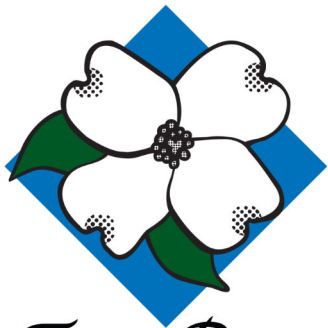


FISCAL YEAR ENDED JUNE 30, 2023

CITIZENS' FINANCIAL REPORT



Flowerly Branch
Georgia

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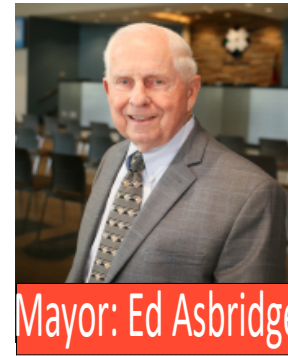
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YOUR GUIDE TO CITY FINANCES



Mayor: Ed Asbridge



Chris Mundy



William McDaniel



Joseph Mezzanotte



Oliver McClellan



Joe Anglin

2023 Mayor & City Council

THE CITY PROVIDES A SIGNIFICANT AMOUNT OF FINANCIAL DETAIL IN ITS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR). FOR THOSE WITHOUT AN ACCOUNTING BACKGROUND, THE ACFR CAN BE DIFFICULT TO UNDERSTAND.

The Guide you are reading now, the Popular Annual Financial Report (PAFR), is designed for those without an accounting background and aims to make interpreting the data easier. This guide focuses on financial results over the past Fiscal year.

Financial information is derived from the independently audited statements that are part of the ACFR and includes condensed and simplified information from the ACFR, budget, and other reports. The PAFR is a recommended practice of the Government Finance Officers Association (GFOA): the authority on best practices in governmental accounting and financial reporting.

Flowerly Branch received the GFOA Certificate of Achievement for Excellence in Financial Reporting (COA) Program award for the **1st time**, for the FY2022 Audit, has received the GFOA award for Distinguished Budget Presentation for **4 Consecutive years** and received, for the **1st time**, the Award for Outstanding Achievement in Popular Annual Financial Reporting for its FY2023 submission.

This is proof our Finance Department is repeatedly getting things right when it comes to financial accounting, reporting, and planning.

To earn these Certificates of Achievement, the City must annually publish an easily readable and efficiently organized budget and ACFR that conform to program standards. Such reports must satisfy both generally accepted accounting principles (GAAP) and accepted legal requirements.



LETTER FROM THE CITY MANAGER

Each year, the City assesses its priorities as it looks into the future and centers on the needs and well-being of the citizens and the community at large.

Aligning with the City's priorities, there are multiple ongoing construction projects in the Downtown area that demonstrate the strategic thinking and re-imagining of the Flowery Branch Downtown. These projects will bring additional retail and restaurant opportunities, along with event space, to the Downtown area which align with the City's economic priorities and strategic vision. One of these projects is a mixed-use development on Main Street. It includes retail and restaurant space along with luxury condominiums. Additionally, this development includes an event space known as the Market Pavilion and an amphitheater that seats approximately 1,000 people. The project marks the completion of Phase 1 of Downtown Development.

Another important aspect to any community is enhancing the health and well-being of its citizens by creating access to recreation and greenspace. While some of the Downtown Development Phase 1 added pieces of greenspace, Downtown Development Phase 2 is anticipated to enhance this area further. Downtown Development Phase 2 anticipates providing connectivity to the Highlands to Islands trail system (a 35 mile multi-use path designed to connect the Rock Creek Greenway and Gainesville Square to the Multi-use pathways along Friendship Road and Lanier Islands Parkway near Flowery Branch) and add additional parks and other greenspace areas.



FISCAL SUSTAINABILITY

The City of Flowery Branch’s conservative budgeting and prudent fund balance policies have resulted in strong reserves while retaining ample financial flexibility. The City consistently excels as fiscal stewardship, earning top tier bond ratings from Moody’s. Also, the City received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 1st time and will continue to strive for this award.

How do we know if the City’s finances are in good shape? The City is financially healthy because it delivers the services its residents expect with the resources its residents provide. What are the management policies and procedures that keep our finances in good order? Here are some of the tools the City of Flowery Branch uses:



BALANCED BUDGET:

Georgia State Statues require that the city adopt a balanced budget each year. A budget is balanced if recurring revenue matches recurring expenditures.

DEBT:

Most people don’t pay cash for major investments, like a home, but instead responsibly use debt to spread the cost of larger purchases over time. Like a household with finances in good shape, the City’s general obligation debt is well under the State of Georgia’s statutory limits.

FINANCIAL PLANNING

The City uses budget analysis, revenue projections, and the Capital Improvement Program to determine future needs, timing, and acquisition of assets. These plans allow the City to work out, in advance, the optimal method of maintaining fiscal stewardship.

REGULAR REPORTING:

On a quarterly basis and through the City’s transparency portal, the Finance department presents a financial review to City Council. Having a formal mechanism to monitor revenue and expenditure performance at regular intervals is a key feature of stable financial performance.

FUND BALANCE

Like a savings account, cities prepare for the unexpected by having reserves in the form of fund balance. These reserves provide financial flexibility to react to economic downturns or other unforeseen circumstances in a timely manner. There is no single number in governmental accounting and financial reporting that attracts more attention than the fund balance. Fund balance maintenance is a major factor considered by bond rating agencies when evaluating the City’s credit worthiness. For the fiscal year end, the City is above target.

GOVERNMENTAL REVENUE

TOTAL REVENUE EQUALS
24.9 Million



FINANCIAL TRENDS

CONSOLIDATED REVENUE

Consolidated Appropriated Funds					
		FY 2021	FY 2022	FY 2023	FY 2024
		Actual	Actual	Actual	Budgeted
Revenues:					
Program revenues					
	Charges for Services	\$ 6,733,133	\$ 5,692,988	\$ 5,442,243	\$ 7,190,319
	Operating grants and contributions	555,525	143,743	130,294	32,800
	Capital grants and contributions	1,684,667	1,852,122	10,715,124	15,151,768
General revenues					
	Property tax	2,106,961	2,667,735	3,658,353	4,097,592
	Sales tax	1,325,553	1,488,179	2,392,395	3,362,102
	Franchise tax	523,190	680,472	658,716	640,000
	Other taxes	1,161,588	1,266,111	1,636,986	1,966,860
	Investment Income	-	23,560	176,863	524,200
	Other Revenues	117,340	124,645	142,374	284,143
	Budgeted Fund Balance/Net Position	-	-	-	2,685,150
Total Revenues		\$ 14,207,957	\$ 13,939,555	\$ 24,953,348	\$ 35,934,934

Significant changes in revenue consist of the following: FY 2023 (actual) Capital Grants and Contributions increase due to acceptance of 5 miles of roads; FY2024 Charges for Services increase due to the addition of an Employee Benefits fund; FY2024 Property tax increase due to increased digest value; FY 2024 Investment Income increase due to cash investment in Certificate of Deposits; FY2024 Budgeted Fund Balance/Net Position increase due to additional Capital Projects for the year. Significant changes in expenses for FY2024 consist of the inclusion of a Capital Plan in the FY2024 budget.

CONSOLIDATED EXPENSES

		FY 2021	FY 2022	FY 2023	FY 2024
		Actual	Actual	Actual	Budgeted
Expenses:					
	General Government	\$ 1,405,068	\$ 1,388,726	\$ 1,307,598	\$ 2,687,160
	Judicial	165,571	155,116	204,169	241,258
	Public Safety	1,484,744	1,694,893	2,226,099	2,771,289
	Public Works	1,211,699	1,883,522	1,421,288	1,528,556
	Health and Welfare	-	28,908	34,181	42,500
	Culture and Recreation	27,747	157,957	51,212	672,273
	Housing and Development	869,886	1,255,248	1,713,140	1,048,665
	Interest on long-term debt	147,930	175,002	169,225	152,913
	Insurance	-	-	-	1,408,000
	Capital Outlay	-	-	-	21,728,933
	Water and Sewer	2,697,165	2,656,664	3,286,189	3,653,387
	Total expenses	\$ 8,009,810	\$ 9,396,036	\$ 10,413,101	\$ 35,934,934
	Increase (decrease) in net position				
	before transfers	6,198,147	4,543,519	14,540,247	-
	Transfers in (out)	-	-	-	-
	Increase (decrease) in net position	6,198,147	4,543,519	14,540,247	0
	Net position-beginning (original)	\$ 35,962,700	\$ 42,160,847	\$ 46,704,366	\$ 61,294,613
	Prior period adjustments	-	-	50,000	-
	Net position - beginning (restated)	\$ 35,962,700	\$ 42,160,847	\$ 46,754,366	\$ 61,294,613
	Net position-ending	\$ 42,160,847	\$ 46,704,366	\$ 61,294,613	\$ 58,609,463

FINANCIAL RESULTS

ANNUAL AUDIT:

Georgia State Statutes require that an annual audit be performed by an independent certified public accountant to ensure that the City is complying with generally accepted accounting principles (GAAP). This annual audit relates to the City's Annual Comprehensive Financial Report (ACFR) and seeks to confirm that the City's financial statements "present fairly, in all material respects, the respective financial position" of the City of Flowery Branch. This report can be found on the City's website or here: <https://www.flowerybranchga.org/finance/page/annual-financial-reports>.

30% of the General Fund revenue. Total General Fund expenditures were **6.11 million**. Public Safety accounted for approximately **2.23 million (36%)** of total expenditures in the General Fund.

This fiscal year, the City's General Fund revenue exceeded its expenditures by **\$909,375**.

GENERAL FUND:

The General Fund is the City's primary operating account, and accounts for the revenue and expenditures associated with operating traditional local governmental services such as police, general administration, and public works.

For FY2023, total General Fund revenue was **7.17 million**. Property Tax revenue was approximately **\$2.14 million** and provided approximately



GOVERNMENTAL EXPENSES



COMM. DEV. 1.71 M



GENERAL GOVT 1.30 M



WATER SEWER 3.29 M



PUBLIC SAFETY 2.23 M



PUBLIC WORKS 1.42 M



OTHERS 0.45 M

TOTAL EXPENDITURES EQUALS

10.4 Million



WHAT IS BOND FINANCING?

Bond financing is a type of long-term borrowing that the City uses to raise money, primarily for long-lived infrastructure assets. The City obtains money by selling bonds to investors. In exchange, the City promises to repay this money, with interest, according to specified schedules. For tax-exempt issuance, the interest the City has to pay investors on the bonds it uses for public infrastructure is exempt from federal and state income taxes, which makes the City's interest cost on the bonds less than it otherwise would be.

LONG-TERM FINANCIAL PLAN:

The City maintains a multi-year financial plan that provides information to clearly identify if there is a deficit at the beginning of the budget development process. This is a crucial component of planning for the future. This plan projects the financial impact of achieving the objectives in the strategic plan and helps to identify resources needed to fund those objectives.

Flowery Branch continues with its forward-looking capital budget, presenting a long-term Capital Improvement Program (CIP) to City Council. Figuring out how much money the City can afford to pay and how much debt to issue are parts of the CIP process. This process is vital to the City because it is the principal planning tool aligning capital needs with growth and development. This program is developed for a five-year period and is updated and revised annually.

CREDIT RATINGS?

Flowery Branch's credit position is outstanding. The City has a High Grade, Aa2, allowing it to borrow at lower interests rates and to save taxpayers' money. Credit ratings are important because they define the universe of buyers for the debt obligations, the price that will be paid to obtain credit, and they heavily influence how much it costs to borrow the cash required to support the capital program, when necessary.

DEBT ADMINISTRATION:

As of year-end FY 2023, the City had **\$9.67 million** in debt (e.g., bonds, notes) outstanding compared to **\$10.44 million** in the prior fiscal year, a **7.4% decrease**.

The City is subject to the State Statutes of Georgia that limits the net bonded debt the City may have outstanding up to 10% of the appraised value of property subject to taxation. As of June 30, 2023 the City's total property value was **\$797.00 million** providing a debt margin of **\$79.7 million**.



OUTSTANDING DEBT

FISCAL YEAR 2023

Contracts Payable
\$1,022,009

Revenue Bonds
\$8,647,800

TOTAL 9.67 MILLION

FISCAL YEAR 2022

Contracts Payable
\$1,093,193

Revenue Bonds
\$9,342,835

TOTAL 10.44 MILLION



A budget is a financial plan. Each year the City adopts its annual operating budget that allocates limited dollars to the highest community priorities. Effective and efficient administration is a product of many factors, but none take on the importance of budgeting since it is during the budgeting process that critical policy and administrative decisions are made.

Rather than trying to manage all its money in one pool, the City uses fund accounting to keep track of money. The City's budget is comprised of two major funds: the General Fund and the Enterprise Fund (Water & Sewer). The General Fund is financed primarily by property and sales tax revenues and supports core services, such as public safety. The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The total budget for FY 2024 is **\$35.88 million** compared to **\$38.61 million** for FY2023, an decrease of **7.1%**.

The tax rate for this year's budget remains the same at **3.264**, or **\$3.264 per \$1,000** of assessed value. The City of Flowery Branch bills on 40% of the assessed value.

The Water and Sewer Fund budget effectively supports both water and sewer operations, capital needs, and infrastructure debt service cost. Increases for water and sewer charges were approved for 2024 to support the Capital Improvement Program projects planned for compliance and rehabilitation in the next couple of years. The total rate increase for the average customer is approximately **8.7%** effective July 1, 2023.

FY 2024 BUDGET

WHERE ARE YOUR PROPERTY TAXES GOING THIS YEAR?



PUBLIC SAFETY
33.6%

GENERAL ADMIN
21.4%

PUBLIC WORKS
17.5%

COMMUNITY DEVELOPMENT
12.0%

CAPITAL & TOURISM
15.5%

FY 2023 BY THE NUMBERS

10,938

ESTIMATED POPULATION

59

FULL-TIME EMPLOYEES

8,723

UTILITY WINDOW CUSTOMERS

77

PAVEMENT REPAIRS

110

STREET SIGNS REPLACED

60

STREET MILES

65

METER REPLACED OR INSTALLED

PUBLIC SAFETY

27

PATROL UNITS

4,795

CALLS FOR SERVICE

247,258

POLICE VEHICLE MILES

BUILDING PERMITS

229

RESIDENTIAL PERMITS

344

CERTIFICATE OF OCCUPANCY

250

SOIL & EROSION INSPECTIONS

1,046

BUILDING INSPECTIONS

41,001

MEDIAN HOUSEHOLD INCOME

WATER MANAGEMENT

20

MILES OF WATER MAINS

1,773

RESIDENTIAL WATER CUSTOMERS

997,000

MAX DAILY CONSUMPTION

364,796

AVERAGE DAILY CONSUMPTION

38.5

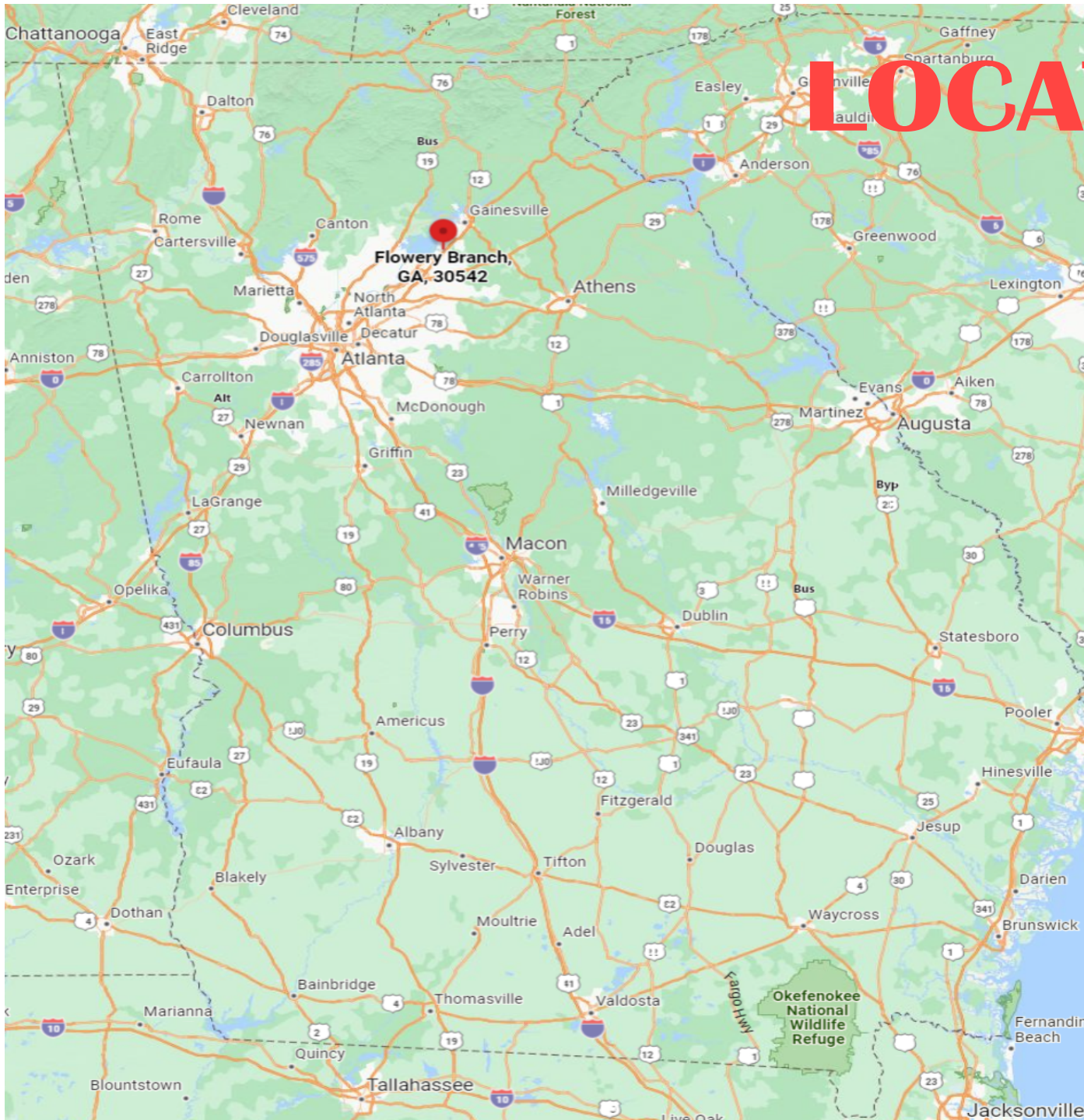
MEDIAN AGE

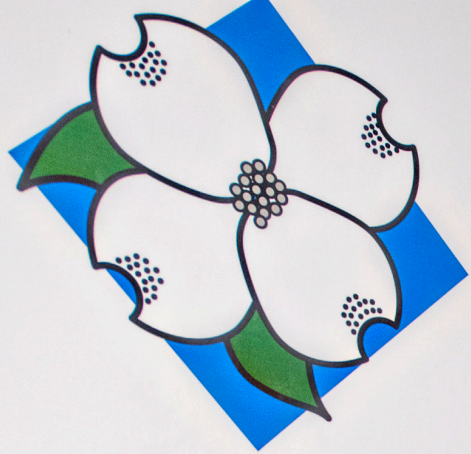
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FY 2023 TOP TEN TAXPAYERS

CITY OF FLOWERY BRANCH, GEORGIA										
PRINCIPAL PROPERTY TAXPAYERS										
CURRENT YEAR AND NINE YEARS AGO										
Taxpayer	Fiscal Year 2023 / Tax Year 2022					Fiscal Year 2014 / Tax Year 2013				
	Taxable Assessed		Rank	Percentage of Total Taxable Assessed		Taxable Assessed		Rank	Percentage of Total Taxable Assessed	
	Value			Value	%	Value			Value	%
Gibson Flowery Branch SPE LLC	\$ 86,446,400		1	15.20	%	\$ -			-	%
VR Tree Park LTD Partnership	69,003,300		2	12.13	%	-			-	%
SKF USA, Inc	67,233,252		3	11.82	%	-			-	%
Atlanta Falcons Football Club, LLC	37,817,256		4	6.65	%	18,011,034		2	7.79	%
Makita USA Inc.	25,757,300		5	4.53	%	-			-	%
Stonebridge Landover TIC LLC	25,579,300		6	4.50	%	-			-	%
Folksong Acquisition LLC	21,998,700		7	3.87	%	-			-	%
Publix Super Markets Inc.	18,627,427		8	3.27	%	-			-	%
Target Corporation	18,617,759		9	3.27	%	-			-	%
Vulcan Lands Inc.	16,937,532		10	2.98	%	2,640,884		9	1.14	%
Tree Lake Associates						27,616,937		1	11.94	%
Reconserve Inc Georgia 60				-	%	2,619,016		10	1.13	%
Group Four real Estate Investment	-			-	%	3,897,810		5	1.68	%
Bellsouth Telecom / AT&T Georgia	-			-	%	3,627,123		8	1.57	%
Avery Products Corporation	-			-	%	4,355,695		4	1.88	%
NNP - Looper Lake LLC	-			-	%	3,685,745		6	1.59	%
Atlanta Falcons Football Club, LLC	-			-	%	3,682,377		7	1.59	%
Flowery Branches SC, LLC	-			-	%	7,794,800		3	3.37	%
Totals	\$ 388,018,226			68.22	%	\$ 77,931,421			33.69	%

LOCATION





Flowery Branch

1813
 The U.S. Government undertook the construction of a roadway (following old Native American trails) extending from North Georgia to points south (Augusta and Macon) and north to Tennessee.



1805
 Vann's Tavern and ferry crossing the Chattahoochee River was established in 1805 by Chief James Vann as an integral part of the early transportation network of the Flowery Branch region.



1874
 Flowery Branch was incorporated. There are two opinions about how the name Flowery Branch was derived. At one time Flowery Branch was the site of a spring "bristling" with "flowery" grass, "flowery" grass and "flowery" grass and "flowery" grass. "Flowery" is also an Indian name and means "blissful creek."

1818
 While en route to Spanish West Florida to engage in the First Seminole War, General Andrew Jackson, his staff and two companies of militia lodged at Young's Tavern on the Old Federal Road, now State Route 13 (Falcon Parkway) near its intersection with Hog Mountain Road.



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