



ADDENDUM #1

2021 – 2023 Audit Services RFP Questions and Answers:

- Q: What firm performed your audit services for the past 3 years?**
A: Clifton, Lipford, Hardison & Parker, LLC
- Q: What was the audit fees paid for the last three years?**
A: 2018 - \$8,500
2019 - \$8,500
2020 - \$8,500
- Q: Can you provide a copy of the prior year's engagement letter?**
A: See attachment A
- Q: Can you provide a copy of the last Audit report?**
A: See attachment B
- Q: Can you provide a current year financial statement for January – November 2021?**
A: See attachment C
- Q: Do your bylaws require a change of auditors each cycle?**
A: No, every other 3-year cycle
- Q: Do you need a hard copy of the proposal mailed or would an email pdf be sufficient?**
A: One (1) Original hard copy and four (4) hard copies
- Q: Do you have a formal RFP?**
A: No, other than the documents you received
- Q: Is the auditor expected to prepare the financial statements?**
A: Yes
- Q: Did the organization receive any federal awards during the fiscal year, or expend federal award monies from previous years?**
A: No
- Q: Will the staff be available to assist with confirmation letters, reconciliations, and any other documentation we might require for the audit?**
A: Yes, all preliminary audit work is performed by Evermore CID staff
- Q: Is there a specific audit completion due date that is required?**
A: Yes, March 25, 2022 – CID receives draft Financial Statements
- The selected firm prepares and submits:
 - an engagement letter for the service, after the proposal is awarded tentatively scheduled for January 26, 2022;
 - a representation letter after approval of the completed audit by Evermore CID during the week of April 1, 2022; and
 - prepare and present a PowerPoint presentation to the Board for the currently scheduled meeting on April 27, 2022.

- Q: Is there a packet that you can share that provides detailed information about the RFP for Audit Services?**
A: No, other than the previously provided information
- Q: Are there any additional instructions on the preferred CPA experience, proposal content and format of the proposal**
A: No, other than the previously provided information
- Q: Approximately how many auditor's adjusting entries were there for the 12/31/20 audit?**
A: Two reclass entries and one adjustment
- Q: To whom do we address the proposal to?**
A: Attn: Lois Love, Financial Administrator by January 21, 2022 at noon.
- Q: Do you prefer the auditor to perform the work in the field or remotely?**
A: Most of the Auditor's work is performed remotely. We prefer field work to be done on site but can accommodate remotely, if necessary.
- Q: What is the correct mailing address?**
A: Evermore Community Improvement District
Attn: Lois Love, Financial Administrator
2795 Main Street, West
Building 28, Suites A & B
Snellville, GA 30078
- Q: What date and time is the RFP due and when will the RFP be opened?**
A: The RFP is due no later than noon on Friday 1/21/2022.
A: The RFP's will be opened on Friday 1/21/2022 at 2:30 pm

**CLIFTON, LIPFORD, HARDISON & PARKER, LLC**

Member of American Institute of Certified Public Accountants

February 12, 2021

Evermore Community Improvement District
2795 Main Street West, Building 28
Snellville, GA 30078

We are pleased to confirm our understanding of the services we are to provide the Evermore Community Improvement District (the "District") for the year ended December 31, 2020. We will audit the financial statements of the governmental activities and the General Fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Operating
- 3) Notes to the Required Supplementary Information

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the Evermore Community Improvement District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Clifton, Lipford, Hardison & Parker, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory authority or its designee. We will notify you of any such request. If requested, access to such audit documentation will be

provided under the supervision of Clifton, Lipford, Hardison & Parker, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

David C. McCoy is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$8,500. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur additional costs.

We appreciate the opportunity to be of service to the Evermore Community Improvement District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

CLIFTON, LIPFORD, HARDISON & PARKER, LLC

By



David C. McCoy, CPA

RESPONSE:

This letter correctly sets forth the understanding of the Evermore Community Improvement District.

By:



Title:

Date:

ATTACHMENT B

**EVERMORE COMMUNITY
IMPROVEMENT DISTRICT
SNELLVILLE, GEORGIA
INDEPENDENT ACCOUNTANT'S REPORT
AND FINANCIAL STATEMENTS
DECEMBER 31, 2020**

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

Page

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1 – 2
---	--------------

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Position	3
Statement of Activities.....	4
Fund Financial Statements	
Balance Sheet – General Fund	5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Funds Balances – General Fund.....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8
Notes to the Financial Statements	9 – 17

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Operating.....	18
Notes to the Required Supplementary Information.....	19



CLIFTON, LIPFORD, HARDISON & PARKER, LLC

Member of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of the
Evermore Community Improvement District
Snellville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Evermore Community Improvement District (the "District"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Evermore Community Improvement District, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Revenue, Expenditures, and Changes In Fund Balance – Budget to Actual – Operating (Budgetary Basis) and the notes to required supplementary information on pages 18 and 19 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Clifton, Lipford, Hardison & Parker LLC

Macon, Georgia
March 19, 2021

BASIC FINANCIAL STATEMENTS

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>2020</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,601,357
Certificates of deposit	2,514,817
Property tax receivables	95,125
Security deposit	2,500
Prepaid items	<u>10,097</u>
Total Assets	<u>4,223,896</u>
<u>LIABILITIES</u>	
Accounts payable	47,770
Noncurrent liabilities	
Note payable, due within one year	30,109
Note payable, due in more than one year	<u>136,316</u>
Total Liabilities	<u>214,195</u>
<u>NET POSITION</u>	
Unrestricted	<u>4,009,701</u>
Total Net Position	<u><u>\$ 4,009,701</u></u>

The notes to the financial statements are an integral part of this statement.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position
		Operating Grants and Contributions	Total Governmental Activities
Primary Government:			
Governmental Activities			
Salaries and benefits	\$ 226,665	\$ -	\$ (226,665)
Program and Investment Fees	300,461	130,636	(169,825)
Highway Maintenance	145,379	-	(145,379)
Professional Fees	35,389	-	(35,389)
Travel and Convention	50,382	-	(50,382)
Other Administrative Expense	86,539	-	(86,539)
Interest on long-term debt	4,378	-	(4,378)
Total governmental activities	<u>\$ 849,193</u>	<u>\$ 130,636</u>	<u>(718,557)</u>
General Revenues			
Property tax			996,969
Interest revenue			37,073
Other revenue			9
Total General Revenues			<u>1,034,051</u>
Change in Net Position			315,494
Net Position - Beginning of year			<u>3,694,207</u>
Net Position - End of year			<u>\$ 4,009,701</u>

The notes to the financial statements are an integral part of this statement.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2020

	<u>2020</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,601,357
Certificates of deposit	2,514,817
Property tax receivable	95,125
Security deposit	2,500
Prepaid items	<u>10,097</u>
Total Assets	<u>\$ 4,223,896</u>
<u>LIABILITIES</u>	
Accounts payable	<u>\$ 47,770</u>
Total Liabilities	<u>47,770</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenue - property taxes	<u>48,799</u>
Total Deferred Inflows of Resources	<u>48,799</u>
<u>FUND BALANCES</u>	
Nonspendable	12,597
Assigned	3,480,828
Unassigned	<u>633,902</u>
Total Fund Balances	<u>4,127,327</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,223,896</u>

The notes to the financial statements are an integral part of this statement.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2020

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

Total Fund Balances - Governmental Funds	\$ 4,127,327
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	48,799
Long-term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:	
Notes payable	<u>(166,425)</u>
Total Net Position of Governmental Activities	<u>\$ 4,009,701</u>

The notes to the financial statements are an integral part of this statement.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>
<u>Revenues:</u>	
Property taxes	\$ 989,945
Intergovernmental	130,636
Interest earnings	37,073
Other revenues	<u>9</u>
Total Revenues	<u>1,157,663</u>
<u>Expenditures:</u>	
Current:	
Salaries and benefits	226,665
Program and investment fees	300,461
Highway maintenance	145,379
Professional fees	35,389
Travel and conventions	50,382
Other administrative expenses	86,539
Debt Service	
Principal	29,396
Interest	<u>4,378</u>
Total Expenditures	<u>878,589</u>
Net change in fund balances	279,074
Fund Balance, beginning of year	<u>3,848,253</u>
Fund Balance, end of year	<u><u>\$ 4,127,327</u></u>

The notes to the financial statements are an integral part of this statement.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

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	\$ 279,074
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Long-term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Notes payable	29,396
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Revenues

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

	7,024
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Change in Net Position of Governmental Activities

	\$ 315,494
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The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Evermore Community Improvement District (the District), was formed March 1, 2003 through a resolution by the Gwinnett County Board of Commissioners and the Snellville City Council. The District receives funding through special tax assessments on commercial property within the District area, intergovernmental grants, and Special Purpose Local Option Sales Tax (SPLOST) proceeds from Gwinnett County, all of which are to be used for the purpose outlined by the Gwinnett County Improvement Districts Act. Property taxes are collected by the Gwinnett County Tax Commissioner and are disbursed to the District less a one-percent processing fee. The District is not presented as a reporting entity in any other government unit.

The property owners of the District agreed to tax themselves up to an additional five mills per year to establish a vibrant, upscale destination area; improve business development opportunities; and enhance property values by developing and promoting coordinated transportation and community character improvements to benefit property owners, business owners, and residents along the Highway 78 corridor.

The District's Board of Directors is composed of eight members. One member is appointed by the Gwinnett County Board of Commissioners, one member is appointed by the City of Snellville, and six members are elected by the property owners of the District. The District's Board has decision making authority over the District.

B. Government-Wide and Fund Financial Statements

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America 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 District's basic financial statements include government-wide financial statements prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements (i.e., the statement of net position and the statement of activities) report the District's governmental activities. The statement of net position includes noncurrent assets and liabilities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program or 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 grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(CONTINUED)

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, intergovernmental revenues, and interest earnings associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The fund financial statements provide more detailed information about the government's most significant fund, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(CONTINUED)

The government reports the following major governmental fund:

General Fund – The General Fund is the District’s primary operating fund. It is used to account for all financial resources of the District.

D. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments (including investments with original maturities of three months or less) in authorized financial institutions. The District’s nonparticipating interest-earnings investment contracts (certificates of deposit) are carried at cost, which approximates fair value. The remaining investments are reported at fair value. Changes in fair value are included as a component of investment earnings. Georgia laws authorize the District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations, or insured State chartered building and loan associations.

E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures / expenses when consumed rather than when purchased. In addition, the District has provided a prepaid deposit to Gwinnett County to be utilized in right-of-way acquisitions for various infrastructure improvement projects. As the County is able to procure applicable right-of-way parcels, the District will recognize the expenditures. Any unspent portions of the prepaid deposit will be returned to the District upon completion of the right-of-way acquisition phase of the projects.

G. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment is reported in the governmental activities column in the government-wide financial statements. Land, buildings and improvements, furniture and equipment capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Buildings and improvements, furniture and equipment of the District are

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(CONTINUED)

depreciated using the straight line method, generally three to five years. For the year ended December 31, 2020, all furniture and equipment were fully depreciated.

H. Deferred Outflows / Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of deferred inflows, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

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

J. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "Fund Balance". Fund equity for all other reporting is classified as "Net Position".

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities, and deferred inflows of resources, under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

(CONTINUED)

report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District 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 there are limitations imposed on their use either through enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote and passage of a resolution of the Board of Directors. Only the Board may modify or rescind the commitment by a formal vote and passage of a subsequent resolution.
- Assigned – Fund balances are reported as assigned when amounts are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board has designated through policy the Executive Director the authority to make assignments of fund balance.
- Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The District reports positive unassigned fund balance only in the General Fund.

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

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The District does not have a formal minimum fund balance policy.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(CONTINUED)

The following is a summary of the fund balance classifications as of December 31, 2020:

	General Fund
Fund Balances:	
Nonspendable	
Prepays	\$ 10,097
Security deposit	2,500
Assigned for:	
2021 Operating Budget appropriations	140,000
2021 Capital Budget appropriations	550,000
Future projects	2,790,828
Unassigned	633,902
Total fund balances	<u>\$ 4,127,327</u>

L. 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, deferred outflows of resources, deferred inflows of resources, and liabilities, the disclosure of contingent assets, and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions; and natural disasters. The District purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage's for each of the past three fiscal years. The District had no significant reduction in insurance coverage from coverage in the prior year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Custodial Credit Risk – Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the District 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. The District's bank balances of deposits as of December 31, 2020 are entirely insured or collateralized with securities held by the District's agent in the District's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held. The District does not have a formal policy for custodial credit risk.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(CONTINUED)

At December 31, 2020, the District's certificates of deposits were as follows:

CD's	Maturities	Balance
Certificates of deposit	6 month CDs	\$ 2,285,422
Certificate of deposit	12 Month CD	229,395
		<u>\$ 2,514,817</u>

The certificates of deposit are considered nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

B. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The District does not have a formal policy for managing interest rate risk.

C. Credit Risk

The District does not have a formal policy to address credit risk aside from adherence to State statutes for investments. State statutes authorize the District to invest in obligations of the State of Georgia; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptance; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

NOTE 3 – PROPERTY TAXES

Property taxes are levied in August of each year based on assessed values of commercial property as of January 1. The taxes are billed and levied on October 1st and collected by the Gwinnett County Tax Commissioner. Property taxes are due on December 1st for the 2020 digest. On this due date, the bill is considered delinquent and penalties and interest may be assessed.

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(CONTINUED)

NOTE 4 – LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	\$ 195,821	\$ -	\$ (29,396)	\$ 166,425	\$ 30,109
Governmental activity Long-term liabilities	\$ 195,821	\$ -	\$ (29,396)	\$ 166,425	\$ 30,109

Notes Payable

In 2016 the District executed a note payable agreement with the State Road and Tollway Authority (SRTA). The note, financed through the Georgia Transportation Infrastructure Bank (GTIB), operates as a line of credit. The District was approved to borrow up to \$300,000 for the Old Highway 78 Walton Court Realignment project. As of December 31, 2020, the District has fully drawn the note. The note bears interest at 2.40% with monthly payments of \$2,814 that started April 2016 and matures March 2026. Total interest paid for 2020 was \$4,378.

The District's debt service requirements to maturity on the note is as follows:

December 31	Principal	Interest
2021	\$ 30,109	\$ 3,665
2022	30,840	2,934
2023	31,588	2,186
2024	32,354	1,419
2025	33,140	634
2026	8,394	34
Total	\$ 166,425	\$ 10,872

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(CONTINUED)

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A. Litigation

During the course of normal operations of the District, various claims and lawsuits arise. The District's attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

B. Contractual Commitments

For the year ended December 31, 2020, the District did not have any contractual commitments in-process.

C. Operating Lease

This District has an operating lease for office space with a third party which expires in December 2022. The current year lease expenditure totaled \$30,000. Future minimum lease payments under the terms of the lease are summarized as follows:

<u>Year Ending December 31,</u>	
2021	\$ 30,000
2022	<u>30,000</u>
	<u>\$ 60,000</u>

REQUIRED SUPPLEMENTARY INFORMATION

EVERMORE COMMUNITY IMPROVEMENT DISTRICT

GENERAL FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL - OPERATING (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Revenues:</u>				
Property taxes	\$ 1,079,620	\$ 1,079,620	\$ 989,945	\$ (89,675)
Interest earnings	1,000	1,000	2,602	1,602
Other income	1,000	1,000	9	(991)
Total Revenues	1,081,620	1,081,620	992,556	(89,064)
<u>Expenditures:</u>				
Salaries and benefits	247,500	247,500	226,665	20,835
Program and investment fees	57,000	57,000	6,950	50,050
Highway maintenance	179,300	179,300	145,379	33,921
Public safety	36,500	36,500	16,500	20,000
Professional fees	52,000	52,000	35,389	16,611
Travel and conventions	53,700	53,700	50,382	3,318
Other administrative expenses	161,820	161,820	86,516	75,304
Debt Service:				
Principal	28,700	28,700	29,396	(696)
Interest	5,100	5,100	4,378	722
Total Expenditures	821,620	821,620	601,555	220,065
Excess (Deficiency) of Revenue Over (Under) Expenditures	260,000	260,000	391,001	131,001
Other Financing Sources (Uses)				
Transfer out	(400,000)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	(400,000)	(400,000)	(400,000)	-
Net Change in Fund Balance	(140,000)	(140,000)	(8,999)	131,001
Fund Balance, beginning of year	3,711,252	3,711,252	3,711,252	-
Fund Balance, end of year	\$ 3,571,252	\$ 3,571,252	\$ 3,702,253	\$ 131,001

The accompanying notes to the required supplementary information are an integral part of this schedule

EVERMORE COMMUNITY IMPROVEMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 – BUDGET / GAAP RECONCILIATION

The District establishes an annual appropriated budget for the General Fund each year for the operations of the District. The capital activity is budgeted on a project length basis. In the General Fund, accounting principles used in developing the budget on a budgetary basis differ from those used in preparing financial statements in conformity with generally accepted accounting principles (GAAP). The following table includes the items that were not considered in the budget period and are needed to reconcile the General Fund budget to the amounts reported in accordance with GAAP.

The accounting basis difference between the budget and actual Statement of Revenues, Expenditures and Changes in Fund Balance in the General Fund is reconciled as follows:

Actual revenues GAAP basis	\$ 1,157,663
Capital grant revenues	(130,636)
Interest earnings on capital accounts	(34,471)
Actual revenues, budgetary basis	<u>\$ 992,556</u>
Actual expenditures, GAAP basis	\$ 878,589
Capital Outlays	(277,034)
Actual expenditures, budgetary basis	<u>\$ 601,555</u>
Actual other financing sources (uses), GAAP	\$ -
Transfers to capital fund	(400,000)
Actual other financing sources (uses), budgetary basis	<u>\$ (400,000)</u>
Net change in fund balance, GAAP basis	<u>\$ 279,074</u>
Net change in fund balance, Budgetary basis	<u>\$ (8,999)</u>

ATTACHMENT C
Evermore Community Improvement District
Trial Balance
As of November 30, 2021

	Nov 30, 21	
	Debit	Credit
1000 · Renasant Bank Checking	573,057.33	
1070 · Savings & short-term investment:1086 · Renasant Bank OP MMKT	209,618.74	
1100 · Property Taxes Receivable:1100.21 · Property Taxes Receivable-2021	52,823.16	
1100 · Property Taxes Receivable:1100.20 · Property Taxes Receivable-2020	1,434.07	
1110 · Accounts Receivable	0.00	
1301 · Prepaid Expense	0.00	
1460 · Deposits:1461 · Security Deposit	2,500.00	
2020 · Due To Intergovernmental:2022 · Due to Gwinnett County Tax Comm		1,843.78
2300 · Deferred Revenues	0.00	
2100 · Payroll Liabilities	0.00	
3001 · Opening Bal Equity	113,193.80	
3010 · Retained Earnings		786,498.29
5 · Revenues - General:5312 · Penalty - Prop Tax Delinquent		1,773.53
5 · Revenues - General:5000 · Property Tax Revenues:5000.21 · Property Tax Revenues - 2021		1,059,462.45
5 · Revenues - General:5000 · Property Tax Revenues:5000.20 · Property Tax Revenues - 2020		64,280.57
5 · Revenues - General:5310 · Interest-savings/short-term inv:5310.2 · Interest income - Operating		429.27
5 · Revenues - General:5311 · Interest - Prop Tax Delinquent		2,552.55
6200 · Salaries & Wages:6211 · Employee Salaries & Wages	195,764.46	
6200 · Salaries & Wages:6260 · Payroll Expenses	15,245.54	
7100 · Program Investment:7110 · Hwy Maintenance:7111 · Right-of-Way Lawn Maintenance	113,474.00	
7100 · Program Investment:7120 · Public Safety:7121 · Security Equipment	28,828.77	
8000 · Professional Fees & Expenses:8020 · Accounting fees	22,940.00	
8000 · Professional Fees & Expenses:8030 · Legal fees	6,581.00	
8000 · Professional Fees & Expenses:8040 · Consultant Fees	1,200.00	
8000 · Professional Fees & Expenses:8050 · Temp Help - Ind Contr / Intern	9,256.00	
8100 · Operating expenses:8105 · Advertising	1,424.00	
8100 · Operating expenses:8110 · Supplies & Materials	1,788.18	
8100 · Operating expenses:8120 · Tax Collection Fees	11,605.69	
8100 · Operating expenses:8130 · Telephone & telecommunications	2,512.19	
8100 · Operating expenses:8140 · Postage, shipping, delivery	383.94	
8100 · Operating expenses:8170 · Printing & copying	3,938.25	
8100 · Operating expenses:8180 · Books, subscriptions, reference	248.04	
8100 · Operating expenses:8185 · Computer Expenses - Sftwr/Hdwr	11,199.79	
8200 · Occupancy expenses:8211 · Janitorial Service	2,040.00	
8200 · Occupancy expenses:8210 · Office Rent	36,655.00	
8200 · Occupancy expenses:8220 · Utilities	3,171.61	
8300 · Travel & meetings expenses:8310 · Travel & Mileage Reimbursement	6,600.00	
8300 · Travel & meetings expenses:8320 · Conference,convention,meeting	9,294.22	
8400 · Economic Development Initiative:8420 · Econ Dev - Retention:8422 · Econ Dev Events	5,000.00	
8400 · Economic Development Initiative:8450 · Econ Dev - Recruitment:8451 · Econ Dev Member Org Dues	250.00	
8400 · Economic Development Initiative:8450 · Econ Dev - Recruitment:8452 · Econ Dev - Conferences / Mtgs	18,627.74	
8400 · Economic Development Initiative:8490 · Econ Dev - Plans / Partners	10,000.00	
8500 · Misc expenses:8525 · Insurance - General Liability	5,690.64	

Evermore Community Improvement District
Trial Balance
As of November 30, 2021

		Nov 30, 21	
		Debit	Credit
8500 · Misc expenses:8530 · Membership dues - organization		9,535.00	
8500 · Misc expenses:8590 · Other expenses:8595 · Debt Service Expense		27,572.23	
8500 · Misc expenses:8590 · Other expenses:8595 · Debt Service Expense:8596 · Interest Expense on Debt		3,387.05	
8500 · Misc expenses:8590 · Other expenses:8591 · Transfer to Capital Fund		400,000.00	
TOTAL		<u>1,916,840.44</u>	<u>1,916,840.44</u>

Evermore Community Improvement District
Trial Balance
As of November 30, 2021

	Nov 30, 21	
	Debit	Credit
1008 · Renasant Bank Capital Fund	99,963.29	
1070 · Savings & Short Term Investment:1085 · Touchmark Capital CD	2,292,377.93	
1070 · Savings & Short Term Investment:1086 · Legacy State Bank CD	232,955.42	
1070 · Savings & Short Term Investment:1087 · Renasant Bank Capital MMKT	188,340.29	
1070 · Savings & Short Term Investment:1088 · Georgia Banking Company - CD	250,208.00	
1070 · Savings & Short Term Investment:1089 · Bank OZK - CD	800,000.00	
1110 · Accounts Receivable	0.00	
3001 · Opening Balance Equity		113,193.80
3010 · Retained Earnings		3,340,828.17
4000 · TRANSFER FROM GEN. OPER. FUND		400,000.00
4450 · INTEREST INCOME - CPF		11,419.85
8 · CAPITAL EXPENSE - CAPITAL FUND:8709 · Landscaping & Facility Imprvs:8709.3 · CST	1,524.89	
8110 · Administrative Expenses:8115 · Banking Fees	72.00	
TOTAL	<u>3,865,441.82</u>	<u>3,865,441.82</u>