February 15, 2011. The normal due date for property taxes is December 20th annually (the same year as the taxes are billed).

(2) The City of Holly Springs entered into a contract with a private company in 2012 to pursue the collection of delinquent property tax receivable balances. The City conducted two tax sales through December 31, 2012 which were very successful. The City now holds annual tax sales to ensure that all of the delinquent property tax receivable balances are paid in full.

CITY OF HOLLY SPRINGS, GEORGIA
RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

<u>Governmental Activities</u>						
Fiscal Year	Capital Leases	Notes Payable	Revenue Bonds Payable		Percentage of Personal Income	Per Capita
		Parks & Recreation Authority	Urban Redevelopment Agency	Transportation Projects		
2011	\$ 1,100,328	\$ -	\$ -	\$ -	0.49%	\$ 118
2012	587,897	-	-	-	0.26%	63
2013	307,878	-	-	-	0.13%	33
2014	302,487	-	-	-	0.12%	31
2015	175,273	-	-	-	0.06%	16
2016	45,424	3,048,432	-	-	0.99%	278
2017	-	2,757,573	-	-	0.80%	245
2018	-	2,460,775	-	-	0.63%	198
2019	-	2,156,339	1,493,031	-	0.82%	287
2020	-	2,001,413	7,277,135	35,000	1.96%	657

CITY OF HOLLY SPRINGS, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
City Direct Debt:			
Parks and Recreation Authority - 2016 Issue	\$ 2,001,413	100.00%	\$ 2,001,413
Urban Redevelopment Agency - 2019 Issue	5,000,000	100.00%	5,000,000
Urban Redevelopment Agency - 2020 Issue	2,277,135	100.00%	2,277,135
Total Direct Debt	<u>9,278,548</u>		<u>9,278,548</u>
Overlapping General Obligation Debt:			
Cherokee County - 2010 Issue	6,217,000	5.44%	338,348
Cherokee County - 2012 Issue	3,220,000	5.44%	175,242
Cherokee County - 2014 Issue	17,923,000	5.44%	975,424
Cherokee County - Refunding bond 2016	25,005,009	5.44%	1,360,848
Cherokee County School District	421,591,991	5.44%	22,944,307
Capital Lease Debt	1,250,305	5.44%	68,045
Other Overlapping Debt:			
Cherokee County Resource Recovery Development Authority	<u>3,721,061</u>	5.44%	<u>202,511</u>
Total Overlapping Debt	<u>478,928,366</u>		<u>26,064,725</u>
Total Direct and Overlapping Debt	<u>\$ 488,206,914</u>		<u>\$ 35,343,273</u>

Source: Information obtained from the Cherokee County, Georgia Comprehensive Annual Financial Report dated September 30, 2020.

Note: Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the City. This schedule estimates the portion of 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 burden borne by residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

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

CITY OF HOLLY SPRINGS, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Age (4)</u>	<u>Average Education Level (5)</u>	<u>School Enrollment (6)</u>	<u>Unemployment Rate (7)</u>
2011	9,533	\$ 225,863,400	\$ 26,011	32.90	Some College	1,256	8.0%
2012	9,743	226,687,860	27,449	33.00	Some College	1,405	7.7%
2013	9,868	245,804,949	25,937	34.90	Some College	1,421	5.1%
2014	10,318	260,281,868	25,226	35.02	Some College	1,104	4.1%
2015	10,786	291,426,934	27,019	35.91	Some College	1,090	3.9%
2016	11,364	317,066,964	27,901	35.91	Some College	1,049	3.6%
2017	11,987	365,759,331	30,513	36.00	Some College	1,194	3.6%
2018	12,915	402,340,995	31,153	36.61	Some College	975	3.2%
2019	15,442	537,211,738	34,789	36.00	Some College	1,004	2.7%
2020	17,969	605,447,486	33,694	38.00	Some College	1,001	6.0%

(1) Population estimates from Cherokee Office of Economic Development

(2) Personal Income information from the US Census Bureau Quick Facts and American Fact Finder

(3) Per Capita Personal Income from US Census Bureau Quick Facts, American Fact Finder and estimates

(4) Median Age information from Cherokee Office of Economic Development

(5) Average Education Level from Cherokee Office of Economic Development

(6) School Enrollment includes student population at Holly Springs Elementary provided by Cherokee County School District, Lyndon Academy, and L.R. Tippens Education Center

(7) Unemployment Rate provided Georgia Department of Labor

CITY OF HOLLY SPRINGS, GEORGIA
PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2020			2011		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees	Rank	Percentage of Total City Employment (2)
Walmart #5814	192	1	4.83%			
Home Depot, USA, Inc.	110	2	2.77%	97	4	1.94%
Publix Super Markets, Inc.	91	3	2.29%	68	5	1.36%
Kroger Store #430	89	4	2.24%	137	1	2.74%
Cherokee County School District	75	5	1.89%			
USF AF Georgia, LLC	59	6	1.48%			
Nor-Ral Plastics, Inc.	56	7	1.41%	46	6	0.92%
Sutherlin Nissan Cherokee	50	8	1.26%			
North Georgia Foundations, Inc.	47	9	1.18%			
Southeast Restoration Group	42	10	1.06%			
Hydro-Chem, A Division of Linde Eng.				109	3	2.18%
Atlanta Newspaper, Inc.				126	2	2.52%
Green Grass, Inc.				45	7	0.90%
J & J Electrical Services, Inc.				44	8	0.88%
Wild West Bar and Grill				42	9	0.84%
Agilex Fragrance Division				35	10	0.70%
Total	<u>811</u>		20.40%	<u>749</u>		14.97%

(1) Information obtained from City of Holly Springs CLT/Occupational Tax System, Cherokee County School District, and Cherokee Office of Economic Development

(2) Information obtained from the U.S. Census Bureau Fact Finder - 2011 Business Patterns

CITY OF HOLLY SPRINGS, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN YEARS

Function	2020	2019	2018	2017	2016
General Government					
Management	4.0	3.0	3.0	3.0	3.0
Finance	3.0	2.0	2.0	1.0	2.0
Technology	1.0	1.0	1.0	1.0	1.0
Facilities	4.0	1.0	1.0	1.0	1.0
Judicial					
Municipal Court	4.0	3.0	3.0	3.0	3.0
Public Safety					
Police Officers	34.0	31.0	27.0	22.0	19.0
Police Administration	7.0	6.0	6.0	5.0	4.0
Probation (1)	1.0	1.0	1.0	1.0	-
Public Works					
Streets	-	-	-	-	-
Culture and Recreation					
Parks	-	-	-	-	-
Housing and Development					
Building	4.0	6.0	6.0	4.0	5.5
Planning and Zoning	2.0	2.0	2.0	2.0	1.0
Stormwater	1.0	2.0	1.0	2.0	2.5
Total	65.0	58.0	53.0	45.0	42.0

(1) Prior to 2017, probation services were provided by a private contractor.

2015	2014	2013	2012	2011
3.0	3.0	4.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0
2.5	2.0	2.0	2.0	2.0
19.0	16.0	16.0	14.0	14.0
4.0	4.0	4.0	4.0	4.0
-	-	-	-	-
3.0	3.0	3.0	3.0	3.0
0.5	-	-	1.0	1.0
3.5	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	2.0	1.0	0.5
40.5	35.0	37.0	33.0	32.5

CITY OF HOLLY SPRINGS, GEORGIA
OPERATING STATISTICS BY FUNCTION

LAST TEN YEARS

Function	2020	2019	2018	2017	2016
General government					
Ordinances approved	26	40	24	27	27
Special events held	1	7	8	8	8
Occupation tax licenses issued (1)	886	813	692	719	719
Court					
Number of citations processed	7,648	6,825	4,777	2,247	2,438
Number & type of court sessions:					
Arraignments	22	25	23	23	23
Trials	4	4	2	4	4
Police					
Calls for service	18,633	19,717	15,604	12,939	12,612
Part 1 crimes reported	259	324	277	326	435
Public Works					
Number of potholes repaired	53	41	38	34	35
Miles of streets resurfaced	2.52	4.20	2.62	1.31	2.36
Community Development					
Building permits/CO's issued	1,064	1,184	1,319	961	567
Acres annexed	24.70	85.96	35.24	119.33	53.53
Culture and Recreation					
Park acres maintained	46	46	46	46	46
Stormwater					
Stormwater projects completed	1	-	-	2	2

(1) Includes Home Occupation, Traditional Occupation Licenses and Insurance Licenses

N/A - This information is not available for the year indicated. The software on which many of these statistics were stored is no longer maintained by the City of Holly Springs

2015	2014	2013	2012	2011
15	12	11	11	11
7	7	9	11	9
633	539	909	913	917
2,021	2,804	2,468	2,178	1,869
23	25	25	19	21
4	7	7	6	4
12,593	27,501	26,056	24,426	30,558
393	186	201	274	280
13	2	9	11	11
3.04	5.35	3.90	3.02	1.23
565	297	136	140	130
98.54	-	2.91	10.39	-
46	13	13	13	13
1	-	-	8	2

CITY OF HOLLY SPRINGS, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN YEARS

Function	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Public Safety					
Police					
Stations	1	1	1	1	1
Patrol Units	38	38	25	21	18
Public Works					
Streets (miles)	62.36	61.66	60	60	60
Parks and Recreation					
Acreage of Parks	46	46	46	46	46
Playgrounds	3	3	3	3	3
Baseball Fields	1	1	1	1	1
Community Center	1	1	1	1	1

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
1	1	1	1	1
17	16	13	13	13
60	59	59	59	59
46	46	46	46	46
3	2	2	2	2
1	1	1	1	1
1	1	1	1	1



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***

**To the Honorable Mayor and Members
of City Council
City of Holly Springs, Georgia**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Holly Springs, Georgia (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 17, 2021. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statements No. 84, *Fiduciary Activities*.

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.

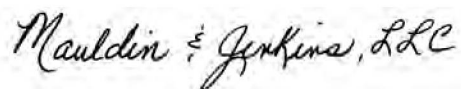
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
June 17, 2021

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

**To the Honorable Mayor and Members
of City Council
City of Holly Springs, Georgia**

Report on Compliance for Each Major Federal Program

We have audited the City of Holly Springs, Georgia's (the "City's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City of Holly Springs, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

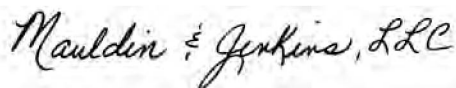
Report on Internal Control Over Compliance

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

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

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

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



Atlanta, Georgia
June 17, 2021

CITY OF HOLLY SPRINGS, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation			
State and Community Highway Safety	20.600	TEN-2020-402 PT-019	\$ 20,389
Total Highway Planning and Construction Cluster			20,389
Total U.S. Department of Transportation			20,389
U.S. DEPARTMENT OF THE TREASURY			
Passed through the Office of the Governor of Georgia			
Coronavirus Relief Fund	21.019	N/A	808,353
Total U.S. Department of the Treasury			808,353
U.S. DEPARTMENT OF LABOR			
Passed through the Atlanta Regional Commission			
WIA/WIOA Youth Activities	17.259	WD1410	118,907
Total WIOA Cluster			118,907
Total U.S. Department of Labor			118,907
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program	16.607	112028003	1,406
Total U.S. Department of Justice			1,406
Total Expenditures of Federal Awards			\$ 949,055

See accompanying note to schedule of expenditures of federal awards.

CITY OF HOLLY SPRINGS, GEORGIA

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

BASIS OF PRESENTATION AND ACCOUNTING

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

In instances where the grant agreement requires the City to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

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

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

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

CITY OF HOLLY SPRINGS, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness identified?

_____ yes X no

Significant deficiency identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal Control over major federal programs:

Material weakness identified?

_____ yes X no

Significant deficiency 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 programs:

_____ CFDA Number

21.019

_____ Name of Federal Program or Cluster

COVID19: Coronavirus Relief Fund

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

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

CITY OF HOLLY SPRINGS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

CITY OF HOLLY SPRINGS, GEORGIA

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

None reported

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF HOLLY SPRINGS, GEORGIA, TO SET THE 2021 AD VALOREM TAX RATE OF THE CITY OF HOLLY SPRINGS, GEORGIA FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2022, AND ENDING DECEMBER 31, 2022; AND FOR OTHER PURPOSES

Be it Ordained and Established by the Mayor and City Council of the City of Holly Springs, Georgia as follows:

Section 1. The 2021 ad valorem tax rate for the City of Holly Springs, Georgia on property subject to ad valorem taxation by the City is hereby set at 4.220 mills on forty percent (40%) of each \$1,000 of property subject to ad valorem tax by the City.

Section 2. Said rate of 4.220 mills on forty percent (40%) of each \$1,000 of taxable property is hereby levied for General Government purposes.

Section 3. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SO ORDAINED this 9th day of September 2021.

CITY OF HOLLY SPRINGS

Steven W. Miller, Mayor

Attest:

Karen Norred, City Clerk
(Seal)

PUBLIC MEETING NOTICE

The City of Holly Springs does hereby announce that the millage rate will be set at a meeting to be held at the City of Holly Springs Municipal Building located at 3235 Holly Springs Parkway, Holly Springs, Georgia on September 9th at 7:00 PM following a public meeting. Pursuant to OCGA § 48-5-32, the City hereby publishes the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past 5 years:

CURRENT 2021 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY

	2016	2017	2018	2019	2020	2021
Real & Personal	\$ 423,020,788	\$ 476,323,165	\$ 551,395,168	\$ 644,980,613	\$ 729,472,702	\$ 825,355,172
Motor Vehicles	\$ 9,624,910	\$ 7,113,510	\$ 5,522,860	\$ 4,516,000	\$ 3,875,040	\$ 3,338,490
Mobile Homes	\$ 102,200	\$ 102,840	\$ 102,720	\$ 30,720	\$ 19,376	\$ 17,683
Gross Digest	\$ 432,747,898	\$ 483,539,515	\$ 557,020,748	\$ 649,527,333	\$ 733,367,118	\$ 828,711,345
Less M&O Exemptions	\$ 48,740,834	\$ 51,188,993	\$ 69,339,110	\$ 94,700,140	\$ 119,338,526	\$ 175,009,449
Net M&O Digest	\$ 384,007,064	\$ 432,350,522	\$ 487,681,638	\$ 554,827,193	\$ 614,028,592	\$ 653,701,896
Gross M&O Millage Rate:						
Holly Springs Millage Rate	5.086	4.850	4.730	4.610	4.400	4.220
Fire District Millage Rate*	3.374	3.298	3.269	3.269	3.292	3.292
Net M&O Millage Rate	8.460	8.148	7.999	7.879	7.692	7.512
Net Taxes Levied:						
Holly Springs Taxes Levied	\$ 1,953,060	\$ 2,096,900	\$ 2,306,734	\$ 2,557,753	\$ 2,701,726	\$ 2,758,622
Fire District Taxes Levied	\$ 1,393,965	\$ 1,521,078	\$ 1,726,921	\$ 2,003,070	\$ 2,196,929	\$ 2,695,880
Total Net Taxes Levied	\$ 3,347,025	\$ 3,617,978	\$ 4,033,655	\$ 4,560,823	\$ 4,898,655	\$ 5,454,502
Net Taxes \$ Increase (Decrease)	\$ 261,909	\$ 270,953	\$ 415,677	\$ 527,167	\$ 337,832	\$ 555,847
Net Taxes % Increase (Decrease)	8.49%	8.10%	11.49%	13.07%	7.41%	11.35%

*Fire District Millage Rate set by Cherokee County Board of Commissioners

A RESOLUTION AUTHORIZING, INTER ALIA, THE EXECUTION OF AN INTERGOVERNMENTAL CONTRACT RELATING TO THE ISSUANCE OF AN URBAN REDEVELOPMENT AGENCY OF THE CITY OF HOLLY SPRINGS, GEORGIA REVENUE BOND, SERIES 2021

WHEREAS, the City Council of the City of Holly Springs, the body charged with managing the affairs of the City of Holly Springs, Georgia (the “City”), (a) adopted a resolution on July 1, 2019 finding that “one or more ‘pockets of blight’ exist in the City and the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the City” and (b) adopted a resolution on July 15, 2019 (i) determining that a certain area within the City (the “Urban Redevelopment Area”) is a pocket of blight and designating the Urban Redevelopment Area as appropriate for urban redevelopment projects and (ii) approving the City’s 2019 Urban Redevelopment Plan and the urban redevelopment projects described therein (the “Urban Redevelopment Projects”), all in accordance with the Urban Redevelopment Law of the State of Georgia (“Act”); and

WHEREAS, the City Council adopted a resolution on July 15, 2019 requesting that the Urban Redevelopment Agency of the City of Holly Springs, Georgia (the “Agency”) exercise the “urban redevelopment project powers” (as defined in the Act); and

WHEREAS, pursuant to the Act, the Agency has the power to (a) undertake and carry out urban redevelopment projects within its area of operation, (b) make and execute contracts and other instruments necessary or convenient to the exercise of its powers under the Act and (c) issue revenue bonds to finance the undertaking of any urban redevelopment project; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State to contract, for a period not exceeding fifty years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the Agency proposes to issue its revenue bond to be known as the “Urban Redevelopment Agency of the City of Holly Springs, Georgia Revenue Bond, Series 2021” in the principal face amount of \$6,756,113 (the “Bond”) for the purpose of paying all or a portion of the costs of the Urban Redevelopment Projects and the costs of issuing the Bond; and

WHEREAS, the Bond will be issued pursuant to a resolution to be adopted by the Agency on September 9, 2021 (the “Resolution”); and

WHEREAS, the Agency and the City propose to enter into an Intergovernmental Contract, dated as of September 1, 2021 (the “Contract”), pursuant to which the Agency will agree to issue the Bond, and the City will agree to pay the Agency amounts sufficient to enable the Agency to pay the debt service on the Bond.

NOW, THEREFORE, BE IT RESOLVED by the COUNCIL OF THE CITY OF HOLLY SPRINGS, as follows:

Section 1. Authorization Financing of the Urban Redevelopment Projects. The financing of the Urban Redevelopment Projects as described above is hereby authorized.

Section 2. Authorization of Bond; Acknowledgment of Resolution. The issuance of the Bond by the Agency is hereby authorized to the extent necessary. The City hereby acknowledges receipt of form of the Resolution expected to be adopted by the Agency.

Section 3. Authorization of the Contract. The execution, delivery and performance of the Contract are hereby authorized. The Contract shall be executed by the Mayor or Mayor Pro Tem. The City Clerk may attest the same and the seal may be impressed thereon. The Contract shall be in substantially the form attached hereto as Exhibit "A," subject to such changes, insertions and omissions as may be approved by the person executing the same and the City Attorney, and the execution of the Contract shall be conclusive evidence of any such approval. The Contract is by this reference thereto spread upon the minutes.

Section 4. Validation of Bond. The Mayor, Mayor Pro Tem and City Clerk of the City are authorized to execute and file an answer and to execute any and all further instruments and pleadings as they might deem necessary to validate the Bond in the Superior Court of Cherokee County.

Section 5. General Authority. The proper officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things, including, but not limited to making covenants on behalf of the City and to execute all such documents and certificates as may be necessary to carry out the transactions contemplated by this resolution.

Section 6. Actions Approved and Confirmed. All acts and doings of the officers, employees and agents of the City which are in conformity with the purposes and intent of this resolution are hereby authorized and approved.

Section 7. Repealing Clause. Any and all resolutions or parts of resolutions in conflict with this resolution are hereby repealed.

Section 8. Effective Date. This resolution shall take effect immediately upon its adoption

ADOPTED this 9th day of September, 2021.

CITY COUNCIL OF CITY OF HOLLY SPRINGS

(SEAL)

By: _____
Steven W. Miller, Mayor

ATTEST:

Karen Norred, City Clerk

EXHIBIT "A"

INTERGOVERNMENTAL CONTRACT

CITY CLERK'S CERTIFICATE

The undersigned Clerk to the Council of the City of Holly Springs (the "City Council") DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution adopted on September 9, 2021 by the City Council in a meeting duly called and assembled and at which a quorum was present and acting throughout, and that the original of the foregoing resolution appears of public record in the Minute Book of the City Council, which is in my custody and control.

GIVEN under my hand and the seal of the City, this 9th day of September, 2021.

(SEAL)

Karen Norred, City Clerk

URBAN REDEVELOPMENT AGENCY OF THE CITY OF HOLLY SPRINGS, GEORGIA

AND

CITY OF HOLLY SPRINGS, GEORGIA

INTERGOVERNMENTAL CONTRACT

Dated as of September 1, 2021

The rights and interest of the Urban Redevelopment Agency of the City of Holly Springs, Georgia in this Intergovernmental Contract (except for certain Unassigned Rights) have been pledged under the Resolution to the holder from time to time of the Bond.

This document was prepared by:
Murray Barnes Finister LLP
Building 5, Suite 515
3525 Piedmont Road NE
Atlanta, GA 30305
(678) 999-0350

INTERGOVERNMENTAL CONTRACT

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THIS INTERGOVERNMENTAL CONTRACT is entered into as of _____ 1, 2021 (this “Contract”), between the URBAN REDEVELOPMENT AGENCY OF THE CITY OF HOLLY SPRINGS, GEORGIA (the “Agency”), and the CITY OF HOLLY SPRINGS, GEORGIA (the “City”).

W I T N E S S E T H:

WHEREAS, the City Council of the City of Holly Springs, the body charged with managing the affairs of the City of Holly Springs, Georgia (the “City”), (a) adopted a resolution on July 1, 2019 finding that “one or more ‘pockets of blight’ exist in the City and the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the City” and (b) adopted a resolution on July 15, 2019 (i) determining that a certain area within the City (the “Urban Redevelopment Area”) is a pocket of blight and designating the Urban Redevelopment Area as appropriate for urban redevelopment projects and (ii) approving the City’s 2019 Urban Redevelopment Plan and the urban redevelopment projects described therein (the “Urban Redevelopment Projects”), all in accordance with the Urban Redevelopment Law of the State of Georgia (“Act”); and

WHEREAS, the City Council adopted a resolution on July 15, 2019 requesting that the Urban Redevelopment Agency of the City of Holly Springs, Georgia (the “Agency”) exercise the “urban redevelopment project powers” (as defined in the Act); and

WHEREAS, pursuant to the Act, the Agency has the power to (a) undertake and carry out urban redevelopment projects within its area of operation, (b) make and execute contracts and other instruments necessary or convenient to the exercise of its powers under the Act and (c) issue revenue bonds to finance the undertaking of any urban redevelopment project; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State to contract, for a period not exceeding fifty years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the Agency proposes to issue its revenue bond to be known as the “Urban Redevelopment Agency of the City of Holly Springs, Georgia Revenue Bond, Series 2021” in the principal face amount of \$6,756,113 (the “Bond”) for the purpose of paying a portion of the costs of the Urban Redevelopment Projects and the costs of issuing the Bond; and

WHEREAS, the Agency and the City propose to enter into this Contract pursuant to which the Agency will agree to issue the Bond, and the City will agree to pay to the Agency amounts sufficient to pay the debt service on the Bond.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agency and the City hereto agree as follows:

ARTICLE I.

DEFINITIONS

All capitalized, undefined terms used in this Contract shall have the meanings ascribed to them in the Resolution. The following words and phrases shall have the following meanings:

“Contract Payments” means the payments due pursuant to Section 4.2 of this Contract.

“Default” and “Event of Default” mean with respect to any Default or Event of Default under this Contract any occurrence or event specified and defined by Section 6.1 hereof.

“Resolution” means the resolution of the Agency adopted on September 9, 2021 pursuant to which the Bond is authorized to be issued, including any resolution supplemental thereto.

“State” means the State of Georgia.

ARTICLE II.

REPRESENTATIONS

Section 2.1. Representations of Agency.

The Agency represents as follows:

(a) The Agency is a body corporate and politic duly created and validly existing under the Constitution and laws of the State. The Agency is authorized and has the power to (i) adopt the Resolution and perform its obligations thereunder, (ii) issue, execute, deliver and perform its obligations under the Bond and (iii) execute, deliver and perform its obligations under this Contract (collectively, the “Agency Transactions”).

(b) The Agency has duly authorized the Agency Transactions. The Resolution has been duly adopted and constitutes a valid, binding and enforceable obligation of the Agency. The Resolution creates a lien on the Pledged Security. The Agency has not created any other lien on the Pledged Security.

(c) The Bond has been duly executed by the Agency and is a valid, binding and enforceable limited obligation of the Agency. This Contract has been duly executed by the Agency and is a valid, binding and enforceable obligation of the Agency.

(d) All licenses, consents, approvals, authorizations, permits and orders of governmental or regulatory authorities, if any, that are required to be obtained by the Agency in connection with the Agency Transactions have been duly obtained and remain in full force and effect, except that no representation is made as to compliance with any applicable federal or state securities laws.

(e) The Agency Transactions do not and will not conflict with or constitute on the part of the Agency a violation of, breach of or default under any (i) indenture, mortgage, lease, resolution, or other agreement or instrument to which the Agency is a party or by which the Agency or its property is bound (a “Contractual Requirement”) or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Agency or its properties (a “Legal Requirement”).

(f) The Agency is not in violation of, breach of or default under any Contractual Requirement or Legal Requirement which violation, breach or default would adversely affect the Agency Transactions. No event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a violation, breach or default.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Agency, threatened against or affecting the Agency (or, to the knowledge of the Agency, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Agency from issuing the Bond, (ii) contesting or questioning the existence of

the Agency or the titles of the present officers of the Agency to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of the Resolution, the Bond or this Contract, or (B) materially adversely affect (1) the financial condition or results of operations of the Agency or (2) the Agency Transactions.

The Agency makes no representation as to the (a) condition or workmanship of the Urban Redevelopment Projects, (b) suitability of the Urban Redevelopment Projects for the City's purposes or (c) the financial condition of the City. Furthermore, the Agency makes no representation that the proceeds of the Bond will be sufficient to pay the costs of the Urban Redevelopment Projects and the costs of issuing the Bond.

Section 2.2. Representations of the City.

The City represents as follows:

(a) The City is a municipal corporation duly created and validly existing under the Constitution and laws of the State. The City is authorized and has the power and all licenses and permits to (i) acquire, construct, equip, own and operate the Urban Redevelopment Projects and (ii) execute, deliver and perform its obligations under this Contract (collectively, the "City Transactions").

(b) The City has duly authorized the City Transactions.

(c) This Contract has been duly executed by the City and is a valid, binding and enforceable obligation of the City.

(d) All licenses, consents, approvals, authorizations, permits and orders of governmental or regulatory authorities, if any, that are required to be obtained by the City in connection with the City Transactions have been duly obtained and remain in full force and effect, except that no representation is made as to compliance with any applicable federal or state securities laws.

(e) The City Transactions do not and will not conflict with or constitute on the part of the City a violation of, breach of or default under any (i) indenture, mortgage, lease, resolution, or other agreement or instrument to which the City is a party or by which the City or its property is bound (a "Contractual Requirement") or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the City or its properties (a "Legal Requirement").

(f) The City is not in violation of, breach of or default under any Contractual Requirement or Legal Requirement which violation, breach or default would adversely affect the City Transactions. No event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a violation, breach or default.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the City, threatened against or affecting the City (or, to the knowledge of the City, any meritorious basis therefor) (i) contesting or questioning the existence of the City or the titles of the present officers of the City to their offices or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of this Contract, or (B) materially adversely affect (1) the financial condition or results of operations of the City or (2) the City Transactions.

ARTICLE III.

ISSUANCE OF THE BOND; COMPLETION OF URBAN REDEVELOPMENT PROJECTS

Section 3.1. Agreement to Issue the Bond; Application of Bond Proceeds.

The Agency agrees that it will issue the Bond. The proceeds from the sale of the Bond shall be applied as provided in the Resolution, and the City hereby approves the issuance of the Bond. The Agency shall deliver a certified copy of the Resolution to the City promptly upon the adoption thereof.

Section 3.2. Completion of Urban Redevelopment Projects.

The City shall take all actions necessary or desirable to complete the Urban Redevelopment Projects.

ARTICLE IV.

EFFECTIVE DATE OF THIS CONTRACT; DURATION OF TERM; CONTRACT PAYMENT PROVISIONS

Section 4.1. Effective Date of this Contract; Duration of Term.

This Contract shall remain in full force and effect from the date of its execution and delivery to and including the later of (a) September 1, 2036 or (b) the date the Bond and the fees and expenses of the Agency, the custodians, the Paying Agent, the Bond Registrar and the Authenticating Agent shall have been fully paid or provision made for such payment, whichever is later, but in no event later than 50 years from the date hereof.

Section 4.2. Contract Payments.

(a) The City agrees to pay to the Agency (or its assignee or designee) amounts sufficient to enable the Agency to pay all amounts due and owing under the Bond, including, but not limited to, the principal of and interest on the Bond. The Agency has assigned the Contract Payments to the owner of the Bond, and the City consents to such assignment. The Agency hereby directs the City to make the Contract Payments directly to the Sinking Fund Custodian unless the Agency, the City and the owner of the Bond shall provide otherwise pursuant to Section 208 of the Resolution.

(b) The City also agrees to pay the reasonable fees and expenses of all custodians and depositories, the Paying Agent, Bond Registrar and Authenticating Agent and of their successors and assigns as provided by Section 702 of the Resolution, such reasonable fees and expenses to be paid directly to the party to whom the payment is due when such reasonable fees and expenses become due and payable

(c) In the event the City should fail to make any of the Contract Payments required in this Section 4.2, the item or installment so in Default shall continue as an obligation of the City until the amount in Default shall have been fully paid, and the City agrees to pay the same with interest thereon at the rate borne by the Bond, to the extent permitted by law, from the date thereof.

Section 4.3. Obligations of City Hereunder Absolute and Unconditional.

The obligations of the City to make the Contract Payments required in Section 4.2 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be absolute and unconditional irrespective of any defense or any rights of set off, recoupment, or counterclaim it may otherwise have against the Agency. Until such time as all amounts owing hereunder have been paid or provision for the payment thereof shall have been made in accordance with the Resolution and hereof, the City (a) will not suspend, abate, reduce, abrogate, diminish, postpone, modify or discontinue the Contract Payments provided for herein, (b) will perform and observe all of its other agreements contained in this Contract, and (c) will not terminate the Term of this Contract or its obligations hereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the

foregoing, failure of title in and to the Urban Redevelopment Projects or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Urban Redevelopment Projects, the taking by eminent domain of title to or the use of all or any part of the Urban Redevelopment Projects, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either, any declaration or finding that the Bond is unenforceable or invalid, the invalidity of any provision of this Contract, or any failure of the Agency to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Contract, or the Resolution. Nothing contained in this Section shall be construed to release the Agency from the performance of any of the agreements on its part contained herein or in the Resolution; and if the Agency should fail to perform any such agreement, the City may institute such action against the Agency as the City may deem necessary to compel performance or recover its damages for nonperformance as long as such action shall not do violence to or adversely affect the agreements on the part of the City contained in this Contract and to make the Contract Payments specified herein. The City may, however, at its own cost and expense and in its own name, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the Agency hereby agrees to cooperate to the extent required.

Section 4.4. Budget and Tax Levy to Pay Contract Payments.

(a) The obligations of the City to make the Contract Payments when due under Section 4.2 hereof, and to perform its other obligations hereunder, are absolute and unconditional general obligations of the City as herein provided, and the City hereby pledges its full faith and credit and taxing power to such payment and performance. In the event the amount of funds lawfully available to the City is not sufficient to pay the Contract Payments when due in any year, the City shall levy an ad valorem tax on all taxable property located within the limits of the City subject to taxation for such purposes, as now existent and as same may hereafter be extended, at such rate or rates as may be necessary to produce in each calendar year revenues which shall be sufficient to fulfill the City's obligations hereunder, from which revenues there shall be appropriated sums sufficient to pay in full when due the obligations herein contracted to be paid by the City including specifically the obligation to make the Contract Payments as provided herein.

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

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

Section 4.5. Enforcement of Obligations.

The obligation of the City to make Contract Payments under this Article may be enforced by (a) the Agency, (b) the owner of the Bond, independently of the Agency, or (c) such receiver or receivers as may be appointed pursuant to the Resolution or applicable law. The covenants and agreements hereunder, including specifically the obligation to make the Contract Payments, shall be enforceable by specific performance; it being acknowledged and agreed by the Agency and the City that no other remedy at law is adequate to protect the interests of the parties hereto or the interests of the owner of the Bond.

ARTICLE V.

SPECIAL COVENANTS

Section 5.1. Further Assurances and Corrective Instruments.

The Agency and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

Section 5.2. Agency and City Representatives.

Whenever under the provisions of this Contract or the Resolution the approval of the Agency or the City is required or the Agency or the City is required to take some action at the request of the other, such approval or such request shall be given for the Agency by its designated representative and for the City by its designated representative.

Section 5.3. City's Obligations in the Resolution.

The City agrees to perform all of its obligations (if any) under, and to comply with all of the terms of, the Resolution.

Section 5.4. Financial Statements and Other Notices.

The City shall provide a copy of its audited financial statements to the owner of the Bond on or before the first day of the seventh month following the end of each fiscal year. The City shall immediately notify the owner of the Bond of any material adverse change in the financial condition of the City and shall provide the owner of the Bond with such other information as the owner of the Bond shall reasonably request.

Section 5.5. Ownership/Sale and Operation of the Urban Redevelopment Projects.

The City shall own the Urban Redevelopment Projects. The City may sell or lease all or a portion of the Urban Redevelopment Projects without the consent of the Agency or the owner of the Bond. The City shall pay all costs of operating the Urban Redevelopment Projects or shall provide for the payment of such costs. The Agency shall not be responsible for the payment of any such costs.

Section 5.6. Tax Covenants.

The Agency and the City shall take all actions required to maintain the tax-exempt status of the Bond and shall refrain from taking any actions that will adversely affect the tax-exempt status of the Bond. The City shall comply with any and all of its policies related to the issuance of tax-exempt debt.

Section 5.7. Release and Indemnification Covenants.

(a) To the extent permitted by law, the City hereby agrees to release the Agency from and to indemnify the Agency for any and all liabilities and claims against the Agency arising from the issuance of the Bond and the acquisition, construction, ownership and operation of the Urban Redevelopment Projects, including without limitation, (i) any condition of the Urban Redevelopment Projects, (ii) any breach or Default on the part of the City in the performance of any of its obligations under this Contract, (iii) any act or negligence of the City or of any of its agents, contractors, servants, employees or licensees, or (iv) any act or negligence of any assignee or lessee of the City, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the City or (v) any material statement or omission by the City in connection with the sale of the Bond. Upon notice from the Agency, the City shall defend the Agency in any such action or proceeding. Notwithstanding the foregoing, the City shall not be required to indemnify the Agency for its gross negligence or willful misconduct.

(b) The Agency shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Agency unless the employment of such counsel has been specifically authorized by the City.

(d) For purposes of this Section 5.7, all references to the Agency shall include its present and future directors, officers, members, agent and employees.

(e) The provisions of this Section 5.7 shall survive the termination of this Contract.

ARTICLE VI.

EVENTS OF DEFAULT AND REMEDIES

Section 6.1. Events of Default Defined.

The following shall be “Events of Default” under this Contract and the terms “Event of Default” and “Default” shall mean, whenever they are used in this Contract, any one or more of the following events:

(a) Failure by the City to make the payments required to be paid under Section 4.2 hereof.

(b) Failure by the City or the Agency to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) of this Section 6.1, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the defaulting party by the nondefaulting party, unless the nondefaulting party shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the defaulting party within the applicable period and is being diligently pursued until the Default is corrected.

(c) Any representation or warranty made in this Contract shall be found untrue.

(d) The occurrence of an Event of Default under the Resolution.

Section 6.2. Remedies on Default.

Whenever any Event of Default referred to in Section 6.1 hereof shall have happened and be continuing, the nondefaulting party or the owner of the Bond may proceed to protect and enforce its rights hereunder by (a) a suit, action or special proceeding for the specific performance of any covenant or agreement contained herein or (b) any proper legal or equitable remedy as the nondefaulting party or the owner of the Bond shall deem most effectual to protect and enforce rights hereunder; provided, however, the nondefaulting party and the owner of the Bond shall not have the right to accelerate the payments required under Section 4.2 hereof.

Section 6.3. No Remedy Exclusive.

No remedy conferred herein or in the Resolution is intended to be exclusive of any other remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed

expedient. In order to exercise any remedy, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Article.

Section 6.4. Agreement To Pay Attorneys' Fees and Expenses.

In the event the City should Default under any of the provisions of this Contract and the Agency or the owner of the Bond should employ attorneys or incur other expenses for the collection of payments or the enforcement of performance or observance of any obligation or agreement on the part of the City herein contained, the City agrees that it will on demand therefor pay to the Agency or the owner of the Bond the reasonable fee of such attorneys and such other reasonable expenses so incurred by the Agency or the owner of the Bond.

Section 6.5. No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Contract should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VII.

MISCELLANEOUS

Section 7.1. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) hand delivered, (b) sent via overnight mail, (c) sent by electronic mail or (d) mailed by registered mail, postage prepaid. A copy of each notice hereunder shall be provided promptly to the owner of the Bond at its registered address.

Section 7.2. Binding Effect; Third Party Beneficiary.

This Contract shall inure to the benefit of and shall be binding upon the Agency and the City and their successors and assigns. The owner of the Bond shall be a third-party beneficiary hereof. No other party is a beneficiary of this Contract.

Section 7.3. Severability.

In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.4. Amounts Remaining in Funds.

Any amounts remaining in any funds created under the Resolution upon expiration or earlier termination of the Contract, as provided in this Contract, after payment in full of the Bond (or provision for payment thereof having been made in accordance with the provisions of the Resolution) and all other amounts owing hereunder, shall belong to and be paid to the City.

Section 7.5. Amendments, Changes and Modifications.

This Contract may not be effectively amended, changed, modified, altered or terminated except as provided in the Resolution.

Section 7.6. Execution in Counterparts.

This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.7. Applicable Law.

This Contract shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 7.8. Captions.

The captions and headings in this Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Contract.

Section 7.9. No Personal Recourse.

No personal recourse shall be had for any claim based on this Contract against any member, officer or employee of the Agency or the City in his or her individual capacity.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in their corporate names by duly authorized officers and have caused their seals to be impressed hereon, all as of the date first above written.

URBAN REDEVELOPMENT AGENCY OF THE
CITY OF HOLLY SPRINGS, GEORGIA

(SEAL)

By: _____
Chairman

Attest:

By: _____
Secretary

(Intergovernmental Contract)

CITY OF HOLLY SPRINGS, GEORGIA

(SEAL)

By: _____
Steven W. Miller, Mayor

Attest:

By: _____
Karen Norred, City Clerk

(Intergovernmental Contract)

HOME OFFICE PAYMENT AGREEMENT

THIS HOME OFFICE PAYMENT AGREEMENT is dated as of September 1, 2021 (this "Agreement") and is entered into by and among the CITY OF HOLLY SPRINGS, GEORGIA (the "City"), URBAN REDEVELOPMENT AGENCY OF THE CITY OF HOLLY SPRINGS, GEORGIA (the "Issuer"), and SOUTH STATE BANK (the "Purchaser").

WITNESSETH:

WHEREAS, the Issuer is issuing its Urban Redevelopment Agency of the City of Holly Springs, Georgia Revenue Bond, Series 2021 in the face amount of \$6,756,113 (the "Bond"); and

WHEREAS, the Bond is being issued pursuant to a resolution adopted by the Issuer on September 9, 2021 (the "Resolution"); and

WHEREAS, the Issuer is selling the Bond to the Purchaser; and

WHEREAS, the Issuer, the City and the Purchaser propose to enter into this Agreement pursuant to Section 208 of the Resolution.

NOW, THEREFORE, for and in consideration of the premises and undertakings as hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, the Issuer and the Purchaser DO HEREBY AGREE, as follows:

1.

This Agreement shall become effective upon the date of issuance and delivery of the Bond and shall continue in effect until the principal of and the interest on the Bond shall have been fully paid pursuant to the provision of the Resolution. Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Resolution.

2.

While the Bond remains outstanding, on or prior to each Payment Date, the City shall pay the principal and interest due on the Bond on such Payment Date as follows:

- (a) If such payment is by mail, it shall be mailed to:

South State Bank
P.O. Box 118068
Charleston, SC 29423-9910

(b) If such payment is by wire transfer, it shall be wired to:

South State Bank
2440 Mall Drive
North Charleston, SC 29406
ABA Number: 053200983
For Credit to:
Account Name: Urban Redevelopment Agency of the City of
Holly Springs, Georgia
Account Number: 12557486
Contact Name: Jeff Mitchell or Sadrina Satterfield
Phone: (770) 704-8541 or (770) 704-8545

3.

Should any phrase, clause, sentence or paragraph herein contained be held invalid or unconstitutional, it shall in no way affect the remaining provisions of this Agreement, which said provisions shall remain in full force and effect.

4.

This Agreement may be executed in several counterparts, each of which shall be an original but all of which shall constitute but one and the same instrument.

5.

This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized officers, have caused this Agreement to be executed as of the day and year first above written.

CITY OF HOLLY SPRINGS, GEORGIA

(SEAL)

By: _____
Steven W. Miller, Mayor

Attest:

Karen Norred, City Clerk

URBAN REDEVELOPMENT AGENCY OF THE
CITY OF HOLLY SPRINGS, GEORGIA

(SEAL)

By: _____
Chairman

Attest:

Secretary

SOUTH STATE BANK

By: _____
Senior Vice President



www.bmandk.com

August 25, 2021

Mr. Robert H. Logan, City Manager
City of Holly Springs
3237 Holly Springs Pkwy
Holly Springs, GA 30115

RE: Proposal Holly Springs Parkway @ Fox Creek Drive Signal Project

Dear Mr. Logan,

BM&K is pleased to provide our Professional Design Services Fee for coordination of the signal design and drainage/sidewalk improvement at the above referenced location. Costs for engineering are based on type of project, complexities, multiple agency coordination, and contract project schedule. This estimate is also based off of preliminary information and there has been no subsurface investigation. BM&K will utilize a ground run survey as the basis for design and will be provided to the signal designer. We have anticipated having to obtain right of way and/or produce right of way plans.

We will utilize SEI for the powder coated mast arm type traffic signal design and will incorporate that into our overall site plan for the other improvement. Other improvements will include curb and gutter, 10' multiuse trail on the east side of Holly Springs Parkway. Also included will be striping improvements as well as the addition of cross walks. BM&K's proposed fee for this work is \$26,575. Our fees are inclusive for final construction documents for the project.

We appreciate the opportunity to present this information for your consideration. Please give me a call if you have any questions regarding this proposal or if you need any additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Hughes".

Jacob Hughes, P.E.
Consultant City Engineer
Senior Project Manager

Cc: Don Clerici, P.E.

103 Mountain Brook Drive, Suite 112, Holly Springs, GA 30115

phone: 678.522.5601

ARC Contract
No. WD _____

**WORKFORCE INNOVATION AND OPPORTUNITY ACT
YOUTH SERVICES CONTRACT**

THIS CONTRACT, entered into as of this 29th day of June, 2021, by and between the City of Holly Springs, of Holly Springs, Georgia (hereinafter referred to as the “Contractor”) and the Atlanta Regional Commission (hereinafter referred to as “ARC”).

WITNESS THAT:

WHEREAS, ARC desires to engage the Contractor to render certain technical or professional services hereinafter described in connection with an undertaking or project (hereinafter referred to as the “Project”) which is to be wholly or partially financed by a grant(s) from the Technical College System of Georgia (hereinafter, along with the appropriate auditing agency of the entity making such grant(s), referred to as the “Concerned Funding Agency or Agencies”), said grant(s) evidenced by a contract effective April 1, 2020 (hereinafter referred to as the “Grant Contract”) and identified as the Workforce Innovation and Opportunity Act (WIOA) Statement of Grant Award; and

WHEREAS, the Contractor desires to render such services in connection with the Project;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. Employment of the Contractor. ARC hereby agrees to engage the Contractor and the Contractor hereby agrees to perform the services hereinafter set forth in accordance with the terms and conditions herein.
2. Scope of Services. Contractor shall do, perform and carry out in a satisfactory and proper manner, as determined by ARC, the work and services described herein and in Attachment A and all corresponding exhibits, attached hereto and made a part hereof.
3. Time of Performance. Notwithstanding the dates of signatures, the effective date of this contract is July 1, 2021. The Contractor shall undertake and pursue the services described herein in such sequence as to assure their expeditious completion and as may be required in Attachment A and all corresponding exhibits. All services required hereunder shall be completed on or before June 30, 2022. Based upon satisfactory performance, availability of funds, and other factors, ARC may issue an amendment to extend the contract annually for one (1) additional year with the maximum term of the contract not to exceed a total of four (4) years.
4. Compensation and Method of Payment. The Contractor shall be compensated for the work and services to be performed under this contract as set forth in Attachment A and all corresponding exhibits, attached hereto and made a part hereof. In no event, however, will the total compensation and reimbursement, if any, to be paid to the Contractor under this contract exceed the sum specified in Attachment F attached hereto and made a part hereof.

5. Participant Eligibility.

(a) It shall be the Contractor's responsibility to accept and utilize only eligible participants. If the Contractor is responsible for determining participant eligibility, the Contractor shall ensure that prior to the enrollment of any individual in any capacity under this contract for which the Contractor shall cause payments of any type to be made, the Contractor shall determine participant eligibility and document same in the participant's file. Verification of eligibility for participants referred from a WIOA Board Career Resource Center will be the responsibility of the Contractor. Contractors should maintain copies of necessary documentation forwarded from the Center.

(b) The Contractor shall promptly notify ARC in writing in the event the Contractor obtains any information indicating that a participant may not be eligible for the Project.

6. Formal Communications. Formal communications regarding this contract shall include, but not necessarily be limited to, correspondence (e.g. requests for amendments), progress reports and fiscal reports.

All formal communication regarding this contract shall be in writing between the person executing this contract on behalf of the Contractor (contractor executor) and ARC's Director.

However, the contractor executor and ARC's Director shall each have the right to designate in writing to the other an agent to act in his or her behalf regarding this contract. Any restrictions to such designation must be clearly defined in the written designation.

7. RESERVED.

8. Contractor's Personnel. The Contractor represents that it has, or will secure at its own expense, adequate personnel required to perform the services contracted under this agreement. Such personnel shall not be employees of ARC, nor shall such personnel have been employees of ARC at a level of Group Manager or higher during any time within the twelve-month period immediately prior to the date of this agreement, except with the express prior written consent of ARC.

9. Maintenance of Effort. The Contractor agrees that the funds provided under this contract shall only be used to provide employment and training opportunities which could not be provided, without this contract, from funds or sources available otherwise to the Contractor, and that funds under this contract shall not be used to substitute or supplant other funds or sources of revenue. The Contractor further agrees not to terminate, lay off or in any way to reduce the working hours or to infringe upon the promotions or advancement opportunities of any current employee through the utilization or in anticipation of utilization of any participant under this contract.

10. Independent Contractors. No provision of this contract, act of Contractor in the performance of this contract, or act of ARC in the performance of this contract shall be construed as constituting the Contractor as an agent, servant, or employee of ARC. Neither party to this contract shall have any authority to bind the other in any respect, it being intended that each shall remain an independent contractor.

11. Political Activities. No funds provided under the Act may be used for any project involving political activity.

12. Religious Activities. Persons employed or those who receive or provide services under this contract will not be employed or otherwise engaged on construction, operation or maintenance of that

part of any facility that is used for religious instruction or worship.

13. Conflict of Interest. The Contractor ensures that no individual in a decision-making capacity engages in any activity, including the administration of the contract supported by WIOA funds, if a conflict of interest, real or apparent, is involved. A conflict of interest may arise in the event of the employment or enrollment for services under this contract of any immediate family member (or partner) of an individual engaged in a decision-making capacity with the Atlanta Regional Commission, the WIOA Board, or the Contractor. Immediate family is defined as husband, wife, son, son-in-law, daughter, daughter-in-law, mother, mother-in-law, father, father-in-law, brother, brother-in-law, sister, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparents and grandchild, or an organization which employs, or is about to employ, any of the above, or has a financial or other interest in the firm or organization selected for award. In the event of a potential conflict of interest, the Contractor must notify ARC, in writing, of the instance. No action regarding the individual may take place until approved by ARC in writing.

14. Allowable Costs. In the case of a cost reimbursable contract, the Contractor certifies that costs claimed for reimbursement under this contract shall not include costs incurred prior to the effective date or subsequent to the end date of this contract. The amount reimbursed under this contract shall be limited to the necessary and reasonable costs of employment, training and other services provided according to the terms and conditions of this contract and the attachments hereto. "Allowable Costs" are further defined in Title 20, Code of Federal Regulations, Section 645.220 and Sections 652 through 671; 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards or 48 CFR 31, as appropriate. In no event shall the allowable costs for any single line item of the budget attached hereto exceed the amounts shown for that line item therein, except as allowed under Section B. Reimbursement shall not be made to pay cost incurred for travel outside the state of Georgia unless approved in writing by ARC in advance for said travel; provided, further, that if travel inside or outside Georgia is approved, and said travel is to be by air, first class accommodations shall not be allowed. Mileage reimbursement is allowable and shall not exceed the IRS Standard Mileage Rate for Business.

15. Disallowed Costs.

(a) If costs incurred by the Contractor are not in conformity with the requirements of this contract and are subsequently disallowed as a result of a financial and compliance audit performed either pursuant to Audits herein below, by ARC, the concerned funding agency, the Comptroller General of the United States, or any of their duly authorized representatives, or otherwise, such costs shall be refunded to ARC from non-WIOA sources. ARC further reserves the right to withhold funds to recoup such improper or unauthorized disbursements. No finding of disallowed costs shall be made except after notice and opportunity for a fair hearing as provided in Disputes and Appeals herein below. Funds shall not be allowable under this contract for costs of entertainment. Contributions made on behalf of any participant to retirement systems or plans are not allowable under this contract. Further, funds shall not be allowable under this contract for payment of premiums for insurance policies which provide protection from debts against ARC, the state of Georgia or the United States government; making loans to non-WIOA programs, employees or participants; or legal service expenses for the prosecution of claims against ARC, the Concerned Funding Agency, the state of Georgia or the United States government.

(b) Should a participant in the Project be determined to be ineligible subsequent to his or her enrollment, costs for that participant will be disallowed as to the Contractor if it is determined that the participant was enrolled through failure of the Contractor to properly obtain and/or maintain written verification of the participant's eligibility from the organization that completed the original eligibility determination.

16. Bonding. The Contractor shall have and maintain bonding in the dollar amount and any additional requirements as specified in Attachment C to this contract. A copy of the actual bond, or equivalent, and any renewals shall be made a part of this contract, and must be provided to ARC within 15 days from execution of the contract. Bonds shall be obtained from companies holding certificates of authority as acceptable sureties (31 CFR Section 223). A list of these companies is published by the U.S. Department of Treasury in its Circular 570. For bonds that expire during the term of this contract, written proof of the renewal shall be provided to ARC, within 15 days after renewal. Failure to provide bonds, or bond renewals in the time prescribed in this paragraph may result in suspension or termination of this contract.

(a) Any and all subcontractors that are hired or engaged by Contractor (in accordance with the terms herein) to assist it in performing the Services outlined in this Agreement, shall be required to purchase and maintain, at a minimum, the bonding coverage and limits required of Contractor per the requirements in this Agreement. Further, Contractor shall be responsible for obtaining, maintaining and verifying that its subcontractors maintain such coverage and limits and will provide proof of bonding to the Provider prior to the commencement of Services by such subcontractor.

17. Review and Coordination. To insure adequate assessment of the Project and proper coordination among interested parties, ARC shall be kept fully informed concerning the progress of the work and services to be performed hereunder. Contractor may be required to meet with designated officials of ARC from time to time to review the services performed hereunder. Reasonable prior notice of such review meeting shall be given the Contractor.

18. Reports. The Contractor shall furnish ARC with progress reports, in such form and frequency as may be reasonably specified in writing by ARC or as provided by law, outlining the work accomplished by the Contractor during the period covered in such report and the current status of the Project.

19. Maintenance of Record.

(a) Financial Records. The Contractor will keep on a current basis and retain for a period of at least five years from the submission date of the final expense report under this contract, adequate financial records which show the use and application of funds received or paid to the Contractor under this contract consistent with federal and state rules and regulations. In the event of audit or litigation involving this contract beyond the retention period, the Contractor will maintain the records in question until the resolution process or litigation is fully completed. These financial records shall include, but are not limited to, time and attendance records signed by the employee or participant and supervisor showing distribution on an hourly basis of all time worked, leave taken or other categories as appropriate; evidence of wages paid to such participants/employees during the period for which reimbursement is claimed; copies of the invoices filed with ARC; and the worksheets generated to support invoices.

(b) Participant Records. The Contractor shall also retain for a similar period of time a system of records for the services provided under this contract which shall include, but are not limited to, completed eligibility determination forms for each person who applied for participation (if eligibility determination is a requirement of this contract) and the original of the completed enrollment form for all persons actually enrolled under this contract (that is, all original forms from the point in the service process when a participant begins contractor services).

(c) Access to Records. The Contractor agrees that ARC, the Concerned Funding Agency and, if appropriate, the Comptroller General of the United States, or any of their duly authorized

representatives, shall have access to any and all books, documents, papers, and records (including computer records) of Contractor which are directly pertinent to the Project for the purpose of monitoring, making audit, examination, excerpts, transcriptions and photocopies. This right includes timely and reasonable access to personnel for the purpose of interviews related to such documents. Such records shall be accessible at a place of business of the Contractor within the geographic boundaries of the Area Covered, or within a 30 mile radius outside of said Area Covered, in Paragraph II, Attachment A of the contract during the Time of Performance specified in Paragraph 3 of this contract and during the retention period specified for Financial Records in Paragraph 19 (a) of this contract.

If the Contractor for any reason stops having a place of business in the Area Covered, during the Time of Performance or retention period for Financial Records, such records as described above shall be delivered to the office of ARC within ten (10) days after the last day the contractor has a place of business in the Area Covered.

20. Property. For cost reimbursement contracts, the Contractor shall submit to ARC documentation including, but not limited to, invoices, purchase orders, and sales receipts, for non-expendable personal property purchased with funds provided hereunder where such property has a unit cost of \$5,000 or more. Such documentation shall be provided to ARC within ten days from the date of purchase. The Contractor agrees further to obtain quotes from at least three (3) prospective vendors and written approval from ARC prior to the purchase of any item of property, expendable or otherwise, having an aggregate cost of **\$3,500** or more. The Contractor further agrees that written approval from ARC is required prior to the purchase of any computer equipment or computer related equipment. Upon completion of the work under this contract, or its termination, the Contractor will dispose of any remaining property in accordance with instructions from ARC. Until such instructions are received, the right to retain or dispose of the property shall remain *in ARC*. ARC reserves the right to disapprove the purchase of any item(s), regardless of cost, that it deems to be unreasonable and unnecessary.

21. Identification of Documents. All reports, surveys, and other documents completed as part of this contract for publication/public dissemination shall bear on the title page of such report or document, the following legend: "Prepared by (insert name of Contractor) under contract with the Atlanta Regional Commission. The Preparation of this (insert "report" or "document", as appropriate) was financed in part or wholly by funds provided by Technical College System of Georgia Workforce Innovation and Opportunity Act Grant." The date (month and year) in which the document was prepared shall also be shown.

22. Publications and Publicity. The Contractor certifies that any publicity given to the Project or service provided herein including, but not limited to, notices, information, pamphlets, press releases, research reports, signs and similar public notices prepared by or for the Contractor shall identify WorkSource Atlanta Regional as the sponsoring organization. Any publicity given to the Project or services provided herein prepared by or for the Contractor must have prior written approval from ARC when the WIOA Board is identified as the sponsoring organization. If the Contractor has not received such approval within thirty (30) calendar days after it is requested, it shall be presumed that ARC has no objection thereto. If ARC's comments contain objections, reservations or disagreements regarding such material, the same shall accompany the material, presented in such form as ARC shall specify.

23. Copyrights, Rights to Data and Patents.

(a) If any material or data developed in the course of, or under this contract is copyrighted, or if any copyright is acquired under this contract, then ARC and the Concerned Funding Agencies shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use, such material and/or data.

(c) The Contractor may retain the entire right, title and interest throughout the world to each subject invention under the provisions of this paragraph. With respect to any such invention to which the Contractor retains title, ARC and the Concerned Funding Agencies shall have a nonexclusive, irrevocable, paid -up license to practice or have practiced the subject invention throughout the world.

24. Covenants Against Contingent Fees. As an inducement for ARC to enter into this contract, the Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract for a commission, percentage, brokerage, or contingent fee. Breach or violation of this warranty shall constitute grounds for immediate termination of this contract; liquidated damages for such breach are established as an amount equal to all funds previously provided the Contractor under this contract.

25. Disclosure of Confidential Information. The Contractor agrees to maintain the confidentiality of any information regarding applicants, Project participants or their immediate families, which may be obtained through application forms, interviews, test, reports from public agencies or counselors, or any other source. Without the permission of the applicant or participant, such information shall be divulged only as necessary for purposes related to the performance or evaluation of the contract and to persons having responsibilities under this contract.

26. Interest of Contractor. The Contractor will not permit any employee or member of its governing board who is a member of any advisory, planning, private industry council, or governing body under the WIOA to cast a vote on any matter which has a direct bearing on services to be provided by that member or any organization which such member directly represents or on any matter which would financially benefit such member or any organization such member represents. Further, the Contractor covenants that neither the Contractor nor anyone controlled by the Contractor, controlling the Contractor, or under common control with the Contractor, nor their agents, employees or subcontractors, presently has an interest, nor shall acquire an interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder, or which would prevent, or tend to prevent, the satisfactory performance of the Contractor's service hereunder in an impartial or unbiased manner. The Contractor further covenants that in the performance of this contract no person having any such interest shall be employed by the Contractor as an agent, subcontractor or otherwise. If the Contractor contemplates taking some action which may constitute a violation of this paragraph, the Contractor shall request in writing the advice of ARC and if ARC shall notify the Contractor in writing that the Contractor's contemplated action will not constitute a violation hereof, then the Contractor shall be authorized to take such action without being in violation of this paragraph.

27. Interest of Member of ARC and Others. No officer, member or employee of ARC, and no public official of any local government which is affected in any way by the Project, who exercises any function or responsibilities in the review or approval of the Project or any component part thereof, shall participate in any decision relating to this contract which affects his personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested; nor shall any such officer, member or employee of ARC, or public official of any local government affected by the Project, have any interest, direct or indirect, in this contract or the proceeds arising there from.

28. Officials Not to Benefit. No member of or delegate to a state or area private industry council (e.g. WIOA Board), the Congress of the United States of America, or employee of the United States government, shall be admitted to any share or part of this contract, or to any benefit that may arise there from; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

29. Nondiscrimination. The Contractor agrees to comply with Executive Order 11246, entitled “Equal Employment Opportunity”, as amended by Executive Order 11375, U.S. Department of Labor Regulations 41 CFR Part 60 and 29 CFR Part 34, issued January 15, 1993. Specifically, the Contractor agrees for itself and for any subcontract which has, or is expected to have, an aggregate value exceeding \$10,000 within a 12-month period:

“During the performance of this contract, the contractor agrees as follows:

(a) The contractor will comply fully with the non-discrimination and equal opportunity provisions of section 408 of Title IV Part A of the Social Security Act as amended by the Balanced Budget Act of 1997; The Americans with Disabilities Act of 1990; Title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act 1973, as amended; the Age Discrimination Act of 1975, as amended; Title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 34. The United States has the right to seek judicial enforcement of this assurance.

(b) The contractor will not discriminate against any employee or applicant for employment, or program applicant/participant because of race, color, age, religion, sex, handicap, national origin or political affiliation, belief or citizenship. The contractor will take affirmative action to ensure that applicants are employed/selected and that participants and employees are treated during their period or participation/employment without regard to their race, color, age, religion, sex, handicap, national origin, political affiliation, belief or citizenship. Such action must include, but not be limited to, the following: employment, leave; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, any notices that are provided setting forth the provisions of the nondiscrimination clause

(c) The contractor will, in all solicitations or advertisements for employees or participants placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, age, religion, sex, handicap, national origin, political affiliation, belief or citizenship.

(d) The contractor will permit access to any contract-related books, records and accounts by the contracting agency, the State and the Secretary of Labor, or their duly authorized representatives, for purposes of investigation to ascertain compliance with applicable rules, regulations and orders.

(e) In the event of the contractor’s non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts and such other sanctions may be imposed and remedies invoked as provided by rules, regulations and orders of the Secretary of Labor, or as otherwise provided by law.”

30. Requirements of Concerned Funding Agency. The Contractor shall be bound by the applicable terms and conditions of the Grant Contract between ARC and the Concerned Funding Agency which said Grant Contract is on file in the offices of ARC and is hereby made a part of this Contract as fully as if same were attached hereto. ARC will notify the Contractor in writing of any applicable changes within a reasonable time after ARC has received appropriate notice of such changes from the Concerned Funding Agency. The Contractor further agrees to follow and be bound by the terms and conditions of any policy decisions or directives related to this contract from ARC, the Governor of the state of Georgia,

or his designee, or the U.S. Department of Labor, effective upon receipt of written notice from ARC directing that same apply to this contract.

31. Approval of Assignment and Subcontracts. The Contractor shall not assign or transfer all or any portion of its interest in this contract without prior written approval of ARC. None of the work or services to be performed under this contract by the Contractor shall be subcontracted without the prior written approval of ARC. Further, the Contractor agrees to:

(a) Include small, minority and women's businesses on source lists and assure that they are solicited for the provision of goods/services whenever they are potential sources.

(b) Divide total requirements into smaller requirements to permit maximum small, minority and women's businesses participation whenever economically feasible.

(c) Use the services and assistance of the Small Business Administration and Minority Business Development Agency of the Department of Commerce, as appropriate to assure adequate identification and participation of small, minority and women's businesses.

32. Entire Contract; Amendments. This contract incorporates all prior negotiations, interpretations, ARC Work Papers, and understandings between the parties and is the full and complete expression of their agreement. Any change, alteration, deletion or addition to the terms set forth in this contract must be by written amendment executed by both parties. Either party may request modification to this contract. Upon execution by both parties hereto, of a written amendment document, the changes shall be in full force and effect.

33. Applicable Law. The Contractor will perform its duties in accordance with the provisions of Title IV Part A of the Social Security Act as amended by the Balanced Budget Act of 1997 (PL103-55, Section 5001), including any amendments thereto, and the regulations, procedures and standards promulgated thereunder, including policies and procedures issued by the State related to WIOA. The Contractor will comply with all applicable federal, state and local laws, rules and regulations that deal with or relate to the employment of persons who perform work or are trained under this contract. This contract shall be deemed to have been executed and performed in the State of Georgia, and all questions of interpretation and instruction shall be construed by the laws of such state. Unless expressly provided otherwise by statutory law, venue of any action brought under this contract shall be in Fulton County, Georgia, exclusively.

34. Responsibility of Contractor. Unless otherwise prohibited by law, the Contractor agrees to assume full responsibility for any and all losses, damages, costs or expenses which may arise, by reason of any error or omission, misfeasance, malfeasance, or through the negligent or willful conduct of the Contractor or its employees or of any subcontractor of the Contractor.

35. Termination.

(a) For Cause. ARC, in the exercise of its discretion and under its obligation to protect public funds, may terminate this contract for cause at any time, without prior notice or warning, effective immediately upon receipt by the Contractor of a notice of termination for cause. Such notice of termination may specify a later date, but provision of a later date shall not relieve the Contractor of ultimate liability for any funds determined not earned. In the event of termination for cause, the Contractor shall be entitled to receive just and equitable compensation for any satisfactory services completed under this contract. All or part of this contract may be terminated hereunder.

(b) For Convenience. Either party may terminate this contract without cause, for its convenience, by providing a minimum of thirty (30) days written notice thereof to the other party. Failure to supply additional funding under this contract shall not be considered as a form of termination. In the event that a fixed price contract is terminated for convenience, the Contractor shall be entitled to a pro rata share for un-cancelable obligations. No payments shall be made which are speculative or not fully earned.

(c) Date of Completion. In the case of a cost reimbursable contract, no reimbursement shall be claimed for costs accrued after the date of termination, which shall in all other respects (final invoice, retention of records, audit, etc.) be considered the date of completion in Time of Performance. In the case of a fixed price contract, no payment shall be claimed for services delivered after the date of termination, which shall in all other respects (final invoice, retention of records, audit, etc.) be considered the date of completion of the Time of Performance.

36. Termination Due to Non-Availability of Funds. The Contractor acknowledges that all funding for this contract is contingent upon availability of funds to ARC from the State of Georgia as the Administrative Entity for the WIOA Board under present authorization of the WIOA grant. This contract may be terminated or modified at any time due to lack of funds or changes in authorization. The Contractor also acknowledges its awareness that funds may be suspended or terminated if the Contractor refuses to accept any additional or revised conditions required by ARC, WIOA Board, the State of Georgia or the U.S. Department of Labor.

37. Unexpended Funds. In the case of cost reimbursable contracts, funds received by the Contractor but not utilized for costs incurred in fulfillment of this contract will be returned to ARC upon termination of this contract.

38. Program Income. In the case of fixed unit price contracts, any public or private nonprofit contractor revenues under this contract, which are in excess of actual costs of this Project, are to be treated as program income pursuant to 20 CFR 667.200, and the Program Income procedure established by the WIOA Board. Contractor shall determine if any such excess revenue exists and shall notify ARC in such form and frequency as ARC may require.

39. Defense and Indemnification

(a) Contractor hereby agrees, to the fullest extent allowed by law, to defend, indemnify, reimburse and hold harmless ARC, its officers, directors, agents, employees or other legally recognized representatives ("ARC Indemnitees") from and against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to this Agreement or the Services rendered by Contractor ("Claims"), unless Claims have been specifically determined by the trier of fact to be the result of any intentional or negligent act or omission of ARC Indemnitees. This indemnity shall be interpreted in the broadest possible manner to indemnify ARC Indemnitees for any acts or omissions of Contractor, its officers, directors, agents, employees, subcontractors, or other legally recognized representatives.

(b) Contractor's duty to defend and indemnify ARC Indemnitees, will arise at the time written notice of the Claim is first provided to ARC Indemnitees regardless of whether Claimant has filed suit on the Claim. Contractor's duty to defend and indemnify ARC Indemnitees will arise even if an individual ARC Indemnatee is the only party sued by Claimant or Claimant alleges that ARC Indemnitees' negligence or willful misconduct was the sole cause of Claimant's damages.

(c) Contractor will defend any and all Claims which may be brought or threatened against ARC Indemnites and will pay on behalf of ARC Indemnites any expenses incurred by reason of such Claims including, without limitation, court costs and attorney's fees incurred in defending and investing such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of ARC Indemnites will be in addition to any other legal remedies available to ARC Indemnites and will not be considered ARC Indemnites exclusive remedy. However, should the trier of fact determine specifically that the Claims are the result in whole or in part by any intentional or negligent act or omission of ARC Indemnites, ARC shall reimburse Contractor for all expenses paid up to and including the date of the trier of facts determination, and at that point Contractor's obligation to indemnify shall end.

(d) Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this Defense and Indemnification provision. Contractor shall obtain, at its own expense, any additional insurance that it deems necessary for the protection of ARC Indemnities.

(e) This Defense and Indemnification obligation shall survive the expiration or termination of this Agreement.

(f) Nothing in this Defense and Indemnification shall in any way be interpreted as a waiver or limit in any way ARC Indemnities' governmental immunities or other defenses, as applicable and allowable under the law.

40. Disputes and Appeals. Any dispute concerning a question of fact arising under this contract shall be decided by the Cognizant Director of ARC who shall promptly reduce such decision concerning the question of fact to writing and mail, or otherwise furnish a copy thereof, to the Contractor. The Contractor agrees that the decision of the Cognizant Director shall be final and conclusive unless, within ten calendar days of receipt of such copy, the Contractor mails or otherwise furnishes a written appeal concerning the question of fact to ARC's Executive Director, who shall arrange a hearing within 20 calendar days after receipt of the appeal. Both the Contractor and the Cognizant Director shall be notified no less than five calendar days in advance of the hearing and each shall have the right to present witnesses and give evidence concerning the question of fact at such time. Within 20 calendar days after the hearing, the Director shall make a decision concerning the question of fact in writing to the Contractor and to the Cognizant Director. The Contractor agrees that the decision of the Director concerning the question of fact shall be final and conclusive unless determined by the cognizant grantor agency or agencies, or the Comptroller General of the United States, or a court of competent jurisdiction, to have been arbitrary, capricious, an abuse of discretion or otherwise not in accordance with law. Pending final decision of an appeal to the Director, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Cognizant Director's decision. Nothing in the foregoing shall be construed as making final the decisions of the Cognizant Director or the Director as such decisions relate to questions of law.

41. Grievances. The Contractor agrees to maintain, and inform its WIOA trainees and participants of, its grievance or complaint system for hearing and resolving any grievances about the Project and activities for trainees and participants. Grievance procedures will be in accordance with Section 403 (a) (5) (J) (i.v.) of Part A of the Social Security Act as amended by the Balanced Budget Act of 1997 and in keeping with the U.S. Department of Labor's Implementation Regulations which are published in 20 CFR Sections 667.600 and 667.610. In addition to the above, the Contractor shall adhere to the Atlanta Regional Workforce Board's Workforce Grievance Procedures for trainees and participants during the term of this contract.

42. Audits. If the Contractor is not a for-profit entity, and the Contractor is a non-federal entity that expends \$750,000 or more in Federal awards, the Contractor shall cause audits to be accomplished in a manner consistent with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The Contractor may elect, or ARC may require, a program specific audit in accordance with 2 CFR Part 200. Non-federal entities that expend less than \$750,000 per year in Federal awards are exempt from federal audit requirements for that year. Records must be retained in accordance with Maintenance of Records. Copies of all of the reports resulting from said audits shall be submitted to ARC no later than thirty (30) calendar days after the Contractor receives them. If the Contractor is a for-profit entity, ARC reserves the right to request a financial and compliance audit of WIOA funds awarded to the Contractor under this contract, to be performed by an independent auditor. Such a request shall be made in writing to the Contractor. The cost for financial and compliance audits of for-profit entities are not allowable without prior written approval from ARC. If the Contractor is required to undergo a financial and/or compliance audit, the audit shall cover the period of this contract. The purpose of this audit will be to determine:

1. Whether financial operations were properly conducted;
2. Whether financial reports by the Contractor to ARC were presented fairly; and
3. Whether the Contractor has complied with applicable laws and regulations.

The examination will be made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in the Standards For Audit of Governmental Organizations, Programs, Activities and Functions issued by the United States General Accounting Office.

The examination shall include such tests of the accounting records and such other auditing procedures as the independent auditor considers necessary in the circumstances.

The entire examination shall be completed and the auditor's report thereon furnished to ARC no later than 120 days after the completion date of this contract.

The examination must include the selection and testing of a representative number of charges under this contract. The selection and testing of transactions shall be based on the auditor's professional judgment considering the adequacy of the controls for insuring compliance; the expectation of adherence or lack of adherence to the applicable laws and regulations; and the potential impact of adverse findings.

In making the test of transaction, the auditor shall determine whether:

1. The amounts reported as expenditures were for allowable services; and
2. The records show that those who received services or benefits were properly certified as eligible to receive them.

If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to Contractor management officials above the level of involvement. The Contractor, in return, shall promptly notify ARC of the illegal acts or irregularities and of proposed and actual actions, if any. Illegal acts and irregularities include such matters as conflicts of interest, falsification of records or reports, and misappropriation of funds or other assets.

The auditor's report shall state that the audit was made in accord with the standards specified above and shall be made up of at least:

1. The auditor's report on financial reports by the Contractor to ARC;
2. The auditor's report on compliance containing:
 - a. A statement of positive assurance with respect to those items tested for compliance, including compliance with laws and regulations pertaining to financial reports and claims for reimbursements;
 - b. Negative assurances on those items not tested;
 - c. A summary of all instances of non-compliance;
 - d. An identification of total amounts questioned, if any, as a result of non-compliance.
3. The auditor's report on all fraud, abuse or illegal acts or indications of such acts, including all costs questioned as a result of these acts of which the auditors become aware.
4. The auditor's report on internal (accounting and administrative) controls must provide an opinion on whether the Contractor's internal controls used in administering the Federally funded programs were adequate to provide reasonable assurance that such Federal funds were managed in compliance with applicable laws and regulations.

In addition to the auditor's report, the Contractor shall provide written comments on the findings and recommendations in the report, including a plan for corrective action taken or planned. If corrective action is not necessary, a statement describing why it is not shall accompany the audit report.

Audit work papers and reports shall be retained for minimum of three years, after the date of issuance of the auditor's report(s), unless the Contractor is notified in writing by ARC to extend the retention period. Audit work papers shall be made available upon request to ARC or its designee or the General Accounting Office at the completion of the audit, and during the retention period. In the event of an audit finding, audit work papers must be maintained for the minimum three years plus until any audit findings are resolved.

43. Force Majeure. In no event shall either Party be responsible or liable for any failure or delay in the performance of its obligations hereunder upon the occurrence of any circumstance beyond the control of either party, such as acts of God, war, acts of terrorism, government regulations, disaster, strikes, work stoppages, accidents, mandatory quarantines, pandemics, curfews, or other restrictions of movements, or civil disorder, to the extent that such circumstances make it illegal or impossible for either Party to fulfill the terms of this Agreement. Any termination or delay in the performance of this Agreement without liability is conditioned upon delivery of written notice to the other party setting forth the basis for such termination as soon as reasonably practical, but in no event longer than ten (10) days, after learning of such basis. It is understood that both Parties shall use reasonable efforts which are consistent with industry standard to fulfill the performance of this agreement to the extent feasible.

44. Assurances. The Contractor hereby assures and certifies that it will comply with the regulations, policies, guidelines and requirements, including, but not limited to 29 CFR Part 97 and 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as appropriate, as they relate to the federally assisted Project. Also, the Contractor gives assurance and certifies with respect to this contract as follows:

(a) It possesses legal authority to enter into this contract and the person executing this contract and identified as the official representative of the Contractor is authorized to enter into the contract;

(b) It will comply with Title VI of the Civil Rights Act of 1964 (PL 88-352 and 42 USC 2000d). The Contractor shall keep such records and submit such reports concerning the age and racial and ethnic origin of applicants for employment and employees as ARC or the Concerned Funding Agency may require. The Contractor agrees to comply with such rules, regulations or guidelines as ARC or the Concerned Funding Agency may issue to implement the requirements of this paragraph;

(c) Except where specifically prohibited by law, it will give ARC, the Concerned Funding Agency or the Comptroller General of the United States, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this contract;

(d) It will comply with all requirements imposed by the Concerned Funding Agency and ARC concerning the special requirements of law, program requirements and other administrative requirements approved in accordance with 29 CFR Part 97 or 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as appropriate.

(e) It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for improper private gain for themselves or others, particularly those with whom they have family, business, or other ties;

(f) For contracts not involving federal financial assistance for construction, it will, if applicable, insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the Project are not listed on the Environmental Protection Agency's (EPA) list of violating facilities and that it will notify the Concerned Funding Agency, through ARC, of the receipt of any communication from the director of the EPA Office of Federal Activities indicating that a facility to be used in the Project is under consideration for listing by the EPA;

(g) All applicable governmental health and safety standards will be maintained during the term of the contract;

(h) Contractors providing in-kind administrative contributions or wishing to document stand-in costs will maintain the relevant records in accordance with Maintenance of Records of this contract.

(i) It will comply with the Georgia Security and Immigration Compliance Act of 2006 (O.C.G.A. § 13-10-90 and O.C.G.A. § 13-10-91).

(j) For contracts of amounts in excess of \$100,000 the Contractor shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 7401 et seq.). Violations shall be reported to the Federal awarding agency, and the Regional Agency (EPA).

(k) It will comply with the Energy Conservation Act (Public Law 94-163)

(l) It will comply with the Veterans and Rehabilitation Assistance Act (Public Law 107-288)

(m) It will comply with ACORN Prohibition: Section 511 of the Consolidated Appropriations Act, 2010 (P.L. 111-117, Division E) (“CAA”).

(n) It will comply with Public Law 109-234, none of the funds appropriated in Public Law 109-149 or prior Acts under the heading “Employment & Training”, shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II, except as provided for under Section 101 of Public Law 109-149.

(o) It will comply with the Drug-Free Workplace Act of 1988, 41 U.S.C. 702 *et seq.*, and 2 CFR 182 requiring that all organizations receiving grants from any Federal agency maintain a drug-free workplace. The Contractor must notify the ARC if an employee of the Contractor convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for suspension or debarment.

(p) It will comply with the Buy American Notice Requirement as defined by the Buy American Act (41 U.S.C 10a *et seq.*). See WIOA Section 502 – Buy-American Requirement.

(q) It will comply with 2 CFR Part 200.322 – Procurement of Recovered Materials.

(r) Other Assurances – by signing this contract, the Contractor certifies that they are in compliance with the Byrd Anti-Lobbying Amendment and Debarment and Suspension, as outlined in Certification for Lobbying on page 16 and the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Contractor Covered Transactions on page 17 of this contract.

44. Conflict. In the event of a conflict between the contract and any document referenced by the contract, the contract shall have final control.

IN WITNESS WHEREOF, the Contractor and ARC have executed this contract as of the day first above written.

CITY OF HOLLY SPRINGS

ATTEST:

By: _____
Title:

ATLANTA REGIONAL COMMISSION:

ATTEST:

Assistant Secretary

By: _____
Executive Director

**ATLANTA REGIONAL COMMISSION
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)**

CERTIFICATION FOR LOBBYING

**CERTIFICATION FOR CONTRACTS, GRANTS, LOANS,
AND COOPERATIVE AGREEMENTS**

The Contractor, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards of greater than \$100,000, at all tiers (including subcontracts, sub-grants and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**ATLANTA REGIONAL COMMISSION
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)**

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Contractor Covered Transactions

Instructions for Certification

The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

By signing and submitting this proposal, the prospective Contractor is providing the certification set out below:

1. The prospective Contractor shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
2. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any Contractor covered transaction with a person who is debarred, suspended, declared ineligible or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
3. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Contractor Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
4. A participant in a covered transaction may rely upon a certification of a prospective participant in a Contractor covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principles. Each participant may, but is not required to, check the No procurement List.
5. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
6. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a Contractor covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification

- (1) The prospective Contractor certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective Contractor is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

The authorized signatory of this contract swears that the foregoing statement is true and correct. Any material misrepresentation will be grounds for terminating any contract which may be awarded and for initiating action under Federal or State laws concerning false statements.

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CONTRACT GENERAL OVERVIEW

- I. **General:** The work to be accomplished by the Contractor is in support of the following ARC Subelements:

ARC Cost Center	Cost Center Title	FAIN Number
204CB	PY21 WIOA Out of School Youth Program	AA-36314-21-55-A-13
104CB	PY20 WIOA Out of School Youth Program	AA-34763-20-55-A-13

- II. **Area Covered:** The Contractor shall perform all the necessary services provided under this Contract within the WorkSource Atlanta Regional Area (also known as Local Workforce Development Area 07), which is comprised of Cherokee, Clayton, Douglas, Fayette, Henry, Gwinnett, and Rockdale Counties. The specific geographic focus area for Contractor services may be further defined within this Contract, Exhibits, or under direction by ARWDB staff.

- III. **Work and Services:** The Contractor shall do, perform and carry out in a satisfactory and proper manner as determined by ARC the following work and services:

A. **General Provisions**

The Contractor shall perform all work and services in a manner consistent with Georgia's Workforce Innovation and Opportunity Act Plan; Federal Workforce Innovation and Opportunity Act as revised or amended; Federal Final Regulations (20 CFR Part 652 and Parts 660 through 671) for the LWDA; and, any relevant ARC instructions or formal communications.

B. **Specific Provisions**

The Contractor shall do, perform and carry out the work and/or services described in Exhibits listed in the Table of Contents, attached hereto and made a part hereof.

ORGANIZATION AND SERVICES OVERVIEW

1. Contract Executor Information

#	Request	Response
1	Service Provider (Legal Name)	City of Holly Springs/ Cherokee FOCUS
2	Contract Executor Name & Title	Robert Logan City Manager/Finance Director
3	Physical Address	3237 Holly Springs Parkway Holly Springs, GA. 30115
4	Billing Address	City of Holly Springs P.O. Box 990 Holly Springs, GA 30142
5	Telephone Number	(770) 345-5536
6	Fax Number	770-345-0209
7	Email Address	rlogan@hollysprings.ga.us

2. Federal & State Requirement

#	Request	Response
1	Federal Tax ID Number	58-1051551
2	GA Unemployment Insurance Number	140283-03
3	GA Withholding Tax Number	N/A – Municipality
4	Business License Number & County	N/A
5	E-Verify ID Number	104949
6	Minority/Woman Owned	☐ Yes ☒ No
7	Organization Type	☒ Non-Profit ☐ For-Profit ☐ Educational ☐ Public

3. Contract Information

#	Request	Response
1	Contract Type	Cost Reimbursement
2	Contract Begin & End Date	07/01/2021 – 06/30/2022
3	Project Population	Out-of-School Youth (OSY) in Cherokee County
4	Project Schedule (Begin & End Time)	Monday – Friday, 9:00am – 5:00pm
5	Holidays & Leave Schedule	- Monday, 7/5/2021 - Monday, 9/6/2021 - Thursday, 11/11/2021 - Thursday, 11/25/2021 - Friday, 11/26/2021 - Thursday, 12/23/2021 - Friday, 12/24/2021 - Thursday, 12/30/2021 - Friday, 12/31/2021 - Monday, 1/17/2022 - Monday, 2/21/2022 - Friday, 4/15/2022 - Monday, 5/30/2022
6	Project Contact Person Name & Title	Sonia Carruthers Director/CEO
7	Client Services Location	Cherokee FOCUS 100 Hickory Circle Holly Springs, GA 30142
8	Telephone Number	(770) 345-5483
9	Fax Number	770-704-9297
10	Email Address	Sonia@Cherokeefocus.org

SCOPE OF SERVICES

1. GENERAL

The Contractor agrees to undertake, perform and complete in an expeditious, satisfactory and professional manner the services and requirements set herein. In the event, there is a conflict, the terms of this Contract shall control. The Contractor shall provide youth services as required per Workforce Innovative and Opportunity Act (WIOA) law, WIOA rules and regulations, the State, Atlanta Regional Commission (ARC), WorkSource Atlanta Regional and WorkSource Atlanta Regional NextGen Program policies and procedures (to include future amendments). The Contractor assures that they shall refer to the following three (3) Training and Employment Guidance Letters (TEGL) to provide additional guidance in designing of program, current/future planning and providing services:

1. **TEGL 23-14** (*WIOA Youth Program Transition*) – Issued March 26, 2015
2. **TEGL 08-15** (*Second WIOA Title I Youth Program Transition Guidance*) – Issued November 17, 2015
3. **TEGL 21-16** (*Third WIOA Title I Youth Formula Program Guidance*) – Issued March 02, 2017

Though services are operated, monitored and overseen by WorkSource Atlanta Regional (unified Statewide branding designation), Atlanta Regional Workforce Development Board (WIOA mandated Board) and WorkSource Atlanta Regional NextGen Program (provides local youth services), all contracts are executed by ARC as the fiscal agent for WIOA funds.

2. WORKFORCE DEVELOPMENT SERVICE AREA

The Contractor shall perform all the necessary services provided under this Contract within WorkSource Atlanta Regional (Atlanta Regional Workforce Development Board (ARWDB)) also known as Local Workforce Development Area #7 (LWDA)) service areas, which are comprised of Cherokee, Clayton, Douglas, Fayette, Henry, Gwinnett, and Rockdale Counties. The specific geographic focus area for Contractor services may be further defined within this Contract, Attachments, or under direction by ARWDB staff.

3. KEY CONTRACT PURPOSES/OUTCOMES & PROGRAM PERFORMANCE

ARC and Contractor have entered a Contract for the operation of the WIOA Out-of-School youth (OSY) services. Contractor acknowledges and agrees that the operation to provide comprehensive workforce services to WIOA eligible OSY, ages 16-24 years old in **Cherokee County**, will be performed at the service delivery location (activity site) indicated on “**Exhibit A – Organization and Services Overview**”. It is the intent of this

Contract to outline and assure that the Contractor provides a career pathway model that addresses both education and workforce development strategies (summarized as “CEE” – Credential, Employment and/or Education) to prepare youth for long-term successes in a high demand career. Contractor shall operate the OSY program in a manner consistent with the overall concept of WIOA Youth Programs, WorkSource Atlanta Regional NextGen Program and in accordance with all the terms and conditions of this Contract.

4. **DOCUMENT(S) INCORPORATED INTO CONTRACT**

The document referred to as “**Exhibit C – Program Design**” will be incorporated into this WIOA Youth Contract. The Contractor’s Program Design shall detail information related to the Contractor’s service delivery methodologies and strategies. The Contractor assures that the Program Design shall not conflict with and shall adhere and operate in accordance with every provision as outlined herein. Detailed information related to this document is included in the Program Design section below.

5. **WIOA FOURTEEN REQUIRED ELEMENTS OF YOUTH SERVICES**

The Contractor shall assure that the following WIOA Fourteen (14) Required Elements of Youth Services are available to all participants enrolled in the WIOA Youth Program. The services may be provided by the Contractor, or by community partner(s) or hybrid (by both). Section 129(c) (1) of WIOA requires that Youth Contractor’s design framework for youth programs must include the fourteen elements of youth services as indicated in the following three core areas:

1. Education & Training:

1. Tutoring, study skills training, instruction and evidence-based dropout prevention and recovery strategies that lead to completion of the requirements for a secondary school diploma or its recognized equivalent (including a recognized certificate of attendance or similar document for individuals with disabilities) or for a recognized post-secondary credential;
2. Alternative secondary school services, or dropout recovery services, as appropriate;
3. Occupational skill training, which includes priority consideration for training programs that lead to recognized post-secondary credentials that align with in-demand industry sectors or occupations in the local area involved;
4. Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;

5. Activities that help youth prepare for and transition to post-secondary education and training.

2. Employment & Economic Development:

6. Paid and unpaid work experiences that have academic and occupational education as a component of the work experience, which may include the following types of work experiences:
 - Summer employment opportunities and other employment opportunities available through the school year;
 - Pre-apprenticeship programs;
 - Internships and job shadowing; and
 - On-the-job training (OJT) opportunities;
7. Entrepreneurial skills training;
8. Services that provide labor market and employment information about in-demand industry sectors or occupations available in the local area, such as career awareness, career counseling, and career exploration services;

3. Personal & Community Development:

9. Leadership development opportunities, including community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors;
10. Supportive services;
11. Adult mentoring for a duration of at least 12 months, that may occur both during and after program participation;
12. Follow-up services for not less than 12 months after the completion of participation;
13. Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling, as well as referrals to counseling, as appropriate to the needs of the individual youth; and
14. Financial literacy education.

The Contractor assures that they will refer to TEGL 21-16 for a complete description of each service element indicated above.

6. PROGRAM DESIGN

The Contractor's Program Design document for program year 2021 (PY21) as referred above, shall be incorporated in this WIOA Youth Contract. Contractor shall notify ARC of any Program Design changes that may occur during the PY. Program Design must conform to WIOA and meet the requirements of WIOA sec. 129 (c), the State policy, and WorkSource Atlanta Regional NextGen Program policies and procedures. Program Design shall include the following components:

- a) An operational plan which identifies and outlines how access to all fourteen required service elements will be made available to participants in-person **as well as in a virtual setting.**
- b) Access to the fourteen required service elements and shall identify which of the elements will be provided by the Contractor, or by community partner(s), or hybrid. If a service element is provided by access to another organization or community resource, the Contractor shall have an agreement in the form of a Memorandum of Understanding (MOU) or a Contract with said organization or community resource.
- c) Identify the expected performance outcomes for the Program Design elements and anticipated areas of improvement. This will also incorporate the Contractor's "Best Practices". The Contractor must indicate how they will track and evaluate the accessibility and success of the service element design and service delivery.
- d) Identify the Contractor's strategy to increase enrollment, access to services, and successful outcomes for the NextGen Program's target youth population: (English language learners (ELL) (e.g. Spanish, Asian-based languages, etc.) – English as a second language (ESL), individuals with disabilities, foster youth, school dropouts and individuals who were or are currently involved in the Justice System (Juvenile/Adult System)).
- e) An objective assessment of the academic and occupational skill levels and service needs of each participant for the purpose of identifying appropriate services and career pathways and for developing a Service Plan.
- f) Identify innovative experiences that help youth gain marketable skills.
- g) Identify strategy that assist and inspire youth through work-based learning experiences.
- h) Identify training opportunities that leads to a recognized credential.
- i) Connect youth to education and career choices.

- j) Link youth to labor market information and demand.
- k) Identify a holistic approach to serving youth that also encompasses personal and social development.
- l) Identify and develop appropriate linkages and formalize collaborative relationships with other entities possessing expertise and resources relevant to the needs of youth being served.
- m) Identify the process to refer for further assessment as necessary and to appropriate programs that have the capacity to serve youth applicants who do not meet WIOA and the Contractor's enrollment requirements.

7. **RECRUITMENT**

The Contractor shall be responsible for recruitment of youth to enroll in the WIOA Youth Program. Contractor will receive funding to provide services to youth who reside in **Cherokee County**. To serve youth who reside outside of the Contractor's service location (area), Contractor must receive prior approval from ARC before they enroll the participant in the WIOA Youth Program. To serve youth who reside outside of ARC service areas (7-counties), approval must be granted to ARC by the Local Workforce Development Area (LWDA) that serves the County which the youth resides in.

8. **ORIENTATION**

The Contractor shall provide orientation to each applicant. This includes information on the array of services that are available through the Contractor and the community (if required). In addition, youth should be given information on other funded WIOA providers, including the Career Resource Centers (CRC) and affiliate partners (such as Vocational Rehabilitation, Adult Literacy Education, and Technical College and University). Orientation may occur over an extended period.

9. **CERTIFICATION OF PROGRAM ELIGIBILITY**

Certification of eligibility for any WIOA-funded programs must be completed prior to enrollment in the WIOA Youth Program. The Contractor shall be responsible for WIOA eligibility certification, and for conducting the most appropriate assessments to determine program placement and services to be provided during program enrollment/participation. ELL/ and individuals with disabilities will be provided the necessary support during these activities. The Contractor will follow WIOA guidelines and instructions as provided by the State and ARC.

Intake – The Contractor shall assure that a WorkSource Atlanta Regional NextGen Program Intake Checklist will be completed for each participant to ensure that files contain complete information, documents and forms. Documents collected during the intake

process shall be kept and maintained in a complete individual paper file.

Initial Assessments – The Contractor shall assure that each applicant be provided with an objective assessment in a variety of areas to review and determine educational skill levels, occupational skills, prior employment (work experience), employability, interests, aptitudes, and supportive service needs. Where appropriate, recent assessments can be used in lieu of additional assessments. The goal is to accurately evaluate the youth to develop an appropriate and individualized Service Plan. The following tests are the approved testing instrument (paper and/or online) used to determine the youth basic skills level in Reading and Math, as well as to conduct the pre-and post-tests required for the “In Program Skills Gain” performance measure.

- Tests for Adult Basic Education (TABE 11/12);
- Tests for Adult Basic Education (TABE Survey 11/12)

Assessment is key in determining program suitability, program placement and services to be provided while enrolled in the WIOA Youth Program.

Eligibility Requirements – OSY must meet the following requirement established by the WIOA Youth Program:

Must meet all three (3) requirements:

1. Not younger than 16 and not older than 24 years at the time of enrollment. Because age eligibility is based on age at enrollment, participants may continue to receive services beyond the age of 24 once they are enrolled in the program;
2. Not attending school (as defined by State law as a public, private or home study program that meets requirements under O.C.G.A §20-2-690). Youth enrolled in an adult education program provided under Title II of WIOA, YouthBuild programs, and Job Corps programs are considered OSY; and
3. One or more of the following:
 - A school dropout, as defined by the state (a youth attending an alternative school at the time of enrollment is not a considered a dropout);
 - Within the age of compulsory school attendance (ages 6–18), but has not attended school for at least the most recent complete school year calendar quarter. School year calendar quarter is based on how the local school district defines its school year quarters. In cases where schools do not use quarters, local programs must use calendar quarters;

- A recipient of a secondary school diploma or its recognized equivalent who is a low-income individual and is either:
 - a) Basic skills deficient (8.9 grade level or below); or
 - b) An English language learner;
- An Offender (subject to the juvenile or adult justice system);
- A homeless individual (as defined in section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 1403 e-2(6)), a homeless child or youth aged 16 to 24 (as defined under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434A(2)), a runaway;
- An individual in foster care or has aged out of the foster care system or who has attained 16 years of age and left foster care for kinship guardianship or adoption, a child eligible for assistance under §477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement;
- An individual pregnant or parenting;
- An individual with a disability; or
- A low-income individual who requires additional assistance to enter or complete an educational program or to secure or hold employment.

For those circumstances where income is used to determine eligibility, if a youth is determined over-income, youth may be eligible only under the five percent (5%) over-income limited exception. If the 5% exception is required, Contractor must receive prior approval from ARC before they enroll the applicant in the WIOA Youth Program.

10. **REFERRAL & COORDINATION**

The Contractor shall use its own formal referral process to provide optimal service to the youth community. The Contractor shall collaborate with other non-WIOA service programs for youth, and may jointly enroll participants in activities that enhance, reinforce or extend services. Joint services are expected to provide youth certain of the WIOA fourteen required service elements that are appropriate for each youth. The Contractor shall coordinate its activities with other WorkSource Atlanta Regional Service Providers (such as other youth Contractors, the CRC and its affiliate partners). Youth referred to the Contractor from other agencies may be advised jointly by the referring agency and the Contractor throughout their participation in education, training and job placement.

Referral for those enrolled in WIOA Youth Program – The Contractor shall be

responsible for making partner connections to leverage resources in the form of staff, funds for training, wages, operational needs related to training space/equipment, etc. If the Contractor does not directly provide one or more of the fourteen required service elements, they must have a process to make seamless referrals to the appropriate community partners who can provide such services to address the participant's needs.

Referral for those not enrolled in WIOA Youth Program – The Contractor shall assure that any eligible or non-eligible youth who are not enrolled in WIOA services be provided referral information regarding the full array of applicable or appropriate services available through other community organizations and other local programs including the CRC and its affiliate partners. In addition, youth should be given referrals for further assessment if determined appropriate. Contractors are strongly encouraged to link and share information with other youth serving agencies, organizations and training providers to meet the individual needs of all youth.

Coordination – The Contractor shall actively participate in appropriate community and State-led comprehensive youth development strategies and activities when needed. The Contractor shall also actively participate in special WIOA-related projects when those are made available or requested by the Technical College System of Georgia, Office of Workforce Development (TCSG, OWD) or the United States Department of Labor (USDOL), based on the USDOL's "Strategic Plan" (website: <https://www.dol.gov/sites/default/files/StrategicPlan2014-2018.pdf>), and other subsequent directives announcing priority strategies and service directions. As practical, activities will align with and reinforce the Governor's strategic directions and the WIOA State Plan, as well as the WorkSource Atlanta Regional Local Plan. Also, the Contractor is expected to participate in activities coordinated by the CRC to support or enhance the services provided to the youth.

11. SUBCONTRACTING

The Contractor may subcontract with others to expand and provide youth services and deliver the most comprehensive program. The Contractor shall assure that all subcontractors meet the requirements to provide youth services. If subcontracting is made a part of the Program Design and service delivery strategy/methodology, the Contractor agrees to enter into a written agreement with all subcontractors and to provide copies of all subcontracting agreements to ARC upon request.

Non-Financial Agreements – The Contractor shall enter into a Memorandum of Understanding (MOU) and provide a copy of the MOU to ARC for record keeping purposes.

Financial Contracts – The Contractor shall procure and negotiate contracts with subcontractors that meets all WIOA and ARC rules and regulations.

The Contractor shall monitor the performance of all subcontractors and shall remain responsible to ARC for the performance of any subcontractor. In the event where a breach of provision occurs with the Contractor and the subcontractor, the Contractor further agrees to notify ARC on the action steps taken to mitigate said breach.

12. **PARTICIPANT SERVICE PLANNING**

Ongoing Plan – The Contractor shall conduct appropriate, necessary, and in-depth participant assessment for service delivery. Individualized project activity plans, or a participant Service Plan (Individual Employment Plan (IEP)/ Individual Service Strategy (ISS)/ Individual Service Plan (ISP)) will be developed for each participant. The Service Plan must be developed and agreed upon by the Contractor’s staff and the participant. The Service Plan must have a youth-centered approach that helps each youth set personal, academic and career goals. The Contractor shall ensure that the Service Plan is used to guide the specific service delivery strategies and activities offered to individual youth. The Service Plan must directly link to one or more performance indicators, identify career pathways that include education and employment goals, objectives and services, list appropriate achievement objectives, and identify appropriate planned services. The Service Plan shall also indicate which of the WIOA fourteen required elements of services will be provided and by what organization, and whether or not each element is appropriate or needed. The Contractor shall ensure that the initial Service Plan be completed and signed within one month (30 days) of WIOA Youth Program enrollment and be recorded in the Statewide case management system known as WorkSource GA Portal (also called Virtual One-Stop). At least once every two (2) months there will be a review and update of the Service Plans. The Service Plans will be maintained in each participant file and updates will be reviewed, agreed to or revised, and signed by both parties. Review/update will also be recorded in WorkSource GA Portal/VOS. The Contractor assures that Service Plans will be up-to-date, and will address current activities and goals, as well as challenges and opportunities.

Exit Plan – At the end of WIOA youth services, the Contractor shall ensure that an Exit Plan (including a youth Career Future Plan) to outline and describe next steps, expectations, and supportive service needs (if required) during the WIOA exit period (one year of youth follow-up services) are developed and discussed with the youth.

13. **SUPPORTIVE SERVICES**

The Contractor shall ensure compliance with and be guided by current WIOA and WorkSource Atlanta Regional policies for supportive services. For participants, these services are to be individualized to a large extent. The Contractor shall provide supportive services from the Contract budget and will also be developed using non-WIOA resources as part of the participant’s Service Plan.

- ❖ **Incentives** will be included as part of the supportive services offered to a participant. The Contractor shall refer to WorkSource Atlanta Regional NextGen Program “Incentive Policy” for directives and guidance related to issuing incentives.

The Contract shall ensure that complete records are maintained for all WIOA funded supportive services made to participants and documentation are kept indicating receipt of the supportive services by the youth recipient. The Contractor shall maintain other records as may be required by ARC.

14. EMPLOYER CONNECTIONS

The Contractor shall ensure the development of strong and sustainable connections to employers. Such connections are essential in the creation of a system of employers that can effectively assist participants to become highly skilled and employable. These connections should lead to placements in employment or continuing education, as well as meaningful exposure to the world of work with resultant measurable skill increases. These may be described as work-based learning experiences, which are structured, supervised, contextual world-of-work experiences, with documented learning outcomes—that take place in the context of actual work environments, link to learning outcomes, developed with employer involvement and input, align with industry-specific skill standards and competencies, and are based upon labor market information.

15. WORK EXPERIENCE/WORK-BASED LEARNING (SHORT-TERM)

The Contractor shall ensure compliance with and be guided by current WIOA and WorkSource Atlanta Regional NextGen Program policies for Work Experience (WEx) services. The Contractor shall provide and effectively manage a variety of components related to WEx, such as employability skills training, job skills instruction directly related to employment, wrap-around services (to include case management, supportive services, monitoring and mentoring), job readiness and employment services, and job retention and reemployment services directly related to employment. WEx must be a planned and structured learning experience that takes place in a workplace for a limited period of time with an academic and occupational education component, where participants are provided with opportunities for career exploration, skill development, and work ethics reinforcement and not exclusively to benefit the employer. The Contractor shall ensure that WEx is appropriate as indicated with the assessment results, Service Plan (short and long-term goals, and objectives), and participants are matched with worksites that will provide them with the skills, training and knowledge needed. The Contract acknowledges that WEx can be unpaid or paid.

Unpaid WEx – Activities that are designed to allow participants to upgrade their work skills in a non-paid work position. The work assignment is determined by the participant’s occupational goal and provide participants with an opportunity for work acculturation and

basic occupational skills acquisition. This is beneficial for those participants who have sporadic employment history or limited marketable skills. An example of unpaid WEx is Job Shadowing.

Paid WEx – Activities that allow participants to upgrade their job skills in a paid work position. Participants receive at a minimum the hourly wage based on Georgia minimum wage standards for the assigned hours they work at their assigned worksite. The work assignment is determined by the participant's occupational goal and provide participants with an opportunity for work acculturation and basic occupational skills acquisition. This is beneficial for those youth who have sporadic employment history or limited marketable skills. The Contractor assures compliance with the following WIOA work restrictions:

- Participants must not be assigned to work that otherwise would not have been done by existing employees at the worksites.
- Placement must not result in reduction of existing employees working hours or infringement of promotional opportunities.
- Placement must not result in termination or displacement of existing employees of the worksites.

The Contract shall ensure that the following unpaid and paid WEx be made available to participants throughout the PY:

1. **Summer Employment (and other employment opportunities available throughout the school year)** – Employment placement that typically occurs after the last day of school for summer break and ends before school resumes for the following semester.
2. **Pre-apprenticeship Programs** – A preparatory program that prepares participants who want to begin an apprenticeship for certain industry and trade. It is *“designed to prepare individuals to enter and succeed in Registered Apprenticeship programs. These programs have a documented partnership with at least one Registered Apprenticeship program sponsor and together, they expand the participant's career pathway opportunities with industry-based training coupled with classroom instruction.”* The pre-apprenticeship must be sponsored by one of the Registered Apprenticeship programs indicated on the Eligible Training Provider List (ETPL).
3. **Internships and Job Shadowing** – These two activities both offer the individuals exposure to employers and the working environments. They must be supervised, emphasize learning and professional development, and include an evaluative component for both the employer and the individual. Program differences are distinguished below:

- a) Internships – Can be paid or unpaid, the activity can last from one week up to sixteen (16) weeks and must offer career related learning opportunities and experiences. It cannot be routine or repetitive tasks unrelated to identified learning goals.

- ❖ Contractor must receive prior approval from ARC if plans to extend a participant's WEx beyond sixteen weeks. This WEx period does not apply for those youth who begin WEx with less than sixteen weeks remaining in the Contract period.

- b) Job Shadowing – Enables an individual to spend some time observing a professional on the job, which can last from one day up to one week.

- 4. **On-the-Job (OJT) Training** – *“Provides reimbursements to employers to help compensate for the costs associated with skills upgrade training and loss of production for newly hired employees. OJT can assist employers who are looking to expand their business and need additional staff trained with specialized skills. OJT employers may receive reimbursement of 50% or 75% of the wage rate of OJT trainees.”* OJT benefits the employees (youth participants) by providing an opportunity to “earn while they learn” in a hands-on environment, acquire job and career advancement skills, and provides an opportunity for long-term employment.

- All OJT opportunities must be approved and directed by ARC. OJT funds are reserved at ARC and not allocated to the Contractor.

Funds – The Contractor acknowledges that to provide paid WEx opportunities, the organization must have the capacity to be “Employer of Record”, whether directly provided or through partnership with an agency or an employer who will serve as “Employer of Record”. The Employer of Record must adhere to all child labor laws regarding hours of employment, working conditions, etc. A minimum of sixty percent (60%) of the WEx funding must be allocated to participants’ wages and a maximum of forty percent (40%) to staff who are directly working with the WEx Program as well as other related WEx costs. Contractor may elect to allocate more than 60% funding towards participant wages. The same WEx funding allocation requirements of 60/40% applies to all “Employer of Record” partnerships.

- ❖ **NOTE:** The 60/40% requirements do not apply to OJT, as those opportunities are paid with funds reserved by ARC.

The Contractor assures that no certificate training costs will be allocated to the WEx budget. Also, the Contractor assures compliance with WEx funding requirements as set forth in the Training and Employment Guidance Letter (TEGL) 21-16, issued on March 2, 2017.

WEx after WIOA Exit – Subsidized WEx is not available for participants who have

exited (in Follow-up) the WIOA Youth Program.

16. EMPLOYMENT PLACEMENT (LONG-TERM)

The Contractor assures that job search activities which lead to long-term unsubsidized (non-WIOA funds) employment are provided to participants who obtain a credential (high school diploma, GED, occupational certificate, other WIOA recognized credential).

After employment placement, the Contract shall assist participants with job retention and re-employment services (for those youth who lose their employment during the twelve-months follow-up period). The Contractor assures that follow-up services will be provided as needed to assist participants with overcoming problems or issues that may arise and to ensure further progress toward long-term employment that leads to self-sufficiency.

17. OCCUPATIONAL SKILLS TRAINING

The Contractor shall assure that occupational skills training is provided to appropriate participants, and may be funded by a variety of sources, including WIOA when limited funds are available. Where limited WIOA youth funds are available, the participants may have an opportunity to concurrently co-enroll in both the Youth and Adult Programs. In cases where co-enrollment seems most appropriate, the Contractor must receive approval from ARC prior to making a commitment to the participant and/or initiating the enrollment process. If funded by WIOA, training placement will be into schools on the Eligible Training Provider List (ETPL) (there may be very limited exceptions – only with prior approval from ARC) with completion of the Individual Training Account (ITA) documentation required to participate in the training.

18. CLIENT MANAGEMENT & TRACKING

The Contractor shall utilize the statewide case management system WorkSource GA Portal/VOS to manage and track all participants enrolled in WIOA services. Individual participant's data such as initial/ongoing assessments, eligibility certification, ongoing services/activities, counseling notes (c-notes), Service Plans, performance outcomes, etc. must be entered in WorkSource GA Portal/VOS.

Youth registered in WorkSource GA Portal/VOS and enrolled in the WIOA Youth Program becomes the Contractor's participant from service delivery through exit and follow-up, and will be included in the Contractor's performance outcome measurements (there are a few narrow and specific exceptions). This also includes those youth who decide to remove themselves from program participation and/or who move from the service area.

The Contractor shall maintain ongoing contact with and provide continuing services for all active WIOA participants. During active participation, all services provided will be required to be documented in WorkSource GA Portal/VOS at a minimum of every thirty (30) days, or once a calendar month in the form of a counseling note (c-note). C-notes

regarding services provided and other related information must be up-to-date, appropriate, complete, addressing any important challenges (including actions/steps taken to address the challenges) and opportunities. Client/case management and tracking will assure that WIOA requirement of providing a service every ninety (90) days is met. If Contractor is unable to maintain contact with and provide services to the participants (as defined by WIOA service requirement period), Contractor must have a policy or procedure documenting the steps to exhaust all resources to re-connect and provide services to the participants as well as the internal process the Contractor's staff will undertake to exit the participant from the WIOA Youth Program. After exit, follow-up contact and services, if appropriate, shall be provided at least once every ninety (90) days, or calendar quarter, for one year (twelve months) after exit. The WorkSource GA Portal/VOS Follow-up screen will be used to document this service in a concise manner. Timely data collection and data entry must be conducted on a continuous basis. ARC will conduct ongoing monitoring to evaluate Contractor's use of WorkSource GA Portal/VOS.

19. **MONITORING**

Monitoring of files, program, and services shall be conducted to ensure continuous program and service improvement.

ARC – The Contractor's program and services will be monitored by the ARC NextGen Program Quality Assurance and Compliance staff, the NextGen Committee, and ARWDB. Monitoring may be conducted at the Contractor's service delivery location, community partner location, employer locations, by telephone and/or electronic (desk review). The Monitoring Team shall conduct monitoring related to performance outcome tracking, quality review of the services provided by the Contractor pursuant to this Contract, and/or conducting any other requisite and/or desired program and/or service reviews of the Contractor. The Contractor agrees to the following:

- The Contractor shall provide to ARC, upon request, a copy of any document or report prepared and maintained by the Contractor relative to costs incurred in providing the services as described in this Contract.
- The Contractor agrees that ARC has the right to make recommendations and findings in connection with any financial or programmatic monitoring or review of the Contractor's operations.
- The Contractor shall be provided with a written report of the monitoring outcome. The monitoring report may contain observations, evaluations, suggestions and/or specific directions for corrective action and/or future preventive action by the Contractor. The Contractor agrees to comply with any corrective actions and/or future preventive actions specified by ARC within the time limits established in the monitoring report. A failure of the Contractor to comply with the specific directions outlined in the monitoring report will be treated as a breach of this Contract.

- The Contractor agrees that any authorized employee or representative of ARC, the State or Federal government shall have the right to enter the premises of the Contractor or any subcontractor of the Contractor to monitor or review any records or property agreements maintained by the Contractor or its subcontractors in connection with this Contract. The Contractor and its subcontractors shall make all books, records, and documents that relate to their activities under this Contract available for monitoring and review upon request.
- The Contractor shall ensure the cooperation of its employees, officers, board members, Committee members and subcontractors in any monitoring or review.

State & Federal – In addition to ARC’s monitoring, the State and Federal government may, at its discretion, conduct a separate monitoring of funds and services provided pursuant to this Contract and/or any other necessary on-site monitoring reviews of the Contractor. The Contractor shall permit all examinations and shall generate and maintain all documentation necessary to comply with all relevant monitoring requirements.

Contractor – Contractor shall conduct monitoring and review of its funds, program, services (to include WEx worksites) and subcontracts on a continuous basis. Contractor shall have a process in place to demonstrate that monitoring is being conducted. Contractor shall contact ARC for any technical assistance or tools required to ensure a successful monitoring process and outcomes.

20. **PERFORMANCE & MANAGEMENT SANCTIONS**

The Contractor shall ensure that all services provided under this Contract be performed to ARC’s satisfaction, as determined in accordance with all applicable Federal, State, and WorkSource Atlanta Regional, WorkSource Atlanta Regional NextGen Program’s Performance Measures, Objectives, Goals and all other applicable service standards and specifications set forth in the Contract. Contract performance measures and objectives are established to guide the outcome of the services provided as outlined in “**Exhibit D – Goals & Performance Measures**” and further described in “**Exhibit E – Performance Measures/Objectives**”.

To satisfactorily meet the applicable requirements, the Contractor must conclude each respective quarter within a PY with a “Meet” or “Exceed” on the following four (4) performance indicators set forth in “**Exhibit D**”:

1. **General Services - Expenditures & Participants to Serve ("Real-Time")** – Must meet at a minimum the total number of active participants to serve in the PY, new participant enrollment numbers, and target population guidelines percentage indicated.
2. **Work Experience (WEx) Services – Expenditures & Participants to Serve ("Real-Time")** – Must meet at a minimum the total number of active participants

to serve in the PY indicated.

❖ **NOTE:** Three unpaid WEx placements is equivalent to one paid WEx placement.

3. **Performance Measures – WIOA ("Lag-Time") & Outcome at EOS/Exit ("Stand-In")** – Must meet at a minimum the performance measures percentage and wage indicated.
4. **Case Management Performance Measures ("Real-Time")** – Must meet at a minimum the performance measures percentage indicated.

The Contractor may be subjected to the following sanctions if they fail to “Meet” the four performance indicators set forth in “**Exhibit D**”, being inconsistent with the overall Contract requirements and/or for performing in a manner that is in violation of any Federal and/or State statute, ordinance, rules or regulations.

- A. **Placed on Program Probation** – If outcome results in this sanction, the Contractor shall be placed on probation for forty-five (45) days to conduct corrective actions. During this period, the Contractor may not conduct new participant recruitment (which may result in not meeting the overall recruitment expectation for the PY) and/or may result in hold of reimbursements until after the probation period or the corrective actions have been completed and deemed satisfactory by ARC.
- B. **Deduction of Approved Budget** – If outcome results in this sanction, the Contractor shall receive a reduced budget consistent with the failure to meet applicable performance measures/goals.
 - **Recapture & Reallocation of Funds (General & Work Experience)** – If the Contractor does not meet the requirements as indicated on “**Exhibit D**”, ARC reserves the right to recapture and reallocate the Contract funds to be used at ARC’s discretion.
 - ❖ For “**Work Experience (WEx) Services – Expenditures & Participants to Serve ("Real-Time")**” performance, if the Contractor does not meet the requirements for two consecutive years, the Contractor may not receive WEx funds for the remainder of the RFP Award period.
- C. **Cancellation of WIOA Youth Program Contract** – If outcome results in this sanction, the Contract may be terminated as allowable in this Contract. The Contractor will have an opportunity to apply for the next Request for Proposal (RFP) issued by ARC.

For a successful performance outcome, the Contractor must achieve an overall “Meet” rating for all four performance indicators stated herein. For the first infraction of “Not

Meet” in any of the performance outcomes in the PY, the Contractor will be provided additional guidance and technical assistance from ARC. If a “Not Meet” occurs a second time in the PY, ARC, at its sole discretion, may impose the appropriate sanction as described above. The Contractor may appeal the decision to impose a sanction to the WorkSource Atlanta Regional NextGen Committee Chair, who will present the case to the ARWDB Executive Committee for final decision.

21. **REPORTING & RECORD-KEEPING**

To ensure fiscal accountability, effectiveness and efficiency of services provided, the Contractor shall keep sufficient reports and records, including books of account and other documents related to the Contract, written and computerized, and shall cooperate with ARC-to permit the tracking of services provided and the tracing of funds expended.

The Contractor shall submit any required participant status information to ARC in a timely manner with necessary explanations. Contractor staff shall keep participants records accurate and up-to-date in WorkSource GA Portal/VOS, and in paper files that are kept for each participant at the Contractor’s physical location. All case management (to include eligibility certification documents and records) and performance goals and measures will be documented, both pre- and post. The Contractor assures that WorkSource GA Portal/VOS data entry and required forms will be timely, accurate, and complete (this includes documents and verification for service delivery, attainment, End-of-Service/Exit, etc.). The Contractor shall follow procedures required by ARC for reporting accomplishment of WIOA performance measures and other contract goals.

Maintenance of Records – All records shall be retained by the Contractor as outlined on Paragraph 19 *Maintenance of Records* of the Contract. Records shall not be removed or destroyed without the written consent of ARC.

Access to Records – The Contractor and its subcontractors, if any, shall maintain all books, documents, papers, accounting records, and other evidentiary information pertaining to all costs incurred under this Contract. For inspection by the ARC, State, and/or Federal agencies, the Contractor shall make such materials available at their respective offices at all reasonable times during this Contract and for three years from the date of final payment under this Contract.

22. **TECHNOLOGY REQUIREMENT**

The Contract shall assure that the following technology software and tools are available and accessible to staff and participants:

- Internet connectivity.
- Internet browser capability (Internet Explorer, Mozilla Firefox, Safari, Chrome, etc.).

- Microsoft Office Suite (particularly Word).
- Adobe Acrobat Reader (updated version).
- Antivirus software.

23. **INVENTORY REQUIREMENT**

Equipment – The Contractor shall keep up to date inventory lists for all materials and equipment purchased with WIOA funds having an aggregated cost of \$3,500. These must be used principally by WIOA participants. Equipment purchased with WIOA funds remains the property of ARC/WorkSource Atlanta Regional. Furthermore, the Contractor shall adhere to the equipment requirements as outlined in Paragraph 20, *Property* of the Contract.

Training Supplies – The Contractor shall inventory and keep up to date inventory lists for all instructional materials purchased with WIOA funds. These must be used principally by WIOA participants.

24. **START-UP IMPLEMENTATION PERIOD**

A Contractor new to ARC's services and programs may be provided with a three (3)-months start-up implementation period, if requested by the Contractor and approved by ARC. If a Contractor inherits youth from previous PY/contracts, the Contractor shall assure that some components of the fourteen youth elements of services and activities shall be made available (whether through the Contractor, community partner, or hybrid) to those participants, with plans for full service/activities implementation effective on the first day subsequent to the three-months implementation period. During this period, the Contractor shall provide ARC with a strategic plan which outlines their fully implemented program service delivery model.

25. **ADMINISTRATIVE & MANAGEMENT SYSTEM**

The Contractor is fully responsible for all aspects, activities and responsibilities of the project and the Contract. Contractor shall develop and maintain administrative and management staff and systems necessary and appropriate to meet the Contract's obligations. Such systems include, without limitation, accounting controls, personnel standards, evaluation procedures, staff training and development as well as other policies or procedures that are necessary to operate the program. These administrative and management systems, policies and/or controls must, in ARC's sole discretion, meet ARC standards. The Contractor shall immediately inform ARC of any changes to the administrative and management systems, policies and/or controls that may affect the services, operation and/or performance of the program.

26. **PROGRAM STAFFING PLANS**

The Contractor shall provide sufficient staff to carry out the purposes of this WIOA Youth Contract. The Contractor shall provide Job Descriptions for positions agreed to by ARC and the Contractor. The Contractor shall ensure that staff positions funded by this WIOA Youth Contract are reasonable and support the delivery of program services described herein. The Contractor shall prepare and provide to ARC a Program Staffing Plan. The Contractor shall assure that any changes to the Program Staffing Plan, which occurs as a result of dismissal, departure or in response to corrective action, be addressed in an expeditious manner to avoid disruption of program services. The Contractor shall notify ARC within two (2) weeks of any program staff vacancy or any staffing changes that could affect operations, delivery of services, performance and budget. Also, the Contractor shall ensure the following:

- Continue to operate under the philosophy of leveraging funds from partners to sustain operations, and maximize the number of personnel serving participants while reducing non-personnel costs to those which are essential.
- Be committed to meet the needs of the community by hiring skilled professionals (staff) who are culturally competent and who work well with and understand the demographic base for the OSY WIOA Youth Program.
- Staff is available to serve and address the needs of the youth.

27. RESOURCE LEVERAGING & SUSTAINABILITY

The Contractor assures that they will incorporate sustainability strategies in their operational plans to ensure that a continuation of WIOA services are provided to participants in the event the WIOA Youth Program funding is delayed, there is a reduction in funding allocation, or other unknown financial reasons that may prevent ARC from allocating funding. The Contractor shall ensure that they have the capacity to self-sustain for up to one quarter (three months) without ARC funding. To the extent possible, the Contractor shall seek additional youth development funding for itself and the community, both through its own applications for funding and/or by supporting applications by other organizations in the community. The Contractor understands that WIOA funds are not issued solely to sustain the Contractor's infrastructure or existence. ARC will continuously assess the Contractor's financial capability to determine potential risk factors.

28. BRANDING

The Contractor shall identify itself as ARC, WIOA, WorkSource Atlanta Regional, and WorkSource Atlanta Regional NextGen Program Service Provider in publicity materials, including signage, and in any public representation of the Contractor's organization, as a matter of course as well as when requested by ARC. The Contractor assures that logo(s) shall not be removed from documents created by ARC Staff. However, a Contractor may include their organization's logo in conjunction with said logo. Contractor shall adhere to

State and ARC requirements relating to the use of the WorkSource Georgia brand.

29. **ROLES & RESPONSIBILITIES OF ARC**

ARC assures the following:

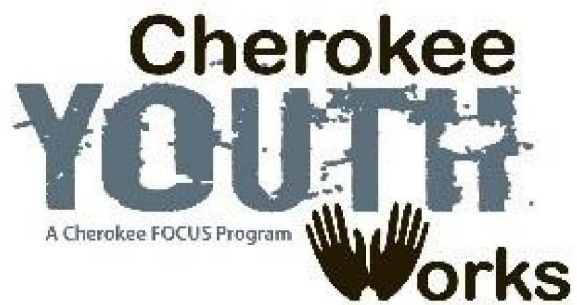
- Shall oversee and evaluate the management and operations of the WIOA Youth Program funded by WorkSource Atlanta Regional to provide services in the WorkSource Atlanta Regional service area.
- Shall distribute funding based on County Fair-Share allocations.
- Shall monitor Contractor's performance, quality of service, and cost effectiveness, and to report such matters to the Atlanta Regional Workforce Development Board, Executive Committee, and WorkSource Atlanta Regional NextGen Committee.
- Shall develop and provide technical assistance and training to Contractor's staff.
- Shall inform the Contractor of Federal, State, ARC, WorkSource Atlanta Regional and WorkSource Atlanta Regional NextGen Program policies, procedures, and rules that may impact the operations of the program(s), and give guidance as needed for the implementation of such policies, procedures, and rules.
- Shall prepare grant plans and/or modifications as required.
- Shall ensure and enforce Contractor's compliance with all rules, regulations, and procedures.
- Shall maintain local data/case management system for use by Contractor.
- Shall establish and facilitate regularly scheduled meetings with the WIOA Youth Program Contractors.

30. **SPECIAL PROJECTS**

Through leveraging of resources and collaborative efforts, WorkSource Atlanta Regional NextGen Program may partner with the Contractor to embark on developing creative and innovative special projects/initiatives that will improve the economic opportunities and prosperity for youth, businesses, and communities. Special Projects funding, services, expectations, and other relevant terms will be agreed upon in writing by all affected parties.

Cherokee Youth Works PY 2021

Program Design



Cherokee Youth Works PY 2021

Program Design

Cherokee Youth Works (CYW) is a year-round WIOA Youth program serving OSY 16-24 years of age. Our program is individualized to meet the needs of the young adult. Every participant receives comprehensive and personalized services and program activities based on that need and point of progress in the program.

From the creation of Cherokee FOCUS, our vision has been: "An empowered community of thriving families." By establishing the Cherokee Youth Works program, we are not only aiming to instill our participants with the skills needed to succeed in future careers and in life, we are attempting to break the cycle of poverty, unemployment and low literacy/education in our community.

This document will provide a snap-shot of the intention of the CYW program in Program Year (PY) 2021.

Recruitment Strategy/Efforts

We take a collaborative approach to recruitment by enlisting the help of those who know the program and our target population. Word-of-mouth of our current and past program participants continues to be our best marketing tool, as they continually refer friends and family. We engage our community partners as outreach allies with a team approach. We co-enroll with programs such as Chattahoochee Technical College Adult Education, Goshen Valley (Foster Care) and Vocational Rehabilitation. In PY2021, CYW has plans to continue our alliance with Chattahoochee Technical College for referrals of their enrolled students in need of our workforce services. CYW and Chat Tech are also exploring the best way to bring in Chat Tech's qualifying ESL students to avail themselves to the multiple services our program provides. Additionally, we are partnering with the Cherokee County Drug Court to provide our comprehensive programming for those CYW eligible youth involved in the drug court system. This also allows us to bolster our relationship with judicial officers, probation officers, etc. who have already been a regular source for referrals to our program.

CYW also receives referrals from the Career Resource Center, Department of Juvenile Justice, GA Probation Management, Canton Housing Authority, MUST Ministries, local hotels/extended stays, local law enforcement, Encompass Ministries, Family Violence Center, private therapists and mental health professionals, and several area churches.

Intake & Eligibility Determination Process

Potential participants are made aware of program eligibility guidelines when they call or drop in and at that point can set up a meeting with a CYW staff member. During the meeting, the staff member explains the program particulars, especially highlighting the workforce development aspects, while also getting to know the youth. This allows the staff to ascertain potential needs and barriers to success of the interested applicant. After determining general eligibility, the potential participant is administered an on-line TABE 11/12 test. In mid-PY2017, CYW moved the TABE portion of our process to this initial meeting to better determine the suitability of our program for the interested individual. Moving the

TABE has proved to be successful in determining the participant's plan and has also made the intake process more efficient. After reviewing the results of the TABE with the applicant, he is given the required documents/application and direction for completion. The youth is expected to submit the required documentation on his first day of class ("orientation day") which is established and agreed upon after TABE results have been discussed. The enrollment process continues on orientation day when the applicant is made aware of our Suitability Index (behavior, attendance, classroom performance, etc.) that clearly states our expectations for program participation. After our standard 6-week trial period, we present our collected observational and informal assessment information and completed Suitability Index. We seek the applicant's input as we evaluate and discuss to determine whether official entrance into our program is supported.

Program Orientation and WIOA Services

On a participant's first day with CYW, the applicant submits completed, required documentation unless he requests further assistance retrieving something like a State ID or Birth Certificate. The youth is given the opportunity to ask any further questions, and the staff once again reviews the expectations and requirements of the program. Other potential needs are addressed at this time and then discussed further when completing a participant's Individual Service Plan at a later time.

Objective Assessment

To determine the direction to pursue with each individual participant, a series of activities are conducted as part of the objective assessment. This includes activities such as resume creation, career assessment and Individual Service Plan (ISP) development. With the information gathered from these activities, along with the anecdotal data from the interview process and classroom performance, the Career Advisors are then able to develop the participant's ISP and determine an appropriate career pathway (employment, education, or certification).

CYW feels that it is important to ensure the youth participant is an active part of the planning process. We call this "buy in." The goals and expectations of the program and the outcomes expected are laid out clearly so there are no misunderstandings in the future. This is a team effort, and we make clear that we cannot help someone who does not have the desire to help himself. We have found that making all of this certain upfront cuts down on future "lost youth." We have also implemented a 6-week trial period when the staff and program volunteers are able to gauge commitment to the program through tracking attendance, observing attitude and getting to know the participant. The youth knows that this period is also a time for him to try our program on for size as well (this has cut down on lost youth). This time period can be shortened if the CYW staff and participant determine a clear commitment, or if the participant's plan requires milestones be achieved prior to the 6-week timeline. At the end of the 6-week trial period, all of the above information as well as the Suitability Index are reviewed with the participant to determine eligibility.

Assessment Service Plan – Individual Service Plan (ISP)

After evaluating the scores from the TABE test and the results of the career assessment, a CYW Career Advisor sits down and reviews the next steps with the participant. The pathway for the participant is identified and educational, employment and personal goals are set. These goals focus on the individual's

aspirations and the information we have collected. The goals are set to align with the participant's expressed interests and desired program outcomes.

In most cases, our participants enter our program with the ambition of completing their GED. Since not having a high school or high school equivalency diploma is viewed as a barrier to employment, CYW holds GED classes with both paid and volunteer tutors that assist students through the process. Depending on the initial TABE scores, it may be recommended that some applicants attend GED classes at Chattahoochee Technical College Adult Education should their instructional needs extend beyond our in-house resources. CYW Career Advisors engage the participant to set specific educational goals relevant to their TABE scores and future plans rather than setting a broad goal of "getting my GED." These goals are individualized and narrow down steps needed to be taken for positive outcomes. With future/long term employment goals in mind, the Career Advisor guides the participant through job/career counseling and evaluation to determine whether the participant is a good candidate for Work Experience (WEx) or other job placement. These will be reflected in the employment goal. The personal goal is personalized for each individual depending on his life's circumstances. At this time many students choose to reveal more about themselves and disclose more information that can assist the CYW staff with directing them to supportive services.

Providing or Making Available the Youth 14 Elements of Services

TUTORING

In-person tutoring is available Tuesdays and Thursdays. We also arrange for individual tutoring sessions beyond these designated class times anytime a student requests such, it is deemed necessary by the instructor, and/or to accommodate participant's work hours, family responsibilities, etc. Virtual as well as in-person services are offered to meet these needs. CYW is equipped with two paid tutors along with our volunteer tutors and interns. This allows CYW to provide a well-rounded educational experience to all participants who are pursuing their GED. Beyond GED, our tutoring staff will also assist participants with preparing for military exams, college entrance exams, placement exams and with college material when needed.

ALTERNATIVE SCHOOL SERVICES/DROPOUT RECOVERY

CYW has worked closely with alternative schools, including home schools, in Cherokee County. These programs have been referral sources and work seamlessly with us in securing necessary paperwork for our program when needed.

WORK EXPERIENCE

CYW collaborates with local partners to provide our participants with experiences in a variety of work fields utilizing WEx dollars, internships, job shadowing and apprentice programs when available. (Detailed WEx Plan to follow.)

IN-DEMAND/GROWTH SECTORS

CYW is keeping abreast of the Governors HDCl as well as target growth sectors identified by the Cherokee Office of Economic Development to guide our participants in choosing educational and career

paths. Locally some of these focused sectors include healthcare, advanced manufacturing, information technology and film/media. Our youth have successfully participated in the Career Compass Academy which targets these in-demand industries.

WORKFORCE PREPARATION/TRAINING

CYW provides an all-encompassing career readiness, career discovery and workforce training program. CYW makes it a priority to involve community partners from the county collaborative, as well as its Board, to teach lessons and expose the youth to new careers and concepts and critical employability issues. Both GED participants and those who have already obtained their GED may attend the classes. Mock interviews, soft skills training, preparation of an elevator speech, and how to make a first impression are all examples of activities that CYW participants complete.

LEADERSHIP DEVELOPMENT

CYW instills participants with the leadership skills needed to become good citizens of the community. We have community speakers join us to speak on leadership topics, and we are able to send certain participants to the Rotary Youth Leadership Academy and the Georgia Teen Institute. The Kennesaw State University youth leadership department also assists in teaching leadership skills through interactive workshops, such as diversity classes and becoming a leader.

SUPPORT SERVICES

The robust community collaborative in Cherokee County has been an undeniable resource for providing supportive services to our youth. Cherokee FOCUS is the Family Connection partner in our county which allows CYW the opportunity to access a vast catalogue of local supportive service providers and community partners. The Collaborative is used as a resource for providing transportation to our youth, counseling, food, clothing, and of course, employment. CYW is very strong in this area given our core of collaboration. Additional funding and In-Kind support from the community partners allow us to provide supportive services as needed and warranted.

ADULT MENTORING

CYW has wonderful community partners who have been willing to step up and offer their guidance and assistance to our participants. Some provide moral support and personal mentoring, while others provide internship opportunities and ways to expand our participants' work experiences.

TWELVE MONTH FOLLOW UP

CYW often maintains contact well beyond the required twelve-month follow-up period. The relationships are established and the program is seen as a place where past participants can come and seek advice or a kind ear. We benchmark the employment status of the exited participant at both 6 months and 12 months to assure that he is still on track with his employment. As we have learned, no matter how strong the relationship with a participant, it sometimes becomes difficult to maintain contact during the follow-up period. To combat the challenges this may present, CYW has asked for

new/more specific releases of information that will allow our Career Advisors to still access the needed follow-up information even without the participant (ex. specific employment verification release and college specific releases).

While in Follow-Up, CYW continues to assist participants with their employment and educational needs. If supportive services are required to ensure the success of the participant, CYW provides said services as outlined by WIOA.

COUNSELING

Career Advisors provide frequent, compassionate counseling on an ongoing basis to each participant. For those clients needing more in-depth professional counseling to overcome a barrier, participants are provided with a list of therapists in the area that provide services on a sliding fee scale. In addition, CYW is working with partners from Highland Rivers Health to bring group classes on coping skills and suicide prevention.

FINANCIAL LITERACY

In PY2021, CYW will continue to teach the basics of banking and financial literacy through focused classes as well as during GED instruction. Community partners in the financial field will teach an array of subject matter from budgeting to establishing credit to responsible shopping and college savings. These partners include local bankers and financial aid advisors.

ENTREPRENEURIAL SKILLS

Entrepreneurial skills are taught through the teamwork of community collaborative partners and CYW staff. Local entrepreneurs are welcomed as guest speakers to share their personal experiences and advice. Participants are encouraged to ask questions and be engaged with the guest speakers. Field trips to businesses and stores allow students to see and experience what an entrepreneur can accomplish.

LABOR MARKET/CAREER READINESS

Career readiness is a focus for every participant, and CYW provides both group work and individual direction in this area. Soft skills are introduced and practiced in the classroom and on-the-job training is an avenue for technical skills building. Participants can attend field trips to different work-sites and have participated in job shadowing exercises.

PREPARATION FOR POST-SECONDARY EDUCATION/TRAINING

CYW prepares students for the AcuPlacer, SAT or ACT test; whichever is applicable to the student. CYW has been successful in transitioning our clients in to a variety of post-secondary educational opportunities. While the majority of CYW students choose to attend Chattahoochee Technical College, CYW staff discusses a variety of options with participants. We are dedicated to supporting each student whether they choose a traditional college route, technical school, or certification program. We also provide opportunities that support credential attainment which aligns with and supports a participant's ISP goals. These opportunities can enhance a participant's employability in fields such as hospitality, retail, and food service industries.

Referral process

CYW has built relationships throughout Cherokee County with entities such as the Cherokee County School District, Department of Juvenile Justice, Vocational Rehab, the Violence Center, foster care organizations and so on. These groups contact us directly with possible referrals to our program.

Referring WIOA Participants: During the Objective Assessment, our Career Advisors are able to determine if other supportive services outside of what CYW can provide directly are needed. Once identified, the CYW advisor connects the participant with the specific referral. This can be for an array of services including but not limited to counseling, transportation assistance, housing, and other educational support, such as Vocational Rehab, and may also include WIOA Adult services.

Referring those not suitable for our program: If it is determined that a potential participant is not a good fit for the CYW program, he is given the contacts to programs that may better serve him. When appropriate, CYW will make an introductory call for the individual and go above and beyond to assist him until we are satisfied that the individual will be well taken care of. Being that Cherokee FOCUS is the community collaborative through Family Connection, CYW has an extensive list of other providers in the community that can assist with a broad spectrum of services.

Coordination with the Career Resource Centers (CRCs)/ One-Stop System

It is the goal of CYW to build a stronger relationship with this provider in order to leverage our resources to best serve the Cherokee County population. It is the opinion of CYW that this relationship has room for growth and CYW staff will be making this a priority in the PY2021. CYW has invited the One-Stop staff to attend the Cherokee County Collaborative in order to get them connected to more resources in the community.

Academic Requirements (e.g., Basic Skills remediation)

Every applicant of CYW is administered the TABE 11/12 test. If the scores result in an NRS below 3, we will suggest co-enrollment with Chattahoochee Technical College Adult Education. If TABE 11/12 scores are NRS 3 or above, the applicant will be offered the opportunity to start GED classes with us and will be placed in Level I or Level II classes dependent on the strength of those test scores. During our 6-week trial period, we then carefully monitor the participant's progress and determine if he will remain in the CYW GED tutoring or if he will need to be referred to Chattahoochee Technical College Adult Education for more intensive GED work.

For participants who have already received a high school diploma or GED and are interested in our other workforce services, we require a TABE 11/12 of at least NRS 5 as this would indicate the individual is not Basic Skills Deficient.

Services that lead to attainment of a WIOA recognized credential

CYW offers in-house GED classes and tutoring. CYW also facilitates web-based credentials such as the ServSafe Certification in-house. Through partnership with Chattahoochee Technical College Business and Professional Education Department, Goodwill, Rogers Mechanical Contractors and MUST Ministries, CYW is able to offer participants credentialing opportunities such as forklift certification, OSHA

certification, customer service certification, hospitality, HVAC, etc. These certifications, beyond GED, are sought out on an individual basis depending on the participant's service plan and pathway.

Innovative experiences that will help youth to gain marketable skills

CYW incorporates interactive learning opportunities for our participants from mock interviews, resume workshops, attendance at career expos and job fairs, as well as the opportunity to shadow at local businesses.

Because CYW has acquired a 15 passenger van through leveraging other resources, it has opened opportunities to take CYW program participants on informative industry tours at local businesses. The CYW staff is continually speaking with local business partners to arrange these tours that will give the participants exposure to opportunities in their community.

Connection to post-secondary education or Advanced Training.

Chattahoochee Technical College was a charter member of our organization 15 years ago and has had at least one seat on our Board of Directors since that time.

CYW maintains a memorandum of understanding and/or relationship with Chattahoochee Technical College, Reinhardt University and Kennesaw State University. The Career Advisors have also familiarized themselves with other colleges in the area to best advise CYW participants in the direction they should pursue to meet their goals.

CYW hosts guest speakers from post-secondary education to introduce student programs, financial aid and scholarship information as well as information in credentialing or certifications available at the college level.

Providing a holistic approach that not only addresses employment and education development, but one that incorporates personal and social development as well.

CYW takes pride in serving the participant as a whole. When working with this population, we often take on the role of parent, friend, mentor and confidant. Career Advisors work to maintain maximum availability to participants which often entails after-hours and weekend communications. Our program cannot attain full success without providing the wrap-around services that each individual participant needs. In some cases, this requires making a plea to our Board of Directors to help house a participant who just needs a hand-up to get back on his feet, connecting the participant with other organizations in the community that can eliminate a barrier, or lending an ear after hours to make certain that the participant knows he is cared for and supported.

To support our holistic approach, CYW has welcomed guests that speak about physical fitness, mindfulness and mental fortitude. We touch on subjects such as networking, diversity, and how to communicate. As mentioned in an earlier section, PY2021 will introduce classes on coping skills and suicide prevention. Youth are faced with unimaginable temptations and obstacles on a daily basis that have the potential to derail their lives. CYW, Drug Free Cherokee, Cherokee FOCUS and our collaborative partners will continue to work tirelessly until these issues are eradicated. We are also leveraging our resources and expertise through the new Cherokee County Suicide Prevention Coalition. It is important

to CYW that the participants in our program feel secure in themselves, but also in the company of our other participants and staff, so they can comfortably reach out if in need of help.

New Project/Initiatives 2021

In PY2021, CYW is excited to be growing our relationship with our TCSG partner, Chattahoochee Technical College Adult Education. Although we have worked together in the past, we have identified new opportunities to partner in a mutually beneficial way. We are looking at the best way to partner with their eligible ESL students who are pursuing their GED and would qualify for our services.

CYW will also be pursuing new partnerships with the Cherokee County homeschooled community. CYW staff is in the process of reaching out to homeschool contacts to arrange meetings to discuss potential collaboration.

Additionally, CYW has recently established and will continue to foster our partnership with the Cherokee County Drug Court.

CYW staff is arranging an informative meeting for our current partners and referral sources to discuss new innovative ways of partnering and referring. A similar meeting will be arranged with businesses/WEx potential partners.

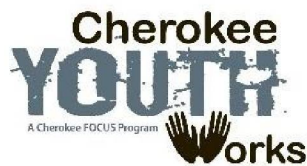
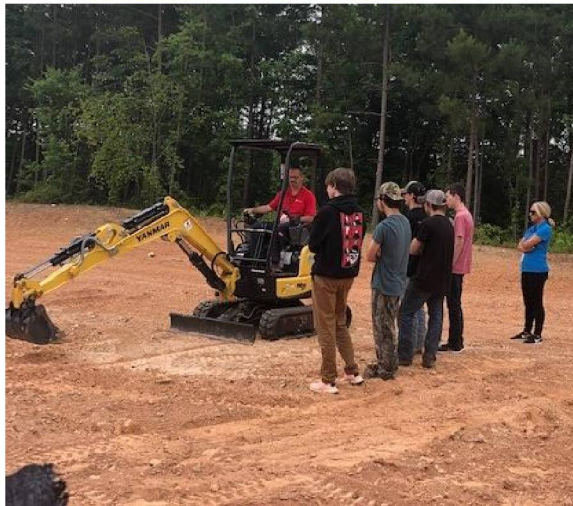
We are also in-process of developing an app that can be used by our participants to easily access Cherokee County resources. While much refinement is still needed, we believe this app will provide instant information access with, literally, a click of a finger utilizing a modality very familiar and much preferred by our youth.

Strategies to Assess Effectiveness of Program Design

As mentioned above, we will be holding meetings with active partners to revisit program best practices as it relates to those relationships. We are also very excited to have the ability to pull our own reports from VOS. CYW is also open to any strategies that other providers may have used and seen successful in assessing their design.

We have incorporated the solicitation of written and verbal testimonials from current participants as well as those entering end-of-services (EOS) status as a way to evaluate our program effectiveness. Plans for PY2021 include development of a program survey that would be administered to participants at regular intervals during the program year. On an informal basis, we have on-going discussions with our participants as to how better to serve them.

Work Experience Program Design PY 2021



Strategies to Provide Paid and Unpaid WEx Services

To better serve our participants and employers, we have been aligning ourselves with organizations sharing similar ideologies and missions as us. These are companies that wish to help young people

succeed in the workplace through all channels including non-traditional paths to educations and skill gains. Identifying these organizations, some already in our network and others new to us, has taken some time, and we are still working on establishing new partnerships. Many companies and residents of our county don't see the need for these kind of programs and initiatives because the unemployment in our county is low and graduation rate is high. Exposing and educating companies to the need and to our amazing youth is a process, but we are seeing great strides and meeting some wonderful people willing to work with our participants.

As was stated in the above program design, we align our participants with one of three career pathways as they register. This helps us organize the participants into groups to better direct us when coordinating workshops, job shadows and work experience opportunities. In past years, we have only identified paths individually, but it has not been organized in a "pathway." We strongly feel that this structure will lead to more successful outcomes and more accurate tracking while participants are going through the program.

The Cherokee FOCUS Executive Director sits on the Cherokee County Workforce Collaborative committee and is actively working with the Internship sub-committee to open new doors for the CYW youth. The committee was originally established for in-school youth, but as the committee has grown, it has provided opportunities to discuss the WEx program with local employers, and CYW is looking forward to placing some of our youth in their summer program next year.

CYW staff is looking forward to sitting down with the NextGen team and our counterparts in other counties to discuss best practices and WEx strategies that we may be able to implement to strengthen our program.

Employability Skills Activity/Services

In an effort to familiarize both the employer and participant on the position of the other, our program invites local business leaders to speak to our participants about career possibilities in order to introduce them to the wide variety of openings available in their home county and skills needed to obtain those positions. Community employers are also utilized as part of our in-house work-ready workshops. Workshops taught on topics such as interview techniques, applications that will get you hired, and job retention once you are inside the door are more effective when they are being taught by employers who could potentially hire the participant. These in-house interactions also give employers the opportunity to meet and get to know our participants directly.

Employer Relationship/Connections

In addition to aligning with like-minded organizations, we have been seeking employers based on pathway/industry as opposed to by strictly individual participant placement. Also, being a presence in the community and at business-centric events puts our program in a place to build valuable relationships with possible employers. Our Executive Director sits on the advisory committees for the planning of Cherokee's Workforce Collaborative Strategic Implementation Plan through the Cherokee Office of Economic Development along with an array of local and regional leaders from industry, education and the community. Networking has proven very productive in securing job placement and opportunities for our participants. It has become a priority that each of our CYW Career Advisors also be

educated on the needs of area employers, skills that are in demand and available training that is directly connected to jobs. And while some of our business partners might have hired a WIOA youth in the past out of a sense of social responsibility, it is imperative to further educate the employer on the value that a young and diverse workforce can bring and debunk the misperceptions or stereotypes of participants considered “low income” or “at-risk.”

Being an active member of the community has always been a top priority of our program and organization making sure we allow time for speaking at civic clubs, attending and hosting booths at career expos and community events, and participating in monthly Collaborative meetings.

As we are seeing more successful outcomes from placement, we are gaining credibility among the business community in Cherokee. There is no better marketing than a happy employer spreading the word to his counterparts.

Another action we plan to continue and improve during PY2021 is engaging with ARC Business Services partners to discuss OJT and other programs with these businesses. We saw success with this in prior years which resulted in a clear-cut career pathway set up with a local HVAC company.

Strategies to align WEx with Career Pathways as Outlined in the Service Plan

As we have grown our relationships with employers, we have sought opportunities in fields that are often identified by our participants and are in high demand. Listed below are some local businesses that have been willing to take WEx participants to support the participant’s career pathway goals.

Healthcare/Dental: Bethesda Community Clinic, Cherokee Children’s Dentistry, MasterCare Medical Services, Holly Springs Chiropractic’s, Next Step Ministries, Etowah Veterinary Hospital

Trade/HVAC: Rogers Mechanical Contractors (formerly R & D Mechanical), Northside Plumbing, Service Wise Electrical Services

Manufacturing/Light Industrial: Universal Alloy Corporation, Roytec Industries

Construction: Primus Builders, Raydeo

Logistics/Warehouse: Belnick Inc.

Education: CORE Community School, Discovery Point, Chattahoochee Technical College

Administration/Office/IT: Universal Alloy Corporation, Chattahoochee Technical School, Rogers Mechanical Contractors, City of Holly Springs

Retail: TJMaxx, Goodwill

Agriculture/Landscaping: Outdoor Expressions, City of Holly Springs

Food Services/Other: Guston’s, A New Creation Salon, Animal Atlanta

Strategies to incorporate sector-based opportunities to WEx participants

As can be seen above, CYW continues to expand the list of WEx business partners that aligns with the identified sectors.

Regarding the Regional Industry Sectors - We have goals to build relationships in the IT field and will be working in PY2021 to establish those relationships. CYW is working to identify several community Information Technology businesses in hopes of partnering with them and expanding our current network of potential work experience placements.

Regarding the ARWDB Industry Sectors - We are strongly supported in the manufacturing field in Cherokee County and through the Economic Development committee, and we are confident that our catalogue of manufacturing partners will grow. There is an immense amount of growth in Cherokee County, and we have recently had a very productive introduction with a construction company that is based in Woodstock. They are eager for talent and are willing to take on WEx participants 18 and older. Although financial services is a local industry sector as well, we have experienced some challenges in placing WEx participants in these positions due to the sensitivity of the business.

Cherokee County has a healthy interest from the film industry, and there are projects/films/television shows filmed locally throughout the year. However, there are not many jobs actually available locally in the industry. The subset of this film industry where CYW is trying to build contacts is in digital media. There are several local graphic designers who also offer small film production and digital design. What our WEx staff has found in contacting these companies is that many of them work out of their homes and on the road, so it would not be conducive for a work experience placement. CYW has reached out to two large local churches that have a design department in-staff in hopes of establishing worksite agreements.

Strategies to Continuously Monitor the WEx Activities and Worksites, also to Provide Support to the Employers (Worksite Supervisor) and the Participants.

CYW has noticed that even with buy-in, employers often get busy during the WEx placement, and direct communication starts to fall off. Therefore, CYW staff regularly initiates and maintains communication with employers to ensure continued feedback and problem-solving if needed. This includes phone calls, emails, texts, and worksite visits to provide frequent touch points for CYW staff and employer. Our in-person visits (even if a brief pop-in) especially show the employer that we are involved/invested and reinforces support to both the worksite and the employee.

Strategies to Assess Effectiveness

Our commitment to implementing and maintaining frequent open communication with the employees and worksite supervisors is key to assessing the effectiveness of our WEx placements. Reviewing notes and close-out evaluations provide additional valuable feedback. Although there are a number of variables affecting this decision, we track how many CYW participants are offered employment upon completion of WEx, which could signal a satisfaction with performance and the WEx program.

WorkSource Atlanta Regional NextGen Program
Workforce Innovative and Opportunity Act (WIOA)
GOALS & PERFORMANCE MEASURES - Program Year (PY) 2021 (07/01/2021 - 06/30/2022)

NextGen Service Provider (NGSP): Cherokee FOCUS

I.	General Services - Expenditures & Participants to Serve ("Real-Time")							
	Youth Population (Participants) to Serve					Out-of-School		
	Service Location (County)					Cherokee		
	PY2021 General Service Budget					\$64,700		
	Active Participants to Serve at Cost per of \$1,925							
	Total Participants to Serve with PY2021 Allocated Budget					34		
	PY2020 "Carry-over" Participants					42		
	PY2021 "New" Participant Enrollment					0		
	Total Participants to Serve for PY2021					42		
	(Cost per does not apply) PY2020 End of Service (EOS)/Exit/One Year Follow-Up					8		
	Pending Exits - Once Processed will Count in EOS/Exit/Follow-Up Total Numbers					0		
	New Enrollment Goals							
			Quarters	1st	2nd	3rd	4th	
	Beginning Quarter		07/01/2021	10/01/2021	01/01/2022	04/01/2022		
	Ending Quarter		09/30/2021	12/31/2021	03/31/2022	06/30/2022		
	New Enrollment per Quarter		0	0	0	0		
	Total New Enrollment for PY2021		0					
New Enrollment Target Population Guidelines								
School Dropout					72%			
English Language Learner					4%			
Justice System (Juvenile or Adult)					10%			
Foster System (Currently In or Aged Out)					6%			
Disability					8%			
II.	Work Experience (WEx) Services - Expenditures & Participants to Serve ("Real-Time")							
	PY2021 Work Experience Service Budget					\$27,174		
	New WEx Active Participants to Serve at Cost per of \$2,100							
			Quarters	1st	2nd	3rd	4th	Total
	"New" WEx Participants to Serve per Quarter		2	3	4	4	13	
	Expenditure per Quarter		\$6,794	\$6,794	\$6,794	\$6,794	\$27,174	
	*NOTE: Three unpaid WEx placements is equivalent to one paid WEx placement							
	WEx Performance at Completion - Based on Worksite Supervisor Work Evaluation							
	Successful Completion - Performance is Measured in "Real Time" at end of WEx					85%		
	III.	Performance Measures - WIOA ("Lag-Time") & Outcome at EOS/Exit ("Stand-In")						
If High School Dropout, Attain GED/HSD					Performance is Measured in "Real Time" at End of Service (EOS)/Exit		85%	
If GED/HSD Recipient, Attain Industry/WIOA Recognized Credential							85%	
Placement in Employment or Education or Advanced Training							85%	
Customer Satisfaction							90%	
2nd Quarter After Exit - Placement in Employment or Education or Training					Performance is Measured Based on WIOA Reporting "One-Year Lag Time"		82%	
4th Quarter After Exit - Placement in Employment or Education or Training							81%	
During Participation or Within One Year After Exit - Attainment of Credential							75%	
2nd Quarter After Exit - Median Earnings after Unsubsidized Employment							\$4,200	
During a Program Year (Real-Time) - In-Program Skills Gain							41%	
IV.	Case Management Performance Measures ("Real Time")							
	Mandatory Activities Assigned at Enrollment					MUST be Documented in WorkSource GA Portal/VOS		85%
	Other Appropriate Service Activities Assigned							85%
	Required Eligibility Documents Completed, Notarized, Signed, Dated, Uploaded and Named Accordingly							85%
	Successful Completion of Objective Assessment							85%
	Service Plan (IEP/ISS/ISP) Developed, Reviewed and/or Updated Every 60 Days							85%
	One of the Fourteen (14) Elements of Youth Services Provided Every 30 Days							85%
	Ongoing Services and Exit Documents Completed, Signed, Dated, Uploaded and Named Accordingly							85%
	Minimum of One Face-to-Face Contact Every 30 Days							85%
	Minimum of One Counseling Note Entered Every 30 Days (Summary for the Month)							85%
V.	Requirements & Expectations							
	A - Enrollment of new participants may include individuals funded by other sources who are provided services by WIOA-funded staff.							
	B - Must ONLY enroll and serve 100% out-of-school customers.							
	C - Must receive prior approval from ARC to serve individuals under 16 years of age.							
	D - Must receive prior approval from ARC to provide WEx longer than 12 weeks.							
	E - "New" WEx Participants means Active WIOA participants that have started a WEx during that quarter.							
	F - ALL WIOA participants will be measured by the "Stand-In" Performance, WIOA Performance and Case Management Performance Measures indicated above. Further explanation of the above Performance Measures are found in the "Performance Measures/Objectives" section of the Contract.							
	G - With the exception of number "IV", performance outcomes shall be reported to the NextGen Committee as "Real-Time" outcomes. Though indicated under number "IV", In-Program Skills Gain shall also be reported as "Real-Time" outcomes.							
	H - Failure to "MEET" expectations as indicated herein, may result in deduction of the Contractor's approved budget, program probation or cancellation of the Contract.							
	I - "Real-Time" - No, delay in time period to measure performance indicators.							
"One Year Lag-Time" - One year delay in time period to measure performance indicators.								

PERFORMANCE MEASURES/OBJECTIVES

REQUIRED PERFORMANCE:

The following Goals and Performance Measures will be used as the performance accountability system for services provided by the awarded WIOA Youth Contractor. Additional information related to the performances are included on “**Exhibit D**” of the Contract. The performance measures will be evaluated each quarter in program year 2021 (PY21) and outcomes will be reported to the NextGen Committee at their quarterly meetings.

1. GENERAL SERVICES – EXPENDITURES & PARTICIPANTS TO SERVE ("REAL-TIME")

Outline the youth population/participants (out-of-school) to serve, the county where services will be provided, and the total budget allocated to the Contractor’s WIOA Program.

Active Participants to Serve at Cost per – Establish to guide the number of participants (new – PY21 and carryover – PY20) to serve and the cost per to serve the participants in the Contractor’s WIOA Program.

❖ **NOTE:** Because minimal case management is required to ensure retention in the placement outcome (employment or education), there is no cost per associated to youth who exit the WIOA Program and are in Follow-up status.

New Enrollment Goals – Establish to guide the cumulative and quarterly new enrollment numbers in the Contractor’s WIOA Program.

New Enrollment Target Population Guidelines – Establish to guide the characteristic targets of new enrollments in the Contractor’s WIOA Program.

2. WORK EXPERIENCE (WEx) SERVICES – EXPENDITURES & PARTICIPANTS TO SERVE ("REAL-TIME")

Outline the total budget allocated to the Contractor’s WIOA Program.

Active Participants to Serve at Cost per – Establish to guide the number of new WEx participants and the cost to serve the participants cumulative and quarterly in the Contractor’s WIOA Program.

3. PERFORMANCE MEASURES – WIOA ("LAG-TIME") & OUTCOME AT EOS/EXIT ("STAND-IN")

WIOA “Lag-Time” Measure – The five (5) performances accountability indicators under

WIOA Performance Measures (Federal). The “State Negotiated Level/Rates” are negotiated by ARC and the State for PY21 to assess the effectiveness of ARC in achieving positive outcomes for youth participants served in the WIOA Youth Program. The “Contractor Level/Rates” were established to guide the outcome of the services provided by the Contractor. The “Contractor Level/Rates” are slightly higher as to ensure that ARC/WorkSource Atlanta Regional “Meets” or “Exceeds” the “State Negotiated Level/Rates”.

- *Unless there is further clarification by the Federal/State or ARC/WorkSource Atlanta Regional/WorkSource Atlanta Regional NextGen Program, Transition or Individual Education Plan (IEP) diploma awarded to individuals with disabilities upon completion of high school will not be accepted as meeting the WIOA “Credential” requirement. Therefore, individuals with disabilities must achieve the WIA Common Measures “Certificate” definition in TEGL 17-05, Attachment B.*

Regular guidance will be issued by ARC/WorkSource Atlanta Regional/WorkSource Atlanta Regional NextGen Program regarding interpretations, exit periods and other aspects of the WIOA Performance Measures.

Outcome at Exit/EOS “Stand-In” Measure – The four (4) performances accountability indicators under WorkSource Atlanta Regional NextGen Program (Local). The exit-based “Stand-In” performance numbers were established to guide the outcome of the services provided by the Contractor’s WIOA Program. Because WIOA Performance Measures are measured in one-year lag time, the “Stand-In” Measures are youth participants’ exits outcome measured in “Real-Time”. This method enables the WorkSource Atlanta Regional NextGen Program to immediately assess performance outcome.

WIOA “Lag-Time” Measure	Definition	State Negotiated Level/Rates	Contractor Level/Rates
Placement in Employment, Education, or Training –Employment 2 nd Quarter after Exit	Percentage of program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from the program.	72%	82%
Placement in Employment, Education, or Training –Employment 4 th Quarter after Exit	Percentage of program participants who are in education or training, or in unsubsidized employment during the fourth quarter after exit from the program.	71%	81%

Credential Attainment Rate – Attainment within Four Quarters After Exit	Percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent during participation in or within 1 year after exit from the program.	65%	75%
Earnings after Entry into Unsubsidized (not paid through WIOA) Employment – Median Earning 2 nd Quarter after Exit.	Median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program	\$3,200	\$4,200
In-Program (Measurable) Skills Gains “Real-Time”	Percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment.	31%	41%
Outcome at Exit/EOS “Stand-In” Measure		Definition	Contractor Level/Rates
If School Dropout, Attain General Equivalent Diploma/ High School Diploma (GED/HSD)		Youth participants who were a school dropout at the time of WIOA enrollment who earned a diploma or its equivalent at exit.	85%
If HSD/GED Recipient, Attain Industry/WIOA Recognized Credential		Youth participants who have earned a recognized occupational credential or degree while in the program.	85%
Placement in Employment or Education or Advanced Training		Youth participants who are employed and/or are attending post- secondary education/advanced training at exit.	85%
Customer Satisfaction		Number of youth participants who indicate a positive customer service experience with the Contract’s organization and services provided.	90%

4. CASE MANAGEMENT PERFORMANCE MEASURES ("REAL TIME")

The Case Management performance numbers were established to guide the outcome of the services provided by the Contractor's WIOA Program in "Real Time" and to ensure that all required eligibility, ongoing services, Exit/EOS/Follow-Up, WorkSource GA Portal/VOS data entry requirements are met and validation documentations are collected and uploaded in WorkSource GA Portal/VOS.

The following Goals/Performance further define the Case Management Performance Measures indicated on "**Exhibit D**"

- a) Preliminary Assessment – To complete a "Preliminary Assessment" (to determine suitability and need) for program (service) placement prior to WIOA NextGen Program enrollment for each participant.
- b) Service Plan – To develop a comprehensive "Service Plan" (IEP/ISS/ISP) within thirty (30) days or earlier of WIOA NextGen Program enrollment for each participant. To regularly review and update the Service Plan at a minimum of every sixty (60) days in order to monitor and evaluate the youth's progress towards achieving their short/long-term goals/objectives. Changes to the Service Plan should be documented in WorkSource GA Portal/VOS.
- c) Work Experience – Eighty-Five percent (85%) of all participants who are in employment or employment readiness settings (while active participants) will be rated "very good" or "excellent" overall by their supervisor or teacher on an employment readiness rating (Trainee Progress Evaluation) sheet.

Compensation and Method of Payment

I. Compensation Information

- A. Compensation: In no event will the total compensation and/or reimbursement, if any, to be paid to the contractor under this contract exceed the sum of **\$91,874**. Contractor's invoices for payment will detail charges to be applied to each ARC funding source. In no event will charges applied to each funding source exceed the maximum amounts per funding source or be used before or after the start and ending dates for each funding source, as listed and detailed on page E-4 and attached hereto and made a part of this contract.
- B. Authorized Expenditures: The amount of total compensation and/or reimbursement referred to in paragraph IA above, **\$91,874**, represents full funding of this contract, and is contingent upon such amount being made available to ARC by the Technical College System of Georgia – Workforce Development in the form of grant contract. At the time of execution of this contract, full funding may not be available. Therefore, the contractor is authorized to incur cost and seek reimbursement only up to a maximum total of **\$91,874**, as shown on page F-4:

Increases in authorized expenditures may be made up to the full funding amount. Any such authorizations shall be in writing and made between the parties hereto.

II. Method of Payment:

- A. The Contractor shall be entitled to receive payments on the following basis. As of the last day of each month during the existence of this contract, the Contractor shall submit to ARC an invoice requesting payment for all appropriate work and services completed during that month. The invoice shall also contain completed, signed and approved staff time sheets. The form of such invoice shall be determined by ARC.

Upon the basis of its audit, review, and approval of such invoice, and its review and approval of the monthly reports called for in the paragraph concerning "Reports" in the main body of the contract ARC will, based on the invoice(s) described above, make payments to the Contractor, but not more often than once a month, unless otherwise approved by ARC. Invoices shall be numbered consecutively and submitted each month until the project is completed.

Contractor's monthly invoices are to be received by ARC no later than the 10th day of the month following the reporting period. Invoices received after the 10th day of the month may not be processed for payment until the 5th day of the following month. Invoices received on time, without error and within budget shall be processed within 30 days from ARC's receipt of the invoice. ARC may,

at its discretion, disallow payment of all or part of an invoice not in conformance with any of the terms of this contract, as determined by ARC.

ARC will not be responsible for payments delayed due to, but not limited to, acts of nature, power outages, etc. ARC will make every attempt to process payments as soon as possible after such situations are resolved.

While ARC highly recommends that the contractor maintain its expenditures within its approved budget and budget line items, ARC does recognize that budgets are estimates and may be subject to change. As a result, ARC shall take into consideration any requests for budget modifications. Approval of such modifications, both cost and no-cost modifications, shall be determined by final approval of ARC and, if necessary, Technical College System of Georgia – Workforce Division.

All approved budget modification requests that change the overall budget (increase or decrease), must be amended to the contract.

The Contractor may be notified by ARC, in writing, on any decision by ARC to make no-cost modifications to the Contractor's budget made by ARC.

ARC will not permit any budget modifications that would cause funding to be used for any other purposes other than those consistent with the original purpose for which this budget was approved, unless otherwise approved by ARC. ARC does reserve the right to approve and disapprove requests that may be allowable, but not required by Federal, State, local and ARC laws and policies.

- B. Final Payment: Upon the completion of all work and services under this contract and the submittal of a final invoice, ARC shall pay all compensation due to the Contractor, less the total of all previous payments made.

Contractor's final closeout invoice must be received by ARC no later than 15 calendar days after the project completion date specified in Paragraph 3 of the contract. Any cost or obligations not claimed on the closeout invoices shall be deemed to be waived and the limit of ARC's liability shall be reduced accordingly without any further notice to Contractor. ARC may, at its discretion, disallow payment of all or part of a final invoice not in conformance with any of the terms of this contract, as determined by ARC.

No advances shall be made under this contract

- C. Payment Cycle: Payments from ARC are on a “net 30 day” basis, subject to availability of appropriate funding, and as described in Paragraph (II)(A) Method of Payment on page F-1 and F-2.

- III. Completion of Project: It is agreed that in no event will the maximum compensation and reimbursement, if any, to be paid to the Contractor under this contract exceed the amount specified on page F-1, Paragraph (I)(A), and that the Contractor expressly agrees that

they shall do, perform, and carry out in satisfactory and proper manner, as determined by ARC, all of the work and services described in Exhibits A through D of this contract.

- IV. Other Requirements: In the case of a cost-reimbursable contract, in addition to the requirements in the main body of the Contract concerning "Requirements of Concerned Funding Agency," Contractor agrees to comply with and shall be bound by the applicable terms and conditions of all State and Federal laws or regulations governing and defining allowable costs and associated procurement standards, including, but not limited to, U.S. Office of Management and Budget 2 CFR Part 200, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), or 29 CFR Part 97, as appropriate. All such documents are available for inspection in the offices of ARC and are hereby made a part of this contract as fully as if the same were attached hereto.

The Contractor further agrees that, if costs incurred by the Contractor are not in conformity with the above requirements and are subsequently disallowed as a result of a review or an audit either pursuant to paragraph concerning "Audits" in the main body of the contract, by ARC, the Concerned Funding Agency, the Comptroller General of the United States, or any of their duly authorized representatives, then, upon written demand by ARC, the Contractor shall promptly reimburse ARC in full for such disallowed costs.

- V. Financial Management System: The Contractor certifies that its financial management system currently complies and will continue to comply with all of the standards for financial management systems specified in 29 CFR Part 97, or 2 CFR Part 200, as appropriate.
- VI. CFDA: 17.259

Cost Reimbursement Budget				
I. GENERAL INFORMATION				
Contractor Name: City of Holly Springs/Cherokee FOCUS				
Contract Number: WD1814				
Contract Period: July 1, 2021 - June 30, 2022				
Maximum Funds Available: \$ 91,874				
<i>Funding Period Beginning</i>	7/1/2021	7/1/2021		
<i>Funding Period Ending</i>	6/30/2022	6/30/2022		
II. BUDGET CATEGORIES	Youth Out of School 104CB	Youth Out of School 204CB		Total
A. General Youth Services				
1. Personnel Salaries		34,000		34,000
2. Personnel Benefits		2,602		2,602
3. Operations				-
4. Facilities				-
5. Participant Activities/Support				-
6. Other		28,098		28,098
Total General Youth Services	-	64,700		64,700
B. Work Experience				
1. Personnel Salaries		5,000		5,000
2. Personnel Benefits		383		383
3. Operations				-
4. Facilities				-
5. Participant Activities/Support	15,000	6,791		21,791
6. Other				-
Total Work Experience	15,000	12,174		27,174
Total	15,000	76,874		91,874

FIDELITY BONDING REQUIREMENTS

Fidelity bonding, or equivalent, as described in Paragraph 16 of this contract shall be:

- ☐ 1. \$100,000, or
- ☐ 2. An amount equal to the highest advance planned for the present contract period, or
- ☐ 3. An amount equal to the maximum possible invoice under the terms of this fixed unit priced contract, or
- ☒ 4. Contractor is a state or local government or a public agency which is exempt from bonding requirements under this contract.
- ☐ 5. No less than \$_____

*Please note that an increase in the contract budget may require an increase in bonding, or equivalent.

*The budget amount for the period(s) that have been financially monitored AND closed by ARC will not require bonding beyond that period. Bonding should still be maintained through the respective period.

*Where bonding is required, the contractor shall procure and present to ARC a copy of the fidelity bond, or equivalent, within 15 days from the execution of this contract. Failure to do so may result in postponement of contract until such bonding is procured, or cancellation of the contract. If a postponement to the contract is issued, no expenses shall be incurred or reimbursed during the period of postponement.

CITY OF HOLLY SPRINGS

JOB DESCRIPTION

A. IDENTIFICATION INFORMATION

- 1. Job Title: Stormwater Inspector/Equipment Operator**
- 2. Department: Community Development** **Division: Stormwater**
- 3. FLSA Classification: Non-exempt** **Pay Grade: 14**

B. INTRODUCTORY STATEMENT

This position is responsible for the inspection of the city's stormwater system to ensure compliance with state and federal regulations. This position is also responsible for conducting weekly and post rainfall erosion control inspections to ensure construction site compliance with state and federal regulations. This position operates vehicles and equipment in the maintenance of city streets and rights-of-way.

C. ESSENTIAL JOB FUNCTIONS

1. Inspects stormwater system structural components.
2. Inspects all new and post-construction infrastructure in the city; tests water quality and records results.
3. Inspects all construction sites weekly and post rainfall to ensure compliance with Georgia Soil and Water Conservation Commission (GSWCC) regulations.
4. Performs Global Positioning System (GPS) data collection and field mapping.
5. Maintains stormwater structure and components.
6. Researches and investigates citizen complaints and inquiries.
7. Operates a variety of vehicles and equipment including a street sweeper, tractor with attachments such as a long-arm mower, etc.
8. Maintains assigned vehicles and equipment; performs pre- and post-trip vehicle inspections.
9. Performs related duties as assigned.

D. JOB FACTOR SPECIFICATIONS

1. Job Requirements

a. Knowledge, Skill, and Ability

1. Knowledge of stormwater maintenance principles and practices.
2. Knowledge of state and federal environmental regulations related to stormwater management.
3. Knowledge of the techniques, equipment, and supplies used in street and right-of-way maintenance.
4. Knowledge of city safety policies and procedures.
5. Knowledge of the geography of the city, including street names and locations.
6. Skill in operation of assigned vehicles and equipment.
7. Skill in prioritizing and planning.
8. Skill in interpersonal relations.
9. Skill in oral and written communication.

2. Responsibility

- a. This position has no supervision over any other personnel.

3. Personal Work Relationships

- a. Contacts are typically with coworkers, engineers, land developers, erosion control professionals, vendors, business owners, and the general public.
- b. Contacts are typically to exchange information, motivate persons, resolve problems, and provide services.

4. Physical Effort and Work Environment

- a. The work is typically performed while intermittently sitting, standing, stooping, walking, bending or crouching. The employee occasionally lifts light and heavy objects, distinguishes between shades of color, and utilizes the sense of smell.

- b. The work is typically performed outdoors, occasionally in cold or inclement weather. The employee is exposed to noise, dust, dirt, grease, and machinery with moving parts. The work requires the use of protective devices such as masks, goggles, gloves, etc.

5. Guidelines

- a. Guidelines include the City of Holly Springs Development Regulations, the Georgia Stormwater Manual, the Manual of Erosion and Sediment Control, and the Manual for Illicit Discharge Detection and Elimination. These guidelines are generally clear and specific, but may require some interpretation in application.

6. Complexity and Scope of Work

- a. The work consists of related technical duties. Strict regulations contribute to the complexity of the position.
- b. The purpose of this position is to ensure compliance with the city's stormwater permit. Successful performance contributes to the provision of an efficient, effective, and regulatory compliant stormwater system.

7. Minimum Qualifications

- a. Knowledge and level of competency commonly associated with completion of specialized training in the field of work, in addition to basic skills typically associated with a high school education.
- b. Sufficient experience to understand the basic principles relevant to the major duties of the position, usually associated with the completion of an apprenticeship/internship or having had a similar position for two to three years.
- c. Possession of or ability to readily obtain a valid driver's license issued by the State of Georgia for the type of vehicle or equipment operated (Class "B" CDL).
- d. Possession of or ability to readily obtain the appropriate state certification for the type of inspection(s) conducted.

8. Supervisory Controls

- a. The Land Development Manager/GIS Technician assigns work in terms of general instructions. The supervisor spot-checks completed work for compliance with procedures, accuracy, and the nature and propriety of the final results.

E. APPROVAL SIGNATURES

I have read and understand the attached job description for the position of Stormwater Inspector/Equipment Operator with the City of Holly Springs.

Employee (print)

Employee (signature)

Date

Department Head (print)

Department Head (signature)

Date

City Manager (print)

City Manager (signature)

Date

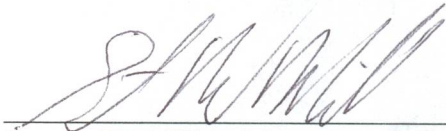
**AFFIDAVIT OF PRESIDING OFFICIAL(S) FOR A CLOSED PUBLIC
MEETING**

While in Regular Session, the motion was made to enter into an Executive Session to discuss certain matters in a closed session.

- () To discuss with council pending and/or potential litigation, settlement claims, administrative proceedings or other judicial actions, which is exempt from the Open Meetings Act pursuant to O.C.G.A. Section 50-14-2(1).
- (X) A meeting to discuss the purchase, disposal of, or lease of property; authorize the ordering of an appraisal related to the acquisition or disposal of real estate; enter into a contract to purchase, dispose of, or lease property subject to approval in a subsequent public vote; or enter into an option to purchase, dispose of, or lease real estate subject to approval in subsequent public vote, which is excluded from the Open Meetings Act pursuant to Section 50-14-3(b)(1)(C).
- () A meeting discussing the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or employee, which is excluded pursuant to O.C.G.A. Section 50-14-3(b)(2).
- () Discussion in Executive Session of Records that are otherwise protected from disclosure under the Open Records Act as pursuant to O.C.G.A. Section 50-14-3-(b)(4).

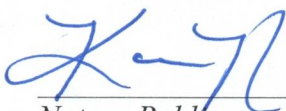
 X The subject matter of the Executive Session of the Regular Session was devoted to matters within the exceptions provided by law.

 Because of events occurring during the closed session, I am unable to affirm the subject matter of the Executive Session of the Regular Session was devoted to only matters within the exceptions provided by law.



Steven W. Miller, Mayor
City of Holly Springs

Sworn to and subscribed before me this 9th day of September 2021.



Notary Public



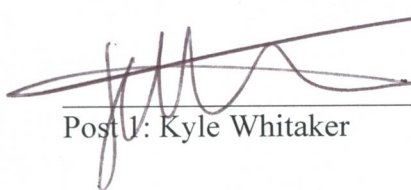
12/21/2023
Commission Expires

COUNCIL REPRESENTATION ATTENDING CLOSED SESSION

I attended the closed session described above and I acknowledge the Presiding Official has executed the affidavit in reliance upon my representation that I did not observe a violation of the Open Meetings Law and the Presiding Official may rely upon my representation that no illegal activities occurred with regard to this meeting.

So represented this 9th day of September 2021.

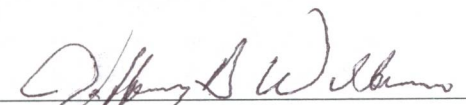
Signatures of members participating in the meeting:


Post 1: Kyle Whitaker

Absent
Post 2: Dee Phillips


Post 3: Michael Roy Zenchuk II

Kevin W. Moore
Post 4: Kevin W. Moore


Post 5: Jeffrey D. Wilbur



City of Holly Springs Work Session Meeting

Speaker Sign In Sheet

September 9, 2021

Meeting Date: _____

Name	Address	City Resident Y/N	Topic of Comment
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			

Note: City Council meetings are public meetings but are not public hearings. It is at the Chief Elected Official's discretion if public comment is taken.

