

# CITY OF FLOWERY BRANCH, GA

## FY2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT



*Flowerly Branch*

For Fiscal Year

Ending June 30, 2023

5410 Pine St.

Flowerly Branch, GA.

30542

Prepared by:

Finance Department

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***CITY OF FLOWERY BRANCH, GEORGIA***

***Annual Comprehensive Financial Report***

***For the fiscal year ended June 30, 2023***

Submitted By:  
Finance Department

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***INTRODUCTORY SECTION***

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
*For the fiscal year ended June 30, 2023*

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Government Finance Officers Association

Certificate of  
Achievement  
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in Financial  
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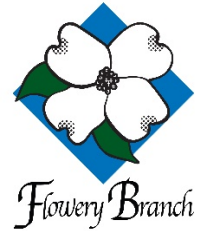
**City of Flowery Branch  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



## **OFFICIALS OF THE CITY OF FLOWERY BRANCH**

### **LEGISLATIVE BRANCH**

#### **CITY COUNCIL**

<b>Ed Asbridge</b>	<b>Mayor</b>
<b>Chris Mundy</b>	<b>Council Member</b>
<b>Ed Asbridge</b>	<b>Council Member</b>
<b>Joseph Mezzanotte</b>	<b>Council Member</b>
<b>Joe Anglin</b>	<b>Council Member</b>
<b>William McDaniel</b>	<b>Council Member</b>

### **OFFICERS OF THE COUNCIL**

<b>Shelia Cooper</b>	<b>City Clerk</b>
<b>Nancy Rodriguez</b>	<b>Assistant City Clerk</b>
<b>Karen Thomas</b>	<b>City Attorney</b>

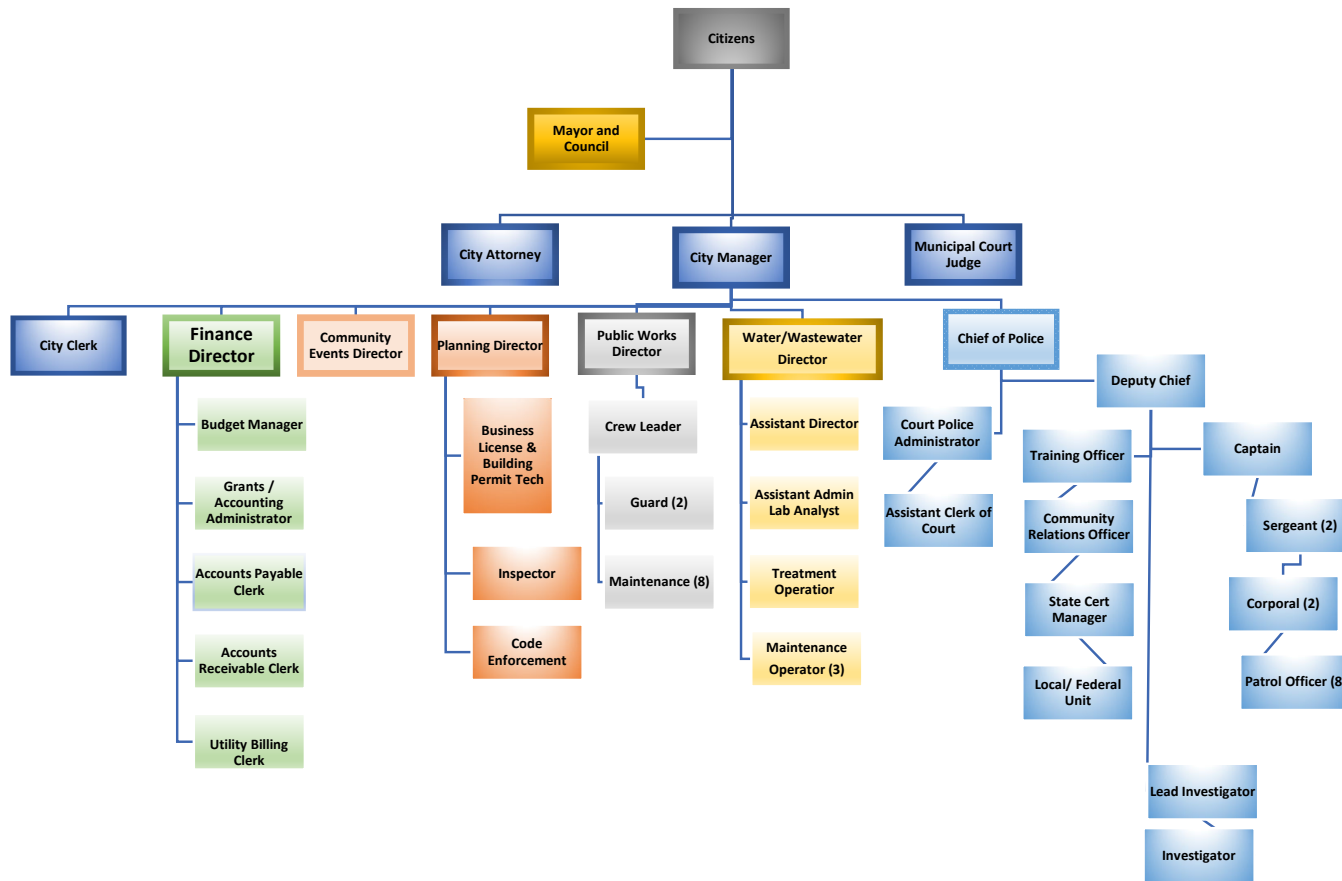
### **JUDICIAL BRANCH**

<b>Graham McKinnon</b>	<b>Municipal Court Judge and Administrative Hearing Officer</b>
<b>Ann Bishop</b>	<b>City Solicitor</b>

### **EXECUTIVE BRANCH**

#### **CITY MANAGER AND DEPARTMENT DIRECTORS**

<b>Tonya Parrish</b>	<b>City Manager</b>
<b>Matthew Hamby</b>	<b>Finance Director</b>
<b>Rich Atkinson</b>	<b>Planning &amp; Community Development Director</b>
<b>Chris Hulsey</b>	<b>Police Chief</b>
<b>Bill Whidden</b>	<b>Director of Public Works and Utilities</b>
<b>Renee Carden</b>	<b>Community Development Director</b>





October 20, 2023

**To the Honorable Mayor, Members of the City Council, and Citizens of the City of Flowerly Branch:**

It is our pleasure to present the Annual Comprehensive Financial Report (ACFR) of the City of Flowerly Branch (the "City") for the fiscal year ended June 30, 2023. The City is required to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this report for your consideration.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile enough reliable information for the preparation of the City financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Rushton, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements

for the year ended June 30, 2023, are presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. Special emphasis is given to internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found on pages 4 through 14 immediately following the report of the independent auditors.

### **Profile of the Government**

Based on the 2022 U.S. Census estimate, the City of Flowery Branch has a population of 10,938, while Hall County's population is 212,692. The City of Flowery Branch is empowered to levy a property tax on real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Flowery Branch operates under a Council-Manager form of government. The City of Flowery Branch's City Council is composed of an elected Mayor and five council members responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards and the City Manager. The City Manager is the chief executive officer of the City and is responsible for enforcement of laws and ordinances, as well as appointments and supervision of the various department directors of the municipal government. The City, under the guidance of the City Manager and the Council, provides a full range of services. These services include police protection; the maintenance of streets and infrastructure; parks; cultural events; planning, zoning, and building inspection services; water and water pollution control services; and wastewater collection and treatment. The City provides a full range of municipal services and water and sewer services to the citizens of Flowery Branch. The Annual Comprehensive Financial Report includes all funds and activities directly under control of the City Council.

## Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The location of the City makes it a prime destination for those wishing to move out of the Atlanta metro area while still maintaining a comfortable travel distance to the city for work and leisure activities.

As of June 2023, the top three employers for the City of Flowery Branch are the Atlanta Falcons Football Club, SKF, USA, Inc., and GXO Logistics Supply Chain with 301, 272, and 248 employees, respectively. The City anticipates continued major growth over the next 1-5 years, as approved developments build out and new developments present themselves. Population is expected to exceed 12,000 by year 2024.

## Major Initiatives

Each year, the City assesses its priorities as it looks into the future and centers on the needs and wellbeing 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 reimagining 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 will include 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. This project marks Phase 1 of Downtown Development and was completed in early 2023.

Another major City project in progress is the expansion of the Wastewater Treatment plant. As designed, the plant expansion will increase its sewer capacity to 2.5 million gallons a day. As the City continues to grow, the expansion is a much-needed development that will extend the City's ability to provide first class services. This project is in the design phase and is anticipated to begin construction in FY2024.

An important aspect to any community is enhancing the health and wellbeing of its citizens by creating access to recreation and greenspace. While some of the Downtown development projects will add pieces of greenspace, Downtown Development Phase 2 is anticipated to enhance this area further. Downtown Development Phase 2 will provide 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. This project is in early planning stages should begin design and construction phases in the coming years.

Another area of importance to the community is transportation and parking. As the City continues to grow and new citizens move to the City of Flowery Branch, transportation and parking will be

an area of focus. As part of the Downtown Development Phase 2, the City will begin to evaluate opportunities to improve the City's parking availability. Additionally, the Annual Paving program will continue to improve the streets and sidewalks throughout the City.

### **Long-term Financial Planning**

The City has developed a Capital Improvement Plan consisting of numerous roads and sidewalk improvements, parks and park developments, water line improvements, tank upgrades and new tank developments, and expansion to the water and wastewater treatment plant. The City has identified a series of projects from its Capital Improvement Plan with the highest priority for funding. To ensure adequate funding will be available to finance these capital improvements, the City Manager and the various department directors, with the assistance of a contracted financial analyst and engineers, have developed a multi-year financial plan which is presented to the Council for approval periodically. Consideration has been given to expected increases in revenues as well as projected cost of future projects.

### **Relevant Financial Policies**

In accordance with Georgia statutes, the City operates under an annual budget adopted by local resolution. The annual budget serves as the foundation for the City's financial planning and control. The City's budget is adopted by City Council on or before June 30 at a regular Council meeting that is open to the public. The budget is balanced for each budgeted fund. Total anticipated revenues and a portion of fund balance should equal the fund's anticipated expenditures. The level of legal budgetary control is maintained at the fund/department level. Department directors may request budget adjustments through the Finance Department, provided that the budget adjustment does not increase the overall budget or personal services allocation for that department.

The City attempts to establish an unreserved fund balance in the General Fund. The purpose is to pay expenditures caused by unforeseen emergencies, handle shortfalls caused by revenue declines, and to eliminate any short term borrowing for cash flow purposes. This reserve should accumulate and retain no less than 4.5 months of operating expenditures.

The City's Investment and Cash Management policy states that the City should make investments with prudence, judgement, and care with the primary objective of safety as well as the secondary objective of obtaining competitive market rates of return. Maximum opportunity is provided to all local financial institutions to bid and compete for City investments due to the importance of the financial institutions to the local economy. Due to increasing interest rates, the City's interest earnings were slightly more in FY 2023 compared to FY 2022.

**Acknowledgements**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the City, who contributed to its preparation. Special recognition is given to express our appreciation to the staff of our audit firm, Rushton, LLC, for their technical guidance and assistance to make this a quality report.

Without the efforts of City Staff and our audit firm, the City of Flowery Branch would not have been able to obtain GFOA's Certificate of Achievement for Excellence in Financial Reporting. The FY2022 Audit marks the first year obtaining this prestigious award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. The City of Flowery Branch looks to continue this trend in financial reporting for years to come.

We would also like to thank the Flowery Branch City Council for their dedication and support in planning and conducting the financial operations of the City. The Council's vision and input are the guiding factors that help City staff continue to strive toward excellence in the quality services we provide to our citizens.

Respectfully Submitted,



Tonya Duncan Parrish  
**City Manager**



Matthew Hamby  
**Finance Director**



***FINANCIAL SECTION***

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## Independent Auditor's Report

Honorable Mayor and  
Members of the City Council  
City of Flowery Branch, Georgia

### Report on the Audit of the Financial Statements

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Flowery Branch, Georgia, as of June 30, 2023, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund, American Rescue Plan Act Special Revenue Fund, and Tax Allocation District Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Flowery Branch, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Flowery Branch, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Flowery Branch, Georgia's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 14 and 68 through 71, respectively, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Flowery Branch, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 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 October 20, 2023, on our consideration of City of Flowery Branch, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the 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 City of Flowery Branch, Georgia's internal control over financial reporting and compliance.

*Rushton, LLC*

Gainesville, Georgia  
October 20, 2023

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Flowery Branch, it is our pleasure to present this narrative discussion and analysis of Flowery Branch's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2023. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Flowery Branch. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis provides comparisons with the previous fiscal year.

### Financial Highlights

- Flowery Branch's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$61,294,613 (reported as *net position*). Of this amount, \$20,938,453 (reported as *unrestricted net position*) may be used to meet the City's ongoing obligations.
- As of June 30, 2023, Flowery Branch's governmental funds reported combined ending fund balances of \$16,552,057. The governmental funds reported a combined ending unassigned fund balance of \$7,902,641.

More detailed information regarding these activities and funds begins on page 15.

### Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Flowery Branch's basic financial statements. Flowery Branch's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

### Government-wide Financial Statements (Reporting the City as a whole)

The focus of the government-wide financial statements is on the overall financial position and activities of Flowery Branch and is designed to provide readers with a broad overview of the City's financial activities in a manner similar to a private business enterprise.

The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about Flowery Branch using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the **Statement of Net Position** (pages 15-16) is to attempt to report all of the assets held and liabilities owed by the City. The City reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is labeled *net position*. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The **Statement of Activities** (page 17), on the other hand, presents the revenues and expenses of the City. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide Flowery Branch into two types of activities:

- **Governmental activities** – Most of the City's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: property, sales, insurance premium and intangible finance most of these services.
- **Business-type activities** – The City charges fees to customers to assist in covering the cost for providing certain services. The City's water and sewer system is reported in this category.

The City's government-wide financial statements are presented on pages 15-17.

### **Fund Financial Statements (Reporting the City's Major Funds)**

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 72. The City's funds are divided into two broad categories – governmental and proprietary – and use different prescribed accounting methodologies.



- **Governmental Funds** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on the short-term view of the City’s general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

The City of Flowery Branch maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, American Rescue Plan Act Fund, Tax Allocation District Fund, SPLOST Fund, and Local Resources Fund, which are considered major funds. Data from the other three governmental 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 on pages 72-73 of this report.

Flowery Branch adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund, American Rescue Plan Act Fund, and Tax Allocation District Fund to demonstrate compliance with these budgets.

The City’s basic governmental fund financial statements are presented on pages 18-27 of this report.

- **Proprietary Funds** – When the City charges customers for the services it provides, whether to outside customers or to other departments of the City, these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. Flowery Branch uses enterprise funds to account for its water and sewer system.

The City's proprietary fund financial statements are presented on pages 28-32.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-67 of this report.

### **Required Supplementary Information**

The required supplementary information includes required schedules and information (pages 68-71) on the City's defined benefit pension plan.

### **Other Supplementary Information**

Other supplementary information includes combining financial statements for non-major governmental funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 20 and 23) which reconciles the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

## Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

### City of Flowery Branch, Georgia Net Position (Financial Position) Fiscal Years 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current assets	\$ 19,462,461	\$ 17,801,551	\$ 12,047,739	\$ 9,890,107	\$ 31,510,200	\$ 27,691,658
Capital assets	30,428,411	20,739,715	18,204,975	13,438,856	48,633,386	34,178,571
Other noncurrent assets	510,647	1,010,093	0	0	510,647	1,010,093
<b>Total assets</b>	<b>50,401,519</b>	<b>39,551,359</b>	<b>30,252,714</b>	<b>23,328,963</b>	<b>80,654,233</b>	<b>62,880,322</b>
<b>Deferred outflows of resources</b>	<b>378,903</b>	<b>205,049</b>	<b>99,187</b>	<b>64,379</b>	<b>478,090</b>	<b>269,428</b>
<b>Liabilities</b>						
Current liabilities	3,071,537	3,433,877	2,192,723	795,410	5,264,260	4,229,287
Noncurrent liabilities	7,965,318	8,115,271	5,650,265	2,831,081	13,615,583	10,946,352
<b>Total liabilities</b>	<b>11,036,855</b>	<b>11,549,148</b>	<b>7,842,988</b>	<b>3,626,491</b>	<b>18,879,843</b>	<b>15,175,639</b>
<b>Deferred inflows of resources</b>	<b>932,313</b>	<b>1,205,250</b>	<b>25,554</b>	<b>64,495</b>	<b>957,867</b>	<b>1,269,745</b>
<b>Net Position</b>						
Net investment in capital assets	22,802,276	11,808,170	11,034,155	10,396,886	33,836,431	22,205,056
Restricted	5,974,987	6,244,813	544,742	630,115	6,519,729	6,874,928
Unrestricted	10,033,991	8,949,027	10,904,462	8,675,355	20,938,453	17,624,382
<b>Total net position</b>	<b>\$ 38,811,254</b>	<b>\$ 27,002,010</b>	<b>\$ 22,483,359</b>	<b>\$ 19,702,356</b>	<b>\$ 61,294,613</b>	<b>\$ 46,704,366</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources for Flowery Branch exceeded liabilities and deferred inflows of resources by \$61,294,613 at the close of the fiscal year.

Approximately 55.2% of Flowery Branch's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position comprises 10.6% of the total net position. This amount represents net position that is subject to external restrictions or enabling legislation on how they can be used.

Unrestricted net position, comprising the remaining 34.2%, represents resources that can be used to meet the City's ongoing obligations to citizens and creditors.

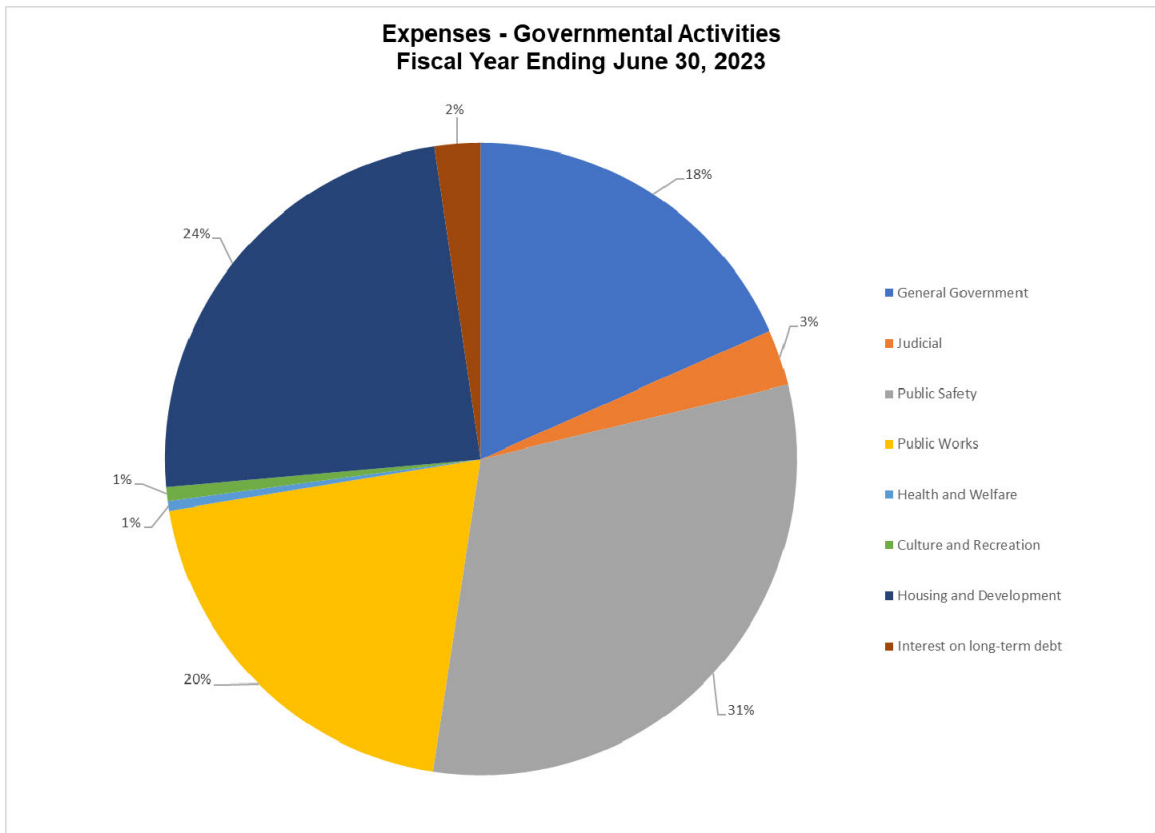
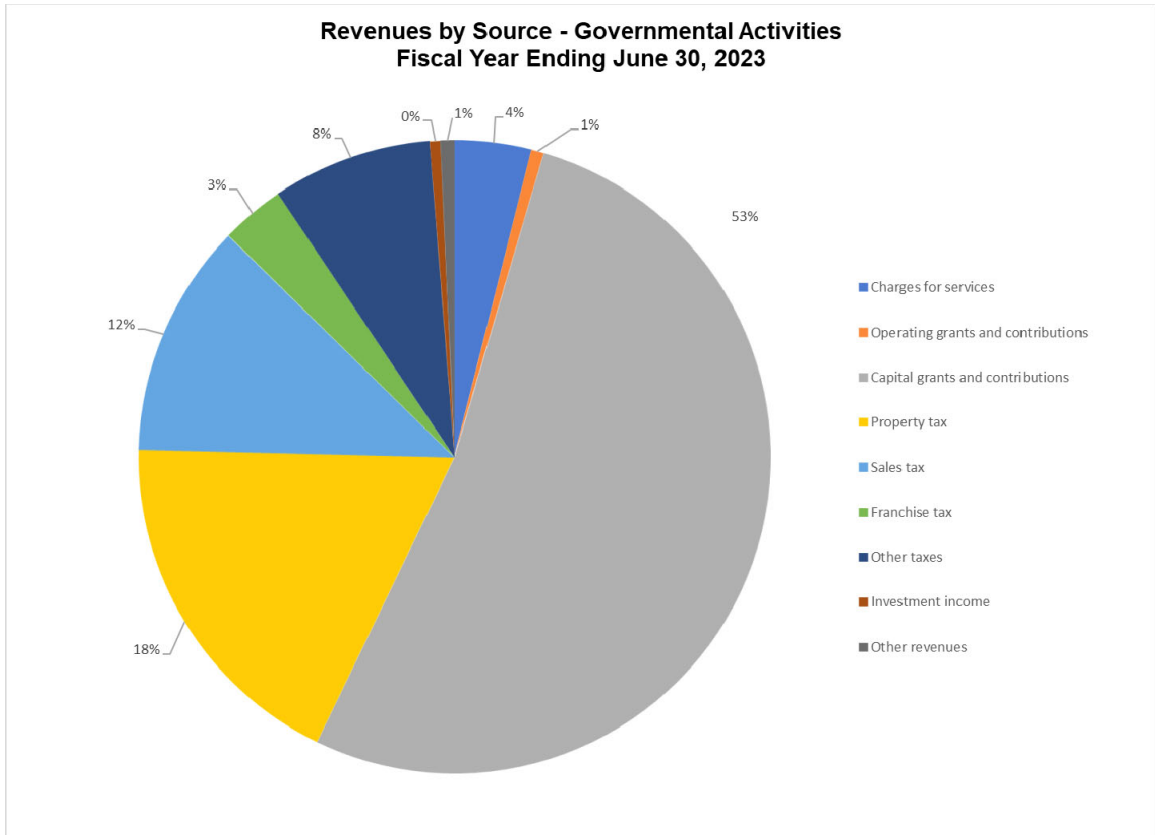
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Flowery Branch's net position changed during the fiscal year.

**City of Flowery Branch, Georgia  
Changes in Net Position  
For the Fiscal Years 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 783,774	\$ 847,120	\$ 4,658,469	\$ 4,845,868	\$ 5,442,243	\$ 5,692,988
Operating grants and contributions	130,294	143,743	0	0	130,294	143,743
Capital grants and contributions	10,565,124	1,852,122	150,000	0	10,715,124	1,852,122
General revenues:						
Property tax	3,658,353	2,667,735	0	0	3,658,353	2,667,735
Sales tax	2,392,395	1,488,179	0	0	2,392,395	1,488,179
Franchise tax	658,716	680,472	0	0	658,716	680,472
Other taxes	1,636,986	1,266,111	0	0	1,636,986	1,266,111
Investment income	110,254	23,430	66,609	130	176,863	23,560
Other revenues	142,374	124,645	0	0	142,374	124,645
<b>Total revenues</b>	<b>20,078,270</b>	<b>9,093,557</b>	<b>4,875,078</b>	<b>4,845,998</b>	<b>24,953,348</b>	<b>13,939,555</b>
<b>Expenses</b>						
General Government	1,307,598	1,388,726	0	0	1,307,598	1,388,726
Judicial	204,169	155,116	0	0	204,169	155,116
Public Safety	2,226,099	1,694,893	0	0	2,226,099	1,694,893
Public Works	1,421,288	1,883,522	0	0	1,421,288	1,883,522
Health and Welfare	34,181	28,908	0	0	34,181	28,908
Culture and Recreation	51,212	157,957	0	0	51,212	157,957
Housing and Development	1,713,140	1,255,248	0	0	1,713,140	1,255,248
Interest on long-term debt	169,225	175,002	0	0	169,225	175,002
Water and sewer	0	0	3,286,189	2,656,664	3,286,189	2,656,664
<b>Total expenses</b>	<b>7,126,912</b>	<b>6,739,372</b>	<b>3,286,189</b>	<b>2,656,664</b>	<b>10,413,101</b>	<b>9,396,036</b>
<b>Increase (decrease) in net position before transfers</b>	<b>12,951,358</b>	<b>2,354,185</b>	<b>1,588,889</b>	<b>2,189,334</b>	<b>14,540,247</b>	<b>4,543,519</b>
Transfers in (out)	(1,142,114)	(192,402)	1,142,114	192,402	0	0
<b>Increase (decrease) in net position</b>	<b>11,809,244</b>	<b>2,161,783</b>	<b>2,731,003</b>	<b>2,381,736</b>	<b>14,540,247</b>	<b>4,543,519</b>
<b>Net position - beginning (original)</b>	<b>27,002,010</b>	<b>24,840,227</b>	<b>19,702,356</b>	<b>17,320,620</b>	<b>46,704,366</b>	<b>42,160,847</b>
<b>Prior period adjustments</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>0</b>
<b>Net position - beginning (restated)</b>	<b>27,002,010</b>	<b>24,840,227</b>	<b>19,752,356</b>	<b>17,320,620</b>	<b>46,754,366</b>	<b>42,160,847</b>
<b>Net position - ending</b>	<b>\$ 38,811,254</b>	<b>\$ 27,002,010</b>	<b>\$ 22,483,359</b>	<b>\$ 19,702,356</b>	<b>\$ 61,294,613</b>	<b>\$ 46,704,366</b>

## Governmental Activities –

The following charts illustrate revenues and expenses of the governmental activities for the fiscal year:



The revenue chart indicates that capital grants and contributions, followed by property tax and sales tax were the three largest sources of revenue for governmental activities for fiscal year 2023. Total revenues of the governmental activities increased more than \$10,980,000. The largest cause of the increase was capital grants and contributions, which increased more than \$8,710,000 due to contributions of capital assets from developers and increases in special purpose local option sales tax received from the County. Property taxes increased more than \$990,000 due predominantly to increases in property values. Sales taxes increased by more than \$900,000 due to continued increases in sales in the City. All other revenues remained relatively similar when comparing to the prior year.

The expense chart indicates that the three most significant governmental activities expenses for Flowery Branch during fiscal year 2023 were public safety, followed by housing and development, and public works. Overall, governmental activities expenses increased more than \$380,000 from the prior fiscal year. Public safety expenses increased by more than \$530,000 due to an increase in personal services expenses. Public works expenses decreased by more than \$460,000 from fiscal year 2022 due to decreased repairs and road maintenance. Housing and development expenses increased by more than \$450,000 due to an increase in personal services expenses and an increase in tax allocation district expenses. All other expenses remained relatively similar when comparing to the prior year.

### **Business-Type Activities –**

Business-type activities increased the Flowery Branch's net position by \$2,731,003. Additional information regarding the increase is discussed below.

### **Financial Analysis of the City's Funds**

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

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

- As the City completed this fiscal year, its governmental funds reported a combined ending fund balance of \$16,552,057. The governmental funds reported a combined unassigned fund balance of \$7,902,641. The remainder of fund balance is nonspendable, restricted, or committed, and is not available for spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,902,641, while total fund balance reached \$8,192,117. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 152% of total General Fund expenditures, while total fund balance represents approximately 158% of that same amount.

Revenues in the General Fund increased by more than \$1,500,000 from the prior fiscal year. Property tax revenues increased by approximately \$280,000 due predominantly to increased property values. Local option sales tax increased by more than \$900,000 due to continued increases in retail sales. Insurance premium taxes increased by more than \$350,000. Licenses and permits decreased by more than \$160,000 due predominantly to decreased building permits. Total expenditures increased by more than \$520,000. Public Safety expenditures increased by more than \$450,000 due to increased personal services in the Police Department. Housing and Development expenditures increased by more than \$250,000 due to increased tourism personal services and event expenditures. The City ended the fiscal year by increasing fund balance of the General Fund by \$2,265,466, or approximately 38%. By comparison, in fiscal year 2022, fund balance of the General Fund increased by 39%, a very similar increase as the current fiscal year.

At the end of the current fiscal year, the American Rescue Plan Act Special Revenue Fund had total fund balance of \$6,510, all of which is restricted for grant specifications. Revenues totaling \$894,095 were recognized during the current fiscal year. Expenditures for water and sewer projects continued and totaled \$887,585 for the current fiscal year.

At the end of the current fiscal year, the Tax Allocation District Special Revenue Fund had total fund balance of \$1,099,337, all of which is restricted for Housing and Development. Fund balance decreased \$2,152,090 during fiscal year 2023. Property taxes for the district increased \$667,496 due to increased property values and changes in allocation. Expenditures increased \$759,450 due to increases in capital projects.

At the end of the current fiscal year, the SPLOST Capital Projects Fund had total fund balance of \$4,781,826, all of which is restricted for capital outlay. Fund balance of the SPLOST Fund increased \$1,892,280 for fiscal year 2023. The City continued to expend the funds collected under the current SPLOST referendums. Further details of the SPLOST expenditures can be found in the Schedule of Projects Financed with Special Purpose Local Option Sales Tax at the end of this report.

At the end of the current fiscal year, the Local Resources Capital Projects Fund had total fund balance of \$2,471,775, all of which is committed for capital outlay. Fund balance decreased \$225,254 during fiscal year 2023. Revenues and transfers from other funds decreased from the prior fiscal year due to less transfers from the General Fund. Expenditures increased \$137,382 from the prior fiscal year due mostly to increased transfers to other funds for road maintenance and Tax Allocation District projects.

### **General Fund Budget Highlights**

The original budget for the General Fund was amended reflecting grant awards, reimbursements, insurance claims, as well as unanticipated revenues and expenditures. Budgeted expenditures in total increased from original to final budgets. Overall, General Fund revenues were above the final amended budget projections by \$990,713, or 13.8%. General Fund expenditures were below the final amended budget projections by \$1,168,775, or 18.4%. Current General





Additional information on the City's capital assets can be found in Note 9 to the financial statements on pages 50-51 of this report.

**Long-term Debt and Other Liabilities.** On June 30, 2023, Flowery Branch had total long-term debt in the amount of \$13,402,358, an increase of \$2,306,331 from the prior fiscal year. The increase is due to proceeds of notes from direct borrowings from GEFA of \$3,099,806 that exceeded the regularly scheduled principal payments on the existing contracts payable, bonds payable, and notes from direct borrowings. Additional information on the City's long-term debt and other liabilities can be found in Notes 10 and 11 to the financial statements on pages 52-56 of this report.

### **Economic Condition and Outlook**

Flowery Branch continues to fair well after recovering from the COVID-19 pandemic. Several factors were considered during preparation of the budget for fiscal year 2024, including the following:

- Possible increases or decreases in revenues, particularly property, sales, and hotel/motel taxes
- Fluctuations in the price of fuel due to market instability
- Plans for future capital improvements
- Unforeseen natural disasters, such as tornados, storms, etc.
- Capital outlay requirements for vehicles, equipment and program expansions to improve public services to the community

### **Contacting the City's Finance Department**

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of Flowery Branch's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

City of Flowery Branch, Georgia  
Attention: Finance Department  
PO Box 757  
Flowery Branch, Georgia 30542  
(470) 798-0524

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***BASIC FINANCIAL STATEMENTS***

**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 13,717,124	\$ 339,730	\$ 14,056,854
Restricted cash and cash equivalents	86,822	773,036	859,858
Certificates of deposit	4,224,032	7,834,294	12,058,326
Receivables (net)			
Accounts	96,525	815,951	912,476
Intergovernmental	378,542	2,209,269	2,587,811
Taxes	311,966	0	311,966
Interest	33,138	61,461	94,599
Leases	98,567	0	98,567
Prepaid items	172,605	13,998	186,603
Total current assets	<u>19,119,321</u>	<u>12,047,739</u>	<u>31,167,060</u>
<b>Noncurrent assets</b>			
Leases receivable	853,787	0	853,787
Capital assets			
Non-depreciable	1,690,964	6,892,886	8,583,850
Depreciable (net)	28,737,447	11,312,089	40,049,536
Total noncurrent assets	<u>31,282,198</u>	<u>18,204,975</u>	<u>49,487,173</u>
<b>Total assets</b>	<u>50,401,519</u>	<u>30,252,714</u>	<u>80,654,233</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	0	13,688	13,688
Deferred outflows of resources - pension	378,903	85,499	464,402
<b>Total deferred outflows of resources</b>	<u>378,903</u>	<u>99,187</u>	<u>478,090</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	151,360	1,207,337	1,358,697
Retainages payable	0	252,206	252,206
Accrued salaries and payroll liabilities	39,374	29,844	69,218
Compensated absences payable	99,678	23,196	122,874
Accrued interest payable	56,999	0	56,999
Amounts held in trust	96,937	0	96,937
Unearned revenue	2,130,523	87,659	2,218,182
Contracts payable	496,666	0	496,666
Notes payable	0	72,187	72,187
Liabilities payable from restricted assets			
Customer deposits payable	0	221,963	221,963
Accrued interest payable	0	6,331	6,331
Bonds payable	0	292,000	292,000
Total current liabilities	<u>3,071,537</u>	<u>2,192,723</u>	<u>5,264,260</u>
<b>Noncurrent liabilities</b>			
Compensated absences payable	11,075	18,978	30,053
Net pension liability	842,280	201,745	1,044,025
Contracts payable	7,111,963	0	7,111,963
Notes payable	0	4,824,542	4,824,542
Bonds payable	0	605,000	605,000
Total noncurrent liabilities	<u>7,965,318</u>	<u>5,650,265</u>	<u>13,615,583</u>
<b>Total liabilities</b>	<u>11,036,855</u>	<u>7,842,988</u>	<u>18,879,843</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF NET POSITION**  
*June 30, 2023*

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	\$ 15,043	\$ 25,554	\$ 40,597
Leases	917,270	0	917,270
<b>Total deferred inflows of resources</b>	<u>932,313</u>	<u>25,554</u>	<u>957,867</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,802,276	11,034,155	33,836,431
Restricted for:			
Public safety activities	87,264	0	87,264
Tourism	50	0	50
Housing and development	1,105,847	0	1,105,847
Capital outlay	4,781,826	0	4,781,826
Debt service	0	544,742	544,742
Unrestricted	<u>10,033,991</u>	<u>10,904,462</u>	<u>20,938,453</u>
<b>Total net position</b>	<u>\$ 38,811,254</u>	<u>\$ 22,483,359</u>	<u>\$ 61,294,613</u>

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**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended June 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities							
General government	\$ 1,307,598	\$ 88,479	\$ 0	\$ 0	\$ (1,219,119)	\$ 0	\$ (1,219,119)
Judicial	204,169	0	0	0	(204,169)	0	(204,169)
Public safety	2,226,099	433,251	39,372	76,652	(1,676,824)	0	(1,676,824)
Public works	1,421,288	251,114	85,922	10,374,721	9,290,469	0	9,290,469
Health and welfare	34,181	0	0	0	(34,181)	0	(34,181)
Culture and recreation	51,212	0	0	113,751	62,539	0	62,539
Housing and development	1,713,140	10,930	5,000	0	(1,697,210)	0	(1,697,210)
Interest on long-term debt	169,225	0	0	0	(169,225)	0	(169,225)
Total governmental activities	7,126,912	783,774	130,294	10,565,124	4,352,280	0	4,352,280
Business-type activities							
Water and Sewer	3,286,189	4,658,469	0	150,000	0	1,522,280	1,522,280
<b>Total primary government</b>	<b>\$ 10,413,101</b>	<b>\$ 5,442,243</b>	<b>\$ 130,294</b>	<b>\$ 10,715,124</b>	<b>\$ 4,352,280</b>	<b>\$ 1,522,280</b>	<b>\$ 5,874,560</b>
General revenues							
Taxes							
Property					\$ 3,658,353	\$ 0	\$ 3,658,353
Sales					2,392,395	0	2,392,395
Franchise					658,716	0	658,716
Alcoholic beverage					368,908	0	368,908
Insurance premium					831,227	0	831,227
Hotel/motel					261,818	0	261,818
Other					175,033	0	175,033
Interest and investment earnings					110,254	66,609	176,863
Miscellaneous					142,374	0	142,374
Transfers					(1,142,114)	1,142,114	0
Total general revenues and transfers					7,456,964	1,208,723	8,665,687
Change in net position					11,809,244	2,731,003	14,540,247
Net position - beginning (original)					27,002,010	19,702,356	46,704,366
Prior period adjustments					0	50,000	50,000
Net position - beginning (restated)					27,002,010	19,752,356	46,754,366
Net position - ending					\$ 38,811,254	\$ 22,483,359	\$ 61,294,613

**CITY OF FLOWERY BRANCH, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2023**

	<b>General</b>	<b>American Rescue Plan Act</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,165,254	\$ 1,261,885
Restricted cash and cash equivalents	86,822	0
Certificates of deposit	3,429,388	794,644
Receivables		
Accounts	96,525	0
Intergovernmental	52,135	0
Taxes	289,956	0
Interest	26,904	6,234
Leases	548,386	0
Due from other funds	249,566	0
Prepaid items	172,605	0
	<b>\$ 9,117,541</b>	<b>\$ 2,062,763</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 123,893	\$ 0
Accrued salaries and payroll liabilities	39,374	0
Due to other funds	0	0
Amounts held in trust	90,450	0
Unearned revenue	67,783	2,056,253
	321,500	2,056,253
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable property taxes	66,474	0
Unavailable fines and forfeitures	19,113	0
Leases	518,337	0
	603,924	0
<b>FUND BALANCES</b>		
Nonspendable prepaid items	172,605	0
Nonspendable leases receivable	30,049	0
Restricted for:		
Public safety activities	86,822	0
Tourism	0	0
Housing and development	0	6,510
Capital outlay	0	0
Committed for capital outlay	0	0
Unassigned	7,902,641	0
	8,192,117	6,510
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,117,541</b>	<b>\$ 2,062,763</b>



<b>Tax Allocation District</b>	<b>SPLOST</b>	<b>Local Resources</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 1,313,388	\$ 4,471,229	\$ 2,472,123	\$ 33,245	\$ 13,717,124
0	0	0	0	86,822
0	0	0	0	4,224,032
0	0	0	0	96,525
0	326,407	0	0	378,542
0	0	0	22,010	311,966
0	0	0	0	33,138
403,968	0	0	0	952,354
0	0	0	0	249,566
0	0	0	0	172,605
<u>\$ 1,717,356</u>	<u>\$ 4,797,636</u>	<u>\$ 2,472,123</u>	<u>\$ 55,255</u>	<u>\$ 20,222,674</u>
\$ 1,680	\$ 15,810	\$ 348	\$ 9,629	\$ 151,360
0	0	0	0	39,374
204,432	0	0	45,134	249,566
6,487	0	0	0	96,937
6,487	0	0	0	2,130,523
<u>219,086</u>	<u>15,810</u>	<u>348</u>	<u>54,763</u>	<u>2,667,760</u>
0	0	0	0	66,474
0	0	0	0	19,113
398,933	0	0	0	917,270
<u>398,933</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,002,857</u>
0	0	0	0	172,605
0	0	0	0	30,049
0	0	0	442	87,264
0	0	0	50	50
1,099,337	0	0	0	1,105,847
0	4,781,826	0	0	4,781,826
0	0	2,471,775	0	2,471,775
0	0	0	0	7,902,641
<u>1,099,337</u>	<u>4,781,826</u>	<u>2,471,775</u>	<u>492</u>	<u>16,552,057</u>
<u>\$ 1,717,356</u>	<u>\$ 4,797,636</u>	<u>\$ 2,472,123</u>	<u>\$ 55,255</u>	<u>\$ 20,222,674</u>

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**CITY OF FLOWERY BRANCH, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**THE GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
*June 30, 2023*

**Total fund balance - total governmental funds** \$ 16,552,057

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

Some assets are not financial resources and, therefore, are not reported in the funds. These are:

Capital assets	\$ 35,783,227	
Accumulated depreciation	<u>(5,354,816)</u>	30,428,411

Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable in the funds. These are:

Unavailable property taxes	\$ 66,474	
Unavailable fines and forfeitures	<u>19,113</u>	85,587

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources - pension	\$ 378,903	
Deferred inflows of resources - pension	<u>(15,043)</u>	363,860

Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:

Compensated absences payable	\$ (110,753)	
Accrued interest payable	(56,999)	
Net pension liability	(842,280)	
Contracts payable	<u>(7,608,629)</u>	<u>(8,618,661)</u>

Net position of the governmental activities		<u><u>\$ 38,811,254</u></u>
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**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2023*

	<b>General</b>	<b>American Rescue Plan Act</b>
<b>REVENUES</b>		
Taxes	\$ 7,173,428	\$ 0
Licenses and permits	341,499	0
Fines and forfeitures	409,437	0
Charges for services	33,239	0
Intergovernmental	2,006	887,585
Interest	43,070	6,510
Contributions	37,969	0
Other	119,549	0
	<b>8,160,197</b>	<b>894,095</b>
<b>Total revenues</b>		
<b>EXPENDITURES</b>		
Current		
General government	1,107,853	0
Judicial	201,248	0
Public safety	2,046,603	0
Public works	566,151	75,685
Culture and recreation	71,512	0
Housing and development	1,198,636	0
Capital outlay	0	0
Debt service	0	0
	<b>5,192,003</b>	<b>75,685</b>
<b>Total expenditures</b>		
Excess (deficiency) of revenues over (under) expenditures	<b>2,968,194</b>	<b>818,410</b>
Other financing sources (uses)		
Transfers in	147,272	0
Transfers out	(850,000)	(811,900)
	<b>(702,728)</b>	<b>(811,900)</b>
<b>Total other financing sources (uses)</b>		
Net change in fund balances	<b>2,265,466</b>	<b>6,510</b>
Fund balances, July 1	<b>5,926,651</b>	<b>0</b>
<b>Fund balances, June 30</b>	<b>\$ 8,192,117</b>	<b>\$ 6,510</b>

<b>Tax Allocation District</b>	<b>SPLOST</b>	<b>Local Resources</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 905,147	\$ 0	\$ 0	\$ 261,817	\$ 8,340,392
0	0	0	0	341,499
0	0	0	500	409,937
0	0	0	0	33,239
0	1,942,033	0	5,000	2,836,624
60,667	15,743	0	7	125,997
0	50,000	0	0	87,969
22,825	0	0	0	142,374
<u>988,639</u>	<u>2,007,776</u>	<u>0</u>	<u>267,324</u>	<u>12,318,031</u>
0	0	0	0	1,107,853
0	0	0	0	201,248
0	0	0	65	2,046,668
0	0	0	0	641,836
0	0	0	0	71,512
3,018,439	0	0	114,545	4,331,620
0	265,276	112,839	0	378,115
271,544	0	338,167	0	609,711
<u>3,289,983</u>	<u>265,276</u>	<u>451,006</u>	<u>114,610</u>	<u>9,388,563</u>
<u>(2,301,344)</u>	<u>1,742,500</u>	<u>(451,006)</u>	<u>152,714</u>	<u>2,929,468</u>
149,254	479,994	850,000	0	1,626,520
0	(330,214)	(624,248)	(152,272)	(2,768,634)
<u>149,254</u>	<u>149,780</u>	<u>225,752</u>	<u>(152,272)</u>	<u>(1,142,114)</u>
(2,152,090)	1,892,280	(225,254)	442	1,787,354
<u>3,251,427</u>	<u>2,889,546</u>	<u>2,697,029</u>	<u>50</u>	<u>14,764,703</u>
<u>\$ 1,099,337</u>	<u>\$ 4,781,826</u>	<u>\$ 2,471,775</u>	<u>\$ 492</u>	<u>\$ 16,552,057</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
*For the fiscal year ended June 30, 2023*

**Net change in fund balances - total governmental funds** \$ 1,787,354

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

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.

Capital outlays	\$ 2,853,898	
Depreciation	<u>(920,888)</u>	1,933,010

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets contributed from developers	\$ 7,755,686	
Related accumulated depreciation	<u>0</u>	7,755,686

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue. 4,556

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$ 139,410	
Cost of benefits earned net of employee contributions	<u>(211,814)</u>	(72,404)

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Debt principal payments	\$ 410,035	
Amortization of bond premiums and discounts	27,256	
Net change in interest payable	<u>3,195</u>	440,486

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These include the following:

Net change in compensated absences		<u>(39,444)</u>
Change in net position of governmental activities		<u><u>\$ 11,809,244</u></u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 5,942,371	\$ 6,059,393	\$ 7,173,428	\$ 1,114,035
Licenses and permits	483,500	484,195	341,499	(142,696)
Fines and forfeitures	432,803	432,803	409,437	(23,366)
Charges for services	37,270	37,270	33,239	(4,031)
Intergovernmental	0	0	2,006	2,006
Interest	4,000	4,000	43,070	39,070
Contributions	37,240	37,240	37,969	729
Other	81,350	114,583	119,549	4,966
<b>Total revenues</b>	<u>7,018,534</u>	<u>7,169,484</u>	<u>8,160,197</u>	<u>990,713</u>
<b>EXPENDITURES</b>				
Current				
General government				
Council	54,504	54,504	51,862	2,642
City clerk	131,535	129,698	76,279	53,419
Mayor	17,489	17,489	12,976	4,513
City manager	91,576	100,113	98,577	1,536
Elections	3,200	200	0	200
General administration	581,656	586,754	565,574	21,180
Risk management	113,500	113,500	106,200	7,300
Building and plant	328,500	321,325	183,912	137,413
Public information	9,000	12,475	12,473	2
Judicial				
Municipal court	217,970	217,970	201,248	16,722
Public safety				
Police administration	555,104	664,027	602,619	61,408
Patrol	1,650,220	1,638,220	1,443,984	194,236
Public works				
Highways and street administration	837,672	782,224	488,286	293,938
Street lighting	73,300	70,600	63,605	6,995
Traffic engineering	5,500	13,900	13,418	482
Maintenance and shop	4,000	4,000	842	3,158
Culture and recreation				
Community center and depot	74,400	74,400	34,181	40,219
Railroad right-of-way	8,800	8,800	4,962	3,838
Culture and recreation	350	80,350	30,668	49,682
Parks	10,000	10,000	1,701	8,299
Housing and development				
Planning and community development	1,048,955	1,120,809	893,622	227,187
Economic development	42,000	42,000	25,400	16,600
Tourism	249,928	297,420	279,614	17,806
<b>Total expenditures</b>	<u>6,109,159</u>	<u>6,360,778</u>	<u>5,192,003</u>	<u>1,168,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>909,375</u>	<u>808,706</u>	<u>2,968,194</u>	<u>2,159,488</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses)				
Transfers in	120,000	120,000	147,272	27,272
Transfers out	(895,627)	(875,627)	(850,000)	25,627
Proceeds from sale of capital assets	500	500	0	(500)
Contingency	(134,248)	(73,579)	0	73,579
Total other financing sources (uses)	<u>(909,375)</u>	<u>(828,706)</u>	<u>(702,728)</u>	<u>125,978</u>
Net change in fund balances	0	(20,000)	2,265,466	2,285,466
Fund balances, July 1	<u>0</u>	<u>20,000</u>	<u>5,926,651</u>	<u>5,906,651</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 8,192,117</u></u>	<u><u>\$ 8,192,117</u></u>



**CITY OF FLOWERY BRANCH, GEORGIA**  
**AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,554,429	\$ 1,554,429	\$ 887,585	\$ (666,844)
Interest	0	0	6,510	6,510
<b>Total revenues</b>	<u>1,554,429</u>	<u>1,554,429</u>	<u>894,095</u>	<u>(660,334)</u>
<b>EXPENDITURES</b>				
Current				
Public works	2,138,958	2,131,938	75,685	2,056,253
<b>Total expenditures</b>	<u>2,138,958</u>	<u>2,131,938</u>	<u>75,685</u>	<u>2,056,253</u>
Excess (deficiency) of revenues over (under) expenditures	(584,529)	(577,509)	818,410	1,395,919
Other financing sources (uses)				
Transfers out	(969,900)	(811,900)	(811,900)	0
Net change in fund balances	(1,554,429)	(1,389,409)	6,510	1,395,919
Fund balances, July 1	1,554,429	1,389,409	0	(1,389,409)
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,510</u>	<u>\$ 6,510</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 250,000	\$ 506,170	\$ 905,147	\$ 398,977
Interest	2,000	2,000	60,667	58,667
Other	0	0	22,825	22,825
<b>Total revenues</b>	<u>252,000</u>	<u>508,170</u>	<u>988,639</u>	<u>480,469</u>
<b>EXPENDITURES</b>				
Current				
Housing and development	5,416,000	3,581,468	3,018,439	563,029
Debt service	271,550	271,550	271,544	6
<b>Total expenditures</b>	<u>5,687,550</u>	<u>3,853,018</u>	<u>3,289,983</u>	<u>563,035</u>
Excess (deficiency) of revenues over (under) expenditures	(5,435,550)	(3,344,848)	(2,301,344)	1,043,504
Other financing sources (uses)				
Transfers in	185,000	334,254	149,254	(185,000)
Net change in fund balances	(5,250,550)	(3,010,594)	(2,152,090)	858,504
Fund balances, July 1	5,250,550	3,010,594	3,251,427	240,833
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,099,337</u>	<u>\$ 1,099,337</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*June 30, 2023*

	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 339,730
Restricted cash and cash equivalents	
Customer deposits	221,963
Debt service	551,073
Certificates of deposit	7,834,294
Receivables (net)	
Accounts	815,951
Intergovernmental	2,209,269
Interest	61,461
Prepaid items	13,998
Total current assets	12,047,739
<b>Noncurrent assets</b>	
Capital assets	
Nondepreciable	6,892,886
Depreciable (net)	11,312,089
Total noncurrent assets	18,204,975
<b>Total assets</b>	30,252,714
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refunding	13,688
Deferred outflows of resources - pension	85,499
Total deferred outflows of resources	99,187
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	1,207,337
Retainages payable	252,206
Accrued salaries and payroll liabilities	29,844
Compensated absences payable	23,196
Unearned revenue	87,659
Notes payable	72,187
Liabilities payable from restricted assets	
Customer deposits payable	221,963
Accrued interest payable	6,331
Bonds payable	292,000
Total current liabilities	2,192,723
<b>Noncurrent liabilities</b>	
Compensated absences payable	18,978
Net pension liability	201,745
Notes payable	4,824,542
Bonds payable	605,000
Total noncurrent liabilities	5,650,265
<b>Total liabilities</b>	7,842,988
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - pension	25,554

**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*June 30, 2023*

	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 11,034,155
Restricted for debt service	544,742
Unrestricted	10,904,462
<b>Total net position</b>	<b>\$ 22,483,359</b>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2023*

	<u><b>Business-Type Activities Water and Sewer</b></u>
<b>OPERATING REVENUES</b>	
Water charges	\$ 1,409,775
Sewer charges	2,417,041
Development charges	823,209
Miscellaneous	<u>8,444</u>
<b>Total operating revenues</b>	<u><b>4,658,469</b></u>
<b>OPERATING EXPENSES</b>	
Personal services	1,279,805
Costs of sales and services	1,433,419
Depreciation	<u>485,790</u>
<b>Total operating expenses</b>	<u><b>3,199,014</b></u>
Operating income (loss)	<u><b>1,459,455</b></u>
Non-operating revenues (expenses)	
Interest revenue	66,609
Interest expense	(52,337)
Loss on disposal of capital assets	<u>(34,838)</u>
Total non-operating revenues (expenses)	<u>(20,566)</u>
Net income (loss) before capital contributions and transfers	1,438,889
Capital contributions	
Capital contributions	<u>150,000</u>
Net income (loss) before transfers	1,588,889
Transfers	
Transfers in	<u>1,142,114</u>
Change in net position	<u>2,731,003</u>
Net position, July 1 (original)	19,702,356
Prior period adjustments	<u>50,000</u>
Net position, July 1 (restated)	<u>19,752,356</u>
<b>Net position, June 30</b>	<u><b>\$ 22,483,359</b></u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2023*

	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$ 4,551,989
Payments to suppliers	(1,443,987)
Payments to employees	(1,284,450)
Other receipts	8,444
	<u>1,831,996</u>
<b>Cash flows from capital and related financing activities:</b>	
Receipts from other funds	1,142,114
Receipts from other governments	422,456
Receipts of capital contributions	150,000
Acquisition of capital assets	(3,895,968)
Payment of capital related payables	(11,634)
Proceeds - notes payable	890,537
Principal payments - notes payable	(71,184)
Principal payments - bonds payable	(285,000)
Interest paid	(47,258)
	<u>(1,705,937)</u>
<b>Cash flows from investing activities:</b>	
Interest received	5,148
Purchases of certificates of deposit	(7,834,294)
	<u>(7,829,146)</u>
Net cash provided (used) by investing activities	<u>(7,829,146)</u>
Net increase in cash and cash equivalents	<u>(7,703,087)</u>
Cash and cash equivalents, July 1 (original)	8,765,853
Prior period adjustments	50,000
Cash and cash equivalents, July 1 (restated)	<u>8,815,853</u>
<b>Cash and cash equivalents, June 30</b>	<b>\$ 1,112,766</b>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*For the fiscal year ended June 30, 2023*

	<u><b>Business-Type Activities Water and Sewer</b></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 1,459,455
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	485,790
(Increase) decrease in accounts receivable	(114,153)
(Increase) decrease in prepaid items	(13,998)
(Increase) decrease in deferred outflows of resources - pension	(40,891)
Increase (decrease) in accounts payable	3,430
Increase (decrease) in accrued salaries and payroll liabilities	(10,411)
Increase (decrease) in compensated absences payable	3,696
Increase (decrease) in customer deposits payable	16,117
Increase (decrease) in net pension liability	81,902
Increase (decrease) in deferred inflows of resources - pension	(38,941)
Total adjustments	372,541
Net cash provided (used) by operating activities	\$ 1,831,996
<b>Cash and cash equivalents reconciliation</b>	
Cash and cash equivalents	\$ 339,730
Cash and cash equivalents restricted for customer deposits	221,963
Cash and cash equivalents restricted for debt service	551,073
	\$ 1,112,766
<b>Noncash investing and capital and related financing activities:</b>	
Acquisition of capital assets through payables totaled \$1,390,779.	
Increase in notes payable through intergovernmental receivable totaled \$2,209,269.	

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies**

The financial statements of the City of Flowery Branch, 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 is a municipal corporation governed by a five member City Council, a Mayor, and full time City Manager. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that the entity is legally separate from the City.

All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government.

Discretely Presented Component Unit

The Flowery Branch Development Authority is governed by a separate board and is a separate legal, public body created and existing under instrumentality of the City of Flowery Branch for the purpose of revitalizing and developing the central business district of Flowery Branch, Georgia. Separate financial statements for the Flowery Branch Development Authority are not prepared. Currently, the Development Authority is an inactive entity with no activity in the current fiscal year.



**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**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 units. (For the most part, the effect of interfund activity has been removed from these statements). Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the discretely presented component unit. The Statement of Net Position will include noncurrent assets and noncurrent liabilities. In addition, the government-wide Statement of Activities reflects depreciation expense on the City's capital assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants 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 considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Custodial funds use the accrual basis of accounting to recognize assets and liabilities. 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. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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.

Property taxes, sales taxes, franchise taxes, licenses, fines and forfeitures, intergovernmental grants, and interest 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Basis of 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 **American Rescue Plan Act Special Revenue Fund** accounts for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds.

The **Tax Allocation District (TAD) Special Revenue Fund** accounts for the tax allocation district revenues and expenditures.

The **SPLOST Capital Projects Fund** accounts for the receipt and disbursement of special purpose local option sales tax (SPLOST) funds.

The **Local Resources Capital Projects Fund** accounts for capital purchases as approved by the City Council.

The City reports the following major proprietary fund:

The **Water and Sewer Fund** accounts for the operations of the City's water and sewer services.

The City also reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues, such as intergovernmental revenues and hotel/motel tax revenues, which are legally restricted or committed to expenditures for specific, restricted purposes.

The **Capital Project Funds** are used to account for the collection and expenditures of certain restricted revenues, such as special purpose local option sales tax receipts.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation, continued**

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash and Investments**

Amounts reported as cash by the City in the accompanying financial statements include cash on hand and on deposit with financial institutions.

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia.

Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**E. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Customer accounts receivable include billed but uncollected amounts and unbilled receivables based upon a pro rata amount of subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**F. Leases Receivable**

Leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Under the lease agreements, the City may receive variable lease payments that are dependent upon the lessees' revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for each of the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the respective lease.

**G. Prepaid Items**

Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond the current year are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**H. Inventories**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased and is adjusted when accounted for at interval periods during the year or at year-end.

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts expended for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of amount. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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' lives are not capitalized.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**I. Capital Assets, continued**

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<b>Assets</b>	<b>Useful Life in Years</b>
Buildings and improvements	20-50
Public domain infrastructure	14-40
Machinery and equipment	5-20
Vehicles	5
Intangibles	10

**J. Deferred Outflows / Inflows of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's unavailable revenues arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines and forfeitures, which will be recognized as an inflow of resources in the period in which the amounts become available. The City also reports deferred inflows of resources related to their leases and defined benefit pension plan.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**K. Compensated Absences**

General leave for the City includes both vacation and compensatory time pay. Vacation leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued leave earned not to exceed the number of leave hours outlined in the employee policy manual.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available financial resources are maintained separately and represents a reconciling item between the fund and government-wide presentations. Vested or accumulated general leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

**L. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Contract and bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Contracts and bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as expenses when incurred.

Proprietary fund type loans payable are reported as liabilities at their outstanding value. Loan issuance costs are reported as expenses when incurred. In the fund financial statements, governmental fund types report the face amount of debt issued and related premiums or discounts as other financing sources and bond issuance costs as expenditures.



**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**M. Fund Equity and Net Position**

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

**Fund Balance** – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management 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 there are limitations imposed on their use either through enabling legislation adopted by the City 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 action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

*Assigned* – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager to assign fund balances.

*Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**M. Fund Equity and Net Position, continued**

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

**Net Position** – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

**N. Management 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

**O. Interfund Transactions**

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**1. Summary of Significant Accounting Policies (continued)**

**P. Budgets**

Formal budgetary accounting is employed as a management control device for all governmental fund types, except for the Capital Project Funds, for the upcoming fiscal year. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and Special Revenue Funds. The same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principle basis. Capital budgets are adopted for the Capital Project Funds on a project basis. Additional capital projects are budgeted by the City Council as capital projects are approved throughout the year.

All governmental funds with revenues and/or expenditures as defined by State law are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is at the department level within a fund. All annual appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund, function, and department. The government's City Manager may make transfers of appropriations within a department at the department heads request. Transfers of appropriations between departments require the approval of council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Amendments to the original budget appropriations are approved by the City Council.

The City prepares its annual operating budget under the provisions of the official Code of Georgia. In accordance with those provisions, the following process is used to adopt the annual budget:

- (a) Prior to June 1, the City Finance Officer submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- (b) Public hearings are conducted at regular Council meetings to obtain taxpayer comments. Public hearings are normally scheduled no later than 15 days prior to the beginning of the budget year.
- (c) Subsequent to the public hearings, the budget is legally enacted through the passage of a resolution by the City Council.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**2. Deposit and Investment Risk**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned. The City's investment policy follows the State of Georgia requirement that all deposits be federally insured or fully collateralized. At the end of the current fiscal year, the City had no uninsured or uncollateralized deposits. These deposits are collateralized with securities not held in the City's name. These deposits are held by the pledging financial institution's agent, the Georgia Bankers Association, in the State of Georgia Pledging Pool. The State of Georgia Pledging Pool is collateralized by securities within the pool at 111% of deposits.

**Interest Rate Risk and Concentration of Credit Risk**

To limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates and concentrations, the City investment policy allows no more than 15% of the overall portfolio to be invested in the securities of a single issuer, except for the securities of the U.S. Treasury. No more than 15% of the portfolio may be invested in each of the following categories: money market mutual funds, negotiable certificates of deposit, bankers' acceptances, and any other obligation that does not bear the full faith and credit of the United States government or which is not fully collateralized or insured. At least 10% of the overall portfolio shall be invested in overnight instruments or in marketable securities, which can be converted to cash within one day. No more than 20% of the portfolio may be invested beyond 12 months, and the weighted average maturity of the portfolio shall never exceed 5 years.

**Credit Risk**

The City's policy is to adhere to State statutes as it relates to credit risk for investments. State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. Other than noted above regarding interest rate risk, the City has no investment policy that would further limit its investment choices.

**Foreign currency risk**

The City has no investments denominated in a foreign currency.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**2. Deposit and Investment Risk (continued)**

The City participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA §36-83-8, which is a stable net asset investment pool that follows Fitch's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAf/S1 by Fitch. The weighted average maturity at the end of the current fiscal year was 28 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$661,954.

**3. Accounts Receivable**

Net accounts receivable at the end of the current fiscal year consist of the following:

**Primary Government:**

**Major Funds**

General Fund	\$ 96,525
Water and Sewer Enterprise Fund	<u>815,951</u>
Total primary government	<u><u>\$ 912,476</u></u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**4. Intergovernmental Receivables**

Intergovernmental receivables at the end of the current fiscal year consist of the following:

**Primary Government:**

**Major Funds**

General Fund	\$ 52,135
SPLOST Capital Projects Fund	326,407
Water and Sewer Enterprise Fund	<u>2,209,269</u>
Total primary government	<u><u>\$ 2,587,811</u></u>

**5. Leases Receivable**

In 1990, the City entered into a lease with a cell phone service provider to provide the tenant the right to use a portion of real property. The lease was subsequently amended and provides for additional five-year terms through 2040. In 2022, the City entered into four leases with restaurant, retail, and professional services companies for the right to use buildings in the downtown area. The lease terms vary between 36 and 217 months and provide options for extensions. The lease to the cell phone service provider requires annual payments starting at \$28,000 with an annual escalation of 3%. Monthly payments on the other leases vary between \$1,854 and \$3,064 and provide for annual escalations. Leases receivable are measured as the present value of the future minimum rent payments expected to be received during the lease terms at imputed discount rates ranging between 1.39% and 2.70%. During the current fiscal year, one of the leases was terminated and a loss of \$816 was recognized. Also during the current fiscal year, three of the leases were modified to extend the initial payment commencement date.

During the current fiscal year, the City recognized \$74,053 of lease revenue (reported as other revenue on the statement of revenues, expenditures, and changes in fund balances) and \$12,160 of interest revenue under the leases.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**6. Property Taxes**

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for the 2022 tax digest year, based upon the assessments as of January 1, 2022, were levied on August 17, 2022, billed on September 30, 2022, and due on December 31, 2022. FIFAs on delinquent tax accounts could be filed no earlier than January 1, 2023.

**7. Interfund Receivables and Payables**

A summary of interfund receivables and payables at the end of the current fiscal year follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Tax Allocation District	\$ 204,432
	Nonmajor Governmental	<u>45,134</u>
		<u>\$ 249,566</u>

The balances reported as Due to/Due from represent loans between funds. These balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**8. Interfund Transfers**

A summary of interfund transfers for the current fiscal year follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Local Resources	\$ 850,000
American Rescue Plan Act	Water and Sewer	811,900
SPLOST	Water and Sewer	330,214
Local Resources	Tax Allocation District	144,254
	SPLOST	479,994
Nonmajor Governmental	General	147,272
	Tax Allocation District	5,000
		<u>\$ 2,768,634</u>

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.



**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**9. Capital Assets**

Capital asset activity for the primary government for the current fiscal year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Nondepreciable assets				
Land	\$ 1,667,364	\$ 0	\$ 0	\$ 1,667,364
Construction in progress	2,708,988	2,853,898	(5,539,286)	23,600
Total nondepreciable assets	<u>4,376,352</u>	<u>2,853,898</u>	<u>(5,539,286)</u>	<u>1,690,964</u>
Depreciable assets				
Buildings and improvements	5,255,927	81,751	0	5,337,678
Machinery and equipment	1,672,004	180,356	0	1,852,360
Infrastructure	13,763,920	13,032,865	0	26,796,785
Intangibles	105,440	0	0	105,440
Total depreciable assets	<u>20,797,291</u>	<u>13,294,972</u>	<u>0</u>	<u>34,092,263</u>
Accumulated depreciation				
Buildings and improvements	(655,764)	(109,373)	0	(765,137)
Machinery and equipment	(1,052,906)	(198,922)	0	(1,251,828)
Infrastructure	(2,696,262)	(602,049)	0	(3,298,311)
Intangibles	(28,996)	(10,544)	0	(39,540)
Total accumulated depreciation	<u>(4,433,928)</u>	<u>(920,888)</u>	<u>0</u>	<u>(5,354,816)</u>
Total depreciable assets, net	<u>16,363,363</u>	<u>12,374,084</u>	<u>0</u>	<u>28,737,447</u>
Governmental activities capital assets, net	<u>\$ 20,739,715</u>	<u>\$ 15,227,982</u>	<u>\$ (5,539,286)</u>	<u>\$ 30,428,411</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**9. Capital Assets (continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 553,201	\$ 445,000	\$ 0	\$ 998,201
Construction in progress	1,409,654	4,841,747	(356,716)	5,894,685
Total non-depreciable assets	<u>1,962,855</u>	<u>5,286,747</u>	<u>(356,716)</u>	<u>6,892,886</u>
Depreciable assets				
Buildings and improvements	3,472,010	0	0	3,472,010
Machinery and equipment	6,079,606	0	0	6,079,606
Infrastructure	8,537,486	321,878	0	8,859,364
Intangibles	21,260	0	0	21,260
Total depreciable assets	<u>18,110,362</u>	<u>321,878</u>	<u>0</u>	<u>18,432,240</u>
Accumulated depreciation				
Buildings and improvements	(1,696,270)	(68,944)	0	(1,765,214)
Machinery and equipment	(2,663,682)	(169,497)	0	(2,833,179)
Infrastructure	(2,265,815)	(243,006)	0	(2,508,821)
Intangibles	(8,594)	(4,343)	0	(12,937)
Total accumulated depreciation	<u>(6,634,361)</u>	<u>(485,790)</u>	<u>0</u>	<u>(7,120,151)</u>
Total depreciable assets, net	<u>11,476,001</u>	<u>(163,912)</u>	<u>0</u>	<u>11,312,089</u>
Business-type activities capital assets, net	<u>\$ 13,438,856</u>	<u>\$ 5,122,835</u>	<u>\$ (356,716)</u>	<u>\$ 18,204,975</u>

Decreases in construction in progress for the business-type activities consist of projects placed in service in the amount of \$321,878 and projects abandoned in the amount of \$34,838.

Beginning balances of machinery and equipment and infrastructure in the business-type activities have been adjusted to correct classification. The adjustments did not change net position.

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

<b>Governmental activities</b>	
General Government	\$ 173,290
Public Safety	131,069
Public Works	596,481
Culture and Recreation	13,881
Housing and Development	6,167
Total depreciation expense for governmental activities	<u>\$ 920,888</u>
<b>Business-type activities</b>	
Water and Sewer	<u>\$ 485,790</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**10. Long-Term Debt**

***Governmental Activities***

***Contracts Payable***

On August 18, 2016, the City entered into a contract with Gainesville and Hall County Development Authority to issue tax-exempt revenue bonds, series 2016, in the amount of \$4,000,000. The bonds bear an interest rate of 1.56% per annum, with semi-annual interest payments beginning January 5, 2017 and annual principal payments beginning July 5, 2017, with a maturity date of July 5, 2029. These funds were used to finance the construction of the new City Hall. The City is responsible for all principal and interest payments on the bonds.

On March 10, 2020, the City entered into a contract with the Gainesville and Hall County Development Authority to issue tax-exempt revenue bonds, Series 2020, in the amount of \$4,995,000. The bonds bear various interest rates ranging from 2.128% to 4%, with semi-annual interest payments beginning October 1, 2020, and annual principal payments beginning April 1, 2023, with a maturity date of April 1, 2039. These funds were used for Old Town redevelopments by streetscaping, Farmers Market Pavilion, two downtown parks, and an old town bike-pedestrian path. The City is responsible for all principal and interest payments on the bonds. The payments will be paid with tax allocation district funds.

Contracts payable currently outstanding mature as follows:

<b>Fiscal Year</b>			
<b>Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 496,666	\$ 191,745	\$ 688,411
2025	558,443	181,199	739,642
2026	575,370	168,897	744,267
2027	587,450	156,185	743,635
2028	604,687	143,211	747,898
2029-2033	2,191,727	506,721	2,698,448
2034-2038	1,780,000	207,831	1,987,831
2039	385,000	11,550	396,550
Totals	<u>\$ 7,179,343</u>	<u>\$ 1,567,339</u>	<u>\$ 8,746,682</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**10. Long-Term Debt (continued)**

***Business-Type Activities***

***Revenue Bonds***

**Series 2014 Revenues Bonds:** In October 2014, the City funded the repayment of \$2,860,078 of its Series 2004 Water and Sewer Revenue Bonds with the issuance of \$2,990,000 of Series 2014 Water and Sewerage Revenue Bonds. The reacquisition price exceeded the net carrying amount of the old debt in the amount of \$63,200, which is included in deferred outflows of resources and is amortized over the term of the new bond using the straight-line method. The initial proceeds of \$5,060,000 from the issuance of the 2004 Bonds were for additions to and improvements of the water and sewerage system. The refunding was undertaken to reduce the interest rate. The Series 2014 Water and Sewerage Revenue Bonds carry an interest rate of 2.38%, with semi-annual interest payments beginning April 1, 2015, and annual principal payments beginning October 1, 2015, with a maturity date of October 1, 2025. The City has pledged net revenues of the water and sewer system as collateral for the bonds. Upon the happening and continuance of any event of default, the holder of the bonds may, by a notice in writing to the City, declare the principal and any accrued interest to be due and payable immediately.

Revenue bonds currently outstanding mature as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 292,000	\$ 16,136	\$ 308,136
2025	299,000	9,062	308,062
2026	306,000	1,821	307,821
Totals	<u>\$ 897,000</u>	<u>\$ 27,019</u>	<u>\$ 924,019</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**10. Long-Term Debt (continued)**

***Business-Type Activities, continued***

***Notes from Direct Borrowings***

In August 2014, the City entered into an agreement with the Georgia Environmental Finance Authority (GEFA) to borrow up to \$1,500,000 to finance the diversion of sewerage flows from the Cinnamon Cove complex to the City's existing wastewater treatment plant. The note bears an interest rate of 1.40% and requires monthly payments of \$7,169, with a maturity date of June 1, 2036. At the end of the current fiscal year, the note has a balance of \$1,022,010. As security for the payments required to be made and the obligations required to be performed by the City, the City has pledged its full faith and credit and revenue-raising power (including its taxing power) for such payment and performance. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable.

In February 2021, the City entered into a note agreement with GEFA to borrow up to \$5,710,000 to finance the upgrade of the water distribution system and related appurtenances. At the end of the current fiscal year, the note has a balance of \$2,541,446 and is still in the draw down phase. Therefore, a future payment schedule has not been established. The note requires interest only payments until the earlier of October 1, 2024, the completion date, or the date that the loan is fully disbursed. The note bears an interest rate of 0.99%. The maturity schedule below does not include this note. As security for the payments required to be made and the obligations required to be performed by the City, the City has pledged its full faith and credit and revenue-raising power (including its taxing power) for such payment and performance. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**10. Long-Term Debt (continued)**

***Business-Type Activities, continued***

***Notes from Direct Borrowings, continued***

In April 2021, the City entered into a note agreement with GEFA to borrow up to \$23,300,000 to finance the upgrade of the water reclamation facility and related appurtenances. At the end of the current fiscal year, the note has a balance of \$1,333,273 and is still in the draw down phase. Therefore, a future payment schedule has not been established. The note requires interest only payments until the earlier of October 1, 2024, the completion date, or the date that the loan is fully disbursed. The note bears an interest rate of 1.04%. The maturity schedule below does not include this note. As security for the payments required to be made and the obligations required to be performed by the City, the City has pledged its full faith and credit and revenue-raising power (including its taxing power) for such payment and performance. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable.

The City's notes from direct borrowings debt service requirements to maturity are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 72,187	\$ 13,846	\$ 86,033
2025	73,204	12,829	86,033
2026	74,235	11,798	86,033
2027	75,281	10,752	86,033
2028	76,342	9,691	86,033
2029-2033	398,151	32,014	430,165
2034-2036	252,610	5,488	258,098
Totals	<u>\$ 1,022,010</u>	<u>\$ 96,418</u>	<u>\$ 1,118,428</u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**11. Long-Term Liabilities**

***Changes in Long-Term Liabilities***

The following is a summary of changes in long-term liabilities for the current fiscal year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Contracts payable	\$ 7,589,378	\$ 0	\$ (410,035)	\$ 7,179,343	\$ 496,666
Plus premiums	456,542	0	(27,256)	429,286	0
Total contracts payable	<u>8,045,920</u>	<u>0</u>	<u>(437,291)</u>	<u>7,608,629</u>	<u>496,666</u>
Compensated absences	71,309	103,622	(64,178)	110,753	99,678
Total governmental activities	<u>\$ 8,117,229</u>	<u>\$ 103,622</u>	<u>\$ (501,469)</u>	<u>\$ 7,719,382</u>	<u>\$ 596,344</u>
<b>Business-type activities</b>					
Revenue bonds payable	\$ 1,182,000	\$ 0	\$ (285,000)	\$ 897,000	\$ 292,000
Notes from direct borrowings	1,868,107	3,099,806	(71,184)	4,896,729	72,187
Compensated absences	38,478	24,859	(21,163)	42,174	23,196
Total business-type activities	<u>\$ 3,088,585</u>	<u>\$ 3,124,665</u>	<u>\$ (377,347)</u>	<u>\$ 5,835,903</u>	<u>\$ 387,383</u>

Contract and bond discounts/premiums are amortized over the life of the related debt. For governmental activities, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund. The total interest incurred and charged to expense for the current fiscal year was \$169,225 and \$52,337 for the governmental activities and business-type activities, respectively.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**12. Net Investment in Capital Assets**

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current fiscal year:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cost of capital assets	\$ 35,783,227	\$ 25,325,126
Accumulated depreciation	(5,354,816)	(7,120,151)
Book value	30,428,411	18,204,975
Deferred charge on refunding	0	13,688
Capital-related accounts payable	(17,506)	(1,138,573)
Retainages payable	0	(252,206)
Contracts payable	(7,608,629)	0
Notes payable	0	(4,896,729)
Bonds payable	0	(897,000)
Net investment in capital assets	<u>\$ 22,802,276</u>	<u>\$ 11,034,155</u>

**13. Pension Plans**

**Defined Benefit Pension Plan**

*Plan Description.* Beginning on November 1, 2015, the Georgia Municipal Employees Benefit System (GMEBS) administers an agent multiple-employer defined benefit pension plan, the City of Flowery Branch Retirement Plan, as defined in the Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. Under the GMEBS Retirement Fund, the contributions made by the City of Flowery Branch, Georgia are commingled with contributions made by other participants of the GMEBS Retirement Fund for investment purposes. The plan was effective on November 1, 2014.



**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**13. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

The Board of Trustees of GMEBS is authorized to amend the “Plan” documents pursuant to a formally adopted resolution. The adoption agreements, executed by the City Council, establish the specific benefit provisions of the Defined Benefit Plan and may be amended by a formally adopted resolution by the City Council and approved by the Plan Board of Trustees. The Plan provides for benefits upon retirement, death, disablement, and termination of employment. Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

At January 1, 2023, the date of the most recent actuarial valuation, there were 62 participants consisting of the following:

Active participants	40
Vested terminated participants	16
Retired participants and beneficiaries	6
Total number of participants	62

*Benefits Provided.* As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability 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 not covered by the Plan. Employee benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.00% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 10 years total credited service. Retirement between the ages of 55 and 65 will result in a reduced monthly benefit. To receive full benefits, an employee must be employed until age 65. The benefit is calculated on the last three years’ highest averaged earnings.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**13. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*Contributions.* The plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted an actuarial funding policy for the plan which meets the 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 the plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to the plan for the current fiscal year totaled \$172,802, or 5.03% of covered payroll. Employees do not contribute to the plan.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At the end of the current year, the City reported a net pension liability of \$1,044,025. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. For the current year, the City recognized pension expense of \$247,277.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**13. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

The components of the net pension liability are as follows:

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at September 30, 2021</b>	<b>\$ 2,035,577</b>	<b>\$ 1,443,479</b>	<b>\$ 592,098</b>
<b>Changes for the year:</b>			
Service cost	114,331	0	114,331
Interest	156,173	0	156,173
Differences between expected and actual experience	81,951	0	81,951
Contributions—employer	0	174,580	(174,580)
Net investment income	0	(250,037)	250,037
Benefit payments, including refunds of employee contributions	(64,615)	(64,615)	0
Administrative expense	0	(6,733)	6,733
Other	17,282	0	17,282
<b>Net changes</b>	<b>305,122</b>	<b>(146,805)</b>	<b>451,927</b>
<b>Balances at September 30, 2022</b>	<b>\$ 2,340,699</b>	<b>\$ 1,296,674</b>	<b>\$ 1,044,025</b>

Plan fiduciary net position as a percentage of the total pension liability	55.40%
Covered payroll	\$ 2,141,262
Employer's net pension liability as a percentage of covered payroll	48.76%

At the end of the current year, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
City contributions subsequent to the measurement date	\$ 129,602	\$ 0
Changes in participant fund allocation	21,951	(21,951)
Changes of assumptions	22,654	0
Differences between expected and actual experience	113,399	(18,646)
Net difference between projected and actual earnings on pension plan investments	176,796	0
Totals	<b>\$ 464,402</b>	<b>\$ (40,597)</b>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**13. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

The \$129,602 of deferred outflows of resources resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30,</b>		
2024	\$	65,270
2025		59,759
2026		65,797
2027		87,718
2028		15,659
Totals	<u>\$</u>	<u>294,203</u>

*Actuarial Assumptions.* The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	N/A
Net investment rate of return	7.375%

Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The methods and assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**13. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	
Total	<u>100%</u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**13. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate.* The following presents what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	<b>Discount Rate</b>	<b>Net Pension Liability (Asset)</b>
1% decrease	6.375%	\$ 1,402,074
Current discount rate	7.375%	1,044,025
1% increase	8.375%	751,586

*Plan Fiduciary Net Position.* Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

**Other Plans**

In addition to the plan above, various City employees are also covered under the Peace Officers' Annuity and Benefit Fund of Georgia and the Georgia Firefighters' Pension Fund. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

**14. Deferred Compensation Plan**

The City of Flowery Branch offers its employees a deferred compensation plan (the City of Flowery Branch 457b Deferred Compensation Plan) created in accordance with Internal Revenue Code Section 457. The Mayor and Council established this defined contribution plan and Georgia Municipal Association administers the plan. Full-time City employees are eligible and participation is optional. Employees' contributions are vested immediately. During the current fiscal year, employee contributions totaled \$3,890.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**15. Hotel/Motel Lodging Tax**

The City has levied an 8% lodging tax in accordance with OCGA 48-13-51(b). A summary of the transactions for the current fiscal year follows:

Lodging tax receipts	\$ 261,817	
Disbursements for tourism	\$ 114,545	44% of tax receipts
Transfers to the General Fund	\$ 147,272	56% of tax receipts

**16. Joint Venture**

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current fiscal year, the City paid \$10,973 in such dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, GA 30501.

**17. Risk Management**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which, except as described in the following paragraph, the City carries commercial insurance in amounts deemed prudent by City management.

The City purchased general liability insurance from Travelers Indemnity Company. The City's policy starts May 1<sup>st</sup> and end April 30<sup>th</sup> of each year. The City participates in the Georgia Municipal Association Group Workers' Compensation Self-Insurance Fund (GMA), a public entity risk pool currently operating as common risk management and insurance programs for member local governments.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**17. Risk Management (continued)**

As part of the risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, 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.

As a participant in GMA's risk pool, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims.

However, the enabling statute creating the fund permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency, as management believes the likelihood for assessment is remote.

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.

There have been no significant reductions of insurance coverage from coverage in the prior fiscal year and settled claims have not exceeded the coverages in the past three fiscal years.



**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**18. Commitments and Contingencies**

**Commitments**

At the end of the current fiscal year, contractual commitments on uncompleted contracts were \$1,517,221.

**Contingencies**

From discussion with legal counsel, it is estimated that any losses resulting from pending suits will likely be covered by insurance and should not result in material liabilities to the City. The City has entered into various agreements and contracts in the normal course of business. There were no such agreements which give rise to assets or liabilities that are considered to be material at the end of the current year.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

**19. Changes in Beginning Balances**

***Business-Type Activities***

**Water and Sewer Fund**

A prior period adjustment has been made to correct the beginning balance of cash and cash equivalents. This adjustment increased beginning net position by \$50,000.

**20. New Accounting Pronouncements**

The City implemented GASB Statement No. 91, *Conduit Debt*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2021. The implementation of this new standard had no impact on the City's net position.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2023*

**20. New Accounting Pronouncements (continued)**

The City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

The County implemented GASB Statement No. 99, *Omnibus 2022*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF FLOWERY BRANCH, GEORGIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2023**  
**(Unaudited)**

	Fiscal Year End							
	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>								
Service cost	\$ 114,331	\$ 107,662	\$ 131,652	\$ 116,634	\$ 95,013	\$ 125,621	\$ 118,625	\$ 0
Interest	156,173	140,576	128,011	105,116	88,504	68,903	56,385	0
Differences between expected and actual experience	81,951	13,995	(29,483)	63,146	21,459	(2,714)	(13,494)	0
Changes of assumptions	0	0	0	48,041	0	6,194	0	0
Changes of benefit terms	0	0	0	0	0	0	0	727,554
Benefit payments, including refunds of employee contributions	(64,615)	(50,226)	(21,398)	(6,120)	(4,079)	0	0	0
Other	17,282	0	0	0	0	0	0	0
Net change in total pension liability	305,122	212,007	208,782	326,817	200,897	198,004	161,516	727,554
Total pension liability - beginning	2,035,577	1,823,570	1,614,788	1,287,971	1,087,074	889,070	727,554	0
<b>Total pension liability - ending (a)</b>	<b>\$ 2,340,699</b>	<b>\$ 2,035,577</b>	<b>\$ 1,823,570</b>	<b>\$ 1,614,788</b>	<b>\$ 1,287,971</b>	<b>\$ 1,087,074</b>	<b>\$ 889,070</b>	<b>\$ 727,554</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 174,580	\$ 185,286	\$ 174,247	\$ 152,496	\$ 154,837	\$ 149,864	\$ 135,830	\$ 121,000
Net investment income	(250,037)	262,191	88,443	26,557	50,844	50,094	18,604	(4,794)
Benefit payments, including refunds of employee contributions	(64,615)	(50,226)	(21,398)	(6,120)	(4,079)	0	0	0
Administrative expense	(6,733)	(6,912)	(6,451)	(5,907)	(6,374)	(6,886)	(3,771)	(3,896)
Net change in plan fiduciary net position	(146,805)	390,339	234,841	167,026	195,228	193,072	150,663	112,310
Plan fiduciary net position - beginning	1,443,479	1,053,140	818,299	651,273	456,045	262,973	112,310	0
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,296,674</b>	<b>\$ 1,443,479</b>	<b>\$ 1,053,140</b>	<b>\$ 818,299</b>	<b>\$ 651,273</b>	<b>\$ 456,045</b>	<b>\$ 262,973</b>	<b>\$ 112,310</b>
<b>Net pension liability - ending : (a) - (b)</b>	<b>\$ 1,044,025</b>	<b>\$ 592,098</b>	<b>\$ 770,430</b>	<b>\$ 796,489</b>	<b>\$ 636,698</b>	<b>\$ 631,029</b>	<b>\$ 626,097</b>	<b>\$ 615,244</b>
Plan's fiduciary net position as a percentage of the total pension liability	55.40%	70.91%	57.75%	50.68%	50.57%	41.95%	29.58%	15.44%
Covered payroll	\$ 2,141,262	\$ 1,843,692	\$ 1,638,190	\$ 2,031,478	\$ 1,639,971	\$ 1,521,906	\$ 1,618,606	\$ 1,566,019
Net pension liability as a percentage of covered payroll	48.76%	32.11%	47.03%	39.21%	38.82%	41.46%	38.68%	39.29%

Note: Fiscal year 2016 was the first year of implementation. Therefore, years prior are not reported.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2023**  
**(Unaudited)**

	Fiscal Year End							
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 172,802	\$ 175,172	\$ 188,657	\$ 169,444	\$ 146,847	\$ 157,500	\$ 147,319	\$ 131,762
Contributions in relation to the actuarially determined contribution	<u>(172,802)</u>	<u>(175,172)</u>	<u>(188,657)</u>	<u>(188,656)</u>	<u>(146,847)</u>	<u>(157,500)</u>	<u>(147,319)</u>	<u>(132,000)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (19,212)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (238)</u>
Covered payroll	\$ 3,435,590	\$ 2,389,427	\$ 1,638,190	\$ 2,031,478	\$ 1,639,971	\$ 1,521,906	\$ 1,618,606	\$ 1,566,019
Contributions as a percentage of covered payroll	5.03%	7.33%	11.52%	9.29%	8.95%	10.35%	9.10%	8.43%

Note: Fiscal year 2016 was the first year of implementation. Therefore, years prior are not reported.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2023**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2023, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2024.

**2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method = Projected unit credit

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 18 years

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.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = N/A

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2023**

**3. Changes in Benefits**

Amounts reported for fiscal years ending in 2023 and later reflect that effective March 3, 2022, the City Manager became eligible to participate in the plan.

**4. Changes of Assumptions**

There were no changes in assumptions in the last two fiscal years.

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***NONMAJOR GOVERNMENTAL FUNDS***

Confiscated Assets Special Revenue Fund – This fund is used to account for the cash or property received from drug confiscations restricted for law enforcement.

Hotel/Motel Tax Special Revenue Fund – To account for the 8% lodging tax levied in the City, as restricted by state law.

Grant Special Revenue Fund – To account for grants received restricted for special purposes.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2023**

	Special Revenue			Total Nonmajor Governmental Funds
	Confiscated Assets	Grant	Hotel/Motel Tax	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 33,245	\$ 0	\$ 0	\$ 33,245
Taxes receivable	0	0	22,010	22,010
<b>Total assets</b>	<b>\$ 33,245</b>	<b>\$ 0</b>	<b>\$ 22,010</b>	<b>\$ 55,255</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 0	\$ 0	\$ 9,629	\$ 9,629
Due to other funds	32,803	0	12,331	45,134
Total liabilities	32,803	0	21,960	54,763
<b>Fund balances</b>				
Restricted for public safety activities	442	0	0	442
Restricted for tourism	0	0	50	50
Total fund balances	442	0	50	492
<b>Total liabilities and fund balances</b>	<b>\$ 33,245</b>	<b>\$ 0</b>	<b>\$ 22,010</b>	<b>\$ 55,255</b>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2023*

	Special Revenue			Total Nonmajor Governmental Funds
	Confiscated Assets	Grant	Hotel/Motel Tax	
<b>REVENUES</b>				
Taxes	\$ 0	\$ 0	\$ 261,817	\$ 261,817
Fines and forfeitures	500	0	0	500
Intergovernmental	0	5,000	0	5,000
Interest	7	0	0	7
<b>Total revenues</b>	<b>507</b>	<b>5,000</b>	<b>261,817</b>	<b>267,324</b>
<b>EXPENDITURES</b>				
Current				
Public safety	65	0	0	65
Housing and development	0	0	114,545	114,545
<b>Total expenditures</b>	<b>65</b>	<b>0</b>	<b>114,545</b>	<b>114,610</b>
Excess (deficiency) of revenues over (under) expenditures	442	5,000	147,272	152,714
Other financing sources (uses)				
Transfers out	0	(5,000)	(147,272)	(152,272)
Net change in fund balances	442	0	0	442
Fund balances, July 1	0	0	50	50
<b>Fund balances, June 30</b>	<b>\$ 442</b>	<b>\$ 0</b>	<b>\$ 50</b>	<b>\$ 492</b>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**CONFISCATED ASSETS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 500	\$ 500	\$ 0
Interest	<u>0</u>	<u>7</u>	<u>7</u>
<b>Total revenues</b>	<u>500</u>	<u>507</u>	<u>7</u>
<b>EXPENDITURES</b>			
Current			
Public safety	<u>500</u>	<u>65</u>	<u>435</u>
<b>Total expenditures</b>	<u>500</u>	<u>65</u>	<u>435</u>
Net change in fund balances	0	442	442
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 442</u></u>	<u><u>\$ 442</u></u>

**CITY OF FLOWERY BRANCH, GEORGIA  
GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
For the fiscal year ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 5,000	\$ 5,000	\$ 0
<b>Total revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<b>EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	5,000	5,000	0
Other financing sources (uses)			
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Net change in fund balances	0	0	0
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF FLOWERY BRANCH, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 250,000	\$ 261,817	\$ 11,817
<b>Total revenues</b>	<u>250,000</u>	<u>261,817</u>	<u>11,817</u>
<b>EXPENDITURES</b>			
Current			
Housing and development	115,000	114,545	455
<b>Total expenditures</b>	<u>115,000</u>	<u>114,545</u>	<u>455</u>
Excess (deficiency) of revenues over (under) expenditures	135,000	147,272	12,272
Other financing sources (uses)			
Transfers out	<u>(135,000)</u>	<u>(147,272)</u>	<u>(12,272)</u>
Net change in fund balances	0	0	0
Fund balances, July 1	<u>0</u>	<u>50</u>	<u>50</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 50</u>	<u>\$ 50</u>

***STATISTICAL SECTION***

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**City of Flowery Branch, Georgia**  
**Introduction to the Statistical Section**  
*(Unaudited)*

This part of the City of Flowery Branch’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information reveals about the City’s overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> .....	<b>78-83</b>
These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.	
<b>Revenue Capacity</b> .....	<b>84-90</b>
These tables/schedules contain information that may assist the reader in assessing the viability of the City’s most significant revenue sources.	
<b>Debt Capacity</b> .....	<b>91-94</b>
These tables/schedules present information designed to assist the reader in analyzing the affordability of the City’s current levels of outstanding debt, and the City’s ability to issue additional debit in the future.	
<b>Demographic and Economic Information</b> .....	<b>95-96</b>
These tables/schedule offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City’s financial activities take place.	
<b>Operating Information</b> .....	<b>97-99</b>
These tables/schedules contact service and infrastructure data to assist the reader in understanding how the information in the City’s financial report relates to the services the government provides and the activities it performs.	

Source: Unless otherwise noted, the information in these tables/schedules is derived from the annual comprehensive financial report for the relevant year.

**CITY OF FLOWERY BRANCH, GEORGIA**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:										
Net investment in capital assets	\$ 22,802	\$ 11,808	\$ 5,290	(1) \$ 10,066	\$ 14,896	\$ 13,693	\$ 9,458	\$ 10,676	\$ 9,609	\$ 8,783
Restricted	5,975	6,245	7,335	(1) 910	80	35	2,682	726	45	544
Unrestricted	10,034	8,932	12,215	10,352	4,132	3,692	3,467	2,926	2,652	2,355
Total governmental activities net position	<u>\$ 38,811</u>	<u>\$ 26,985</u>	<u>\$ 24,840</u>	<u>\$ 21,328</u>	<u>\$ 19,108</u>	<u>\$ 17,419</u>	<u>\$ 15,606</u>	<u>\$ 14,328</u>	<u>\$ 12,306</u>	<u>\$ 11,682</u>
Business-type activities:										
Net investment in capital assets	\$ 11,034	\$ 10,397	\$ 10,883	\$ 9,826	\$ 8,727	\$ 7,961	\$ 7,626	\$ 7,047	\$ 5,972	\$ 6,203
Restricted	545	630	0	0	0	0	0	0	0	0
Unrestricted	10,904	8,675	6,438	4,809	2,745	2,925	2,577	2,048	2,291	1,177
Total business-type activities net position	<u>\$ 22,483</u>	<u>\$ 19,702</u>	<u>\$ 17,321</u>	<u>\$ 14,635</u>	<u>\$ 11,472</u>	<u>\$ 10,887</u>	<u>\$ 10,203</u>	<u>\$ 9,095</u>	<u>\$ 8,263</u>	<u>\$ 7,380</u>
Primary government:										
Net investment in capital assets	\$ 33,836	\$ 22,205	\$ 16,173	\$ 19,892	\$ 23,622	\$ 21,654	\$ 17,084	\$ 17,723	\$ 15,581	\$ 14,987
Restricted	6,520	6,875	7,335	910	80	35	2,682	726	45	544
Unrestricted	20,938	17,607	18,653	15,161	6,878	6,617	6,044	4,974	4,943	3,533
Total primary government net position	<u>\$ 61,294</u>	<u>\$ 46,687</u>	<u>\$ 42,161</u>	<u>\$ 35,963</u>	<u>\$ 30,580</u>	<u>\$ 28,306</u>	<u>\$ 25,809</u>	<u>\$ 23,423</u>	<u>\$ 20,569</u>	<u>\$ 19,063</u>

(1) Reclassification of bond proceeds for TAD redevelopment of Old Town area from net investment in capital assets to restricted in the amount of \$5,363,327.

Note: Amounts rounded in thousands.

Source: Statement of Net Position

**CITY OF FLOWERY BRANCH, GEORGIA**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General Government	\$ 1,308	\$ 1,389	\$ 1,405	\$ 1,316	\$ 1,231	\$ 1,138	\$ 979	\$ 1,385	\$ 870	\$ 1,144
Judicial	204	155	166	144	173	134	147	122	135	118
Public Safety	2,226	1,695	1,485	1,411	1,247	1,147	1,079	941	956	891
Public Works	1,422	1,884	1,212	947	833	687	692	498	555	347
Health & Welfare (2)	34	29	0	0	0	0	0	0	0	14
Recreation & Culture (2)	51	158	28	34	39	37	32	34	26	0
Housing & Development	1,713	1,255	870	721	574	415	428	414	358	345
Interest on long-term debt	169	175	148	214	58	63	94	3	0	0
Total governmental activities expenses	<u>7,127</u>	<u>6,740</u>	<u>5,313</u>	<u>4,785</u>	<u>4,155</u>	<u>3,621</u>	<u>3,452</u>	<u>3,398</u>	<u>2,900</u>	<u>2,859</u>
<b>Business-type activities:</b>										
Water and Sewer	3,286	2,657	2,697	2,050	1,820	1,814	1,809	1,760	1,695	1,593
Total business-type activities expenses:	<u>3,286</u>	<u>2,657</u>	<u>2,697</u>	<u>2,050</u>	<u>1,820</u>	<u>1,814</u>	<u>1,809</u>	<u>1,760</u>	<u>1,695</u>	<u>1,593</u>
Total primary government expenses	<u>10,413</u>	<u>9,397</u>	<u>8,010</u>	<u>6,835</u>	<u>5,975</u>	<u>5,435</u>	<u>5,261</u>	<u>5,158</u>	<u>4,595</u>	<u>4,451</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General Government	89	106	128	97	85	89	90	75	196	229
Judicial	0	0	387	268	489	399	374	322	273	343
Public Safety	433	314	19	21	21	19	19	17	0	0
Public Works	251	418	0	0	0	0	0	0	0	0
Health & Welfare (1)	0	0	0	0	0	0	0	0	0	0
Recreation & Culture (1)	0	0	0	0	2	3	3	4	5	0
Housing & Development	11	9	891	626	226	344	275	255	139	124
Operating grants and contributions	130	144	556	563	142	216	83	61	16	13
Capital grants and contributions	10,565	1,852	1,685	1,344	970	909	1,104	1,403	594	1,344
Total governmental activities program revenues	<u>11,479</u>	<u>2,843</u>	<u>3,664</u>	<u>2,918</u>	<u>1,934</u>	<u>1,979</u>	<u>1,948</u>	<u>2,138</u>	<u>1,223</u>	<u>2,053</u>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Water and Sewer	4,658	4,846	5,309	5,042	2,143	2,181	2,666	2,469	1,859	1,563
<b>Capital grants and contributions</b>										
Water and Sewer	150	0	0	0	0	0	0	0	0	0
Total business-type activities program revenues	<u>4,808</u>	<u>4,846</u>	<u>5,309</u>	<u>5,042</u>	<u>2,143</u>	<u>2,181</u>	<u>2,666</u>	<u>2,469</u>	<u>1,859</u>	<u>1,563</u>
Total primary government program revenues	<u>16,287</u>	<u>7,689</u>	<u>8,973</u>	<u>7,961</u>	<u>4,077</u>	<u>4,160</u>	<u>4,614</u>	<u>4,606</u>	<u>3,082</u>	<u>3,617</u>
<b>Net (expense) revenue:</b>										
Governmental activities	4,352	(3,897)	(1,648)	(1,867)	(2,221)	(1,643)	(1,504)	(1,261)	(1,678)	(805)
Business-type activities	1,522	2,189	2,612	2,992	323	367	857	708	164	(30)
Total primary government net (expense) revenue	<u>\$ 5,874</u>	<u>\$ (1,708)</u>	<u>\$ 963</u>	<u>\$ 1,125</u>	<u>\$ (1,899)</u>	<u>\$ (1,276)</u>	<u>\$ (647)</u>	<u>\$ (552)</u>	<u>\$ (1,513)</u>	<u>\$ (835)</u>

**CITY OF FLOWERY BRANCH, GEORGIA**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 3,659	\$ 2,668	\$ 2,107	\$ 1,778	\$ 1,558	\$ 1,282	\$ 1,109	\$ 1,039	\$ 1,044	\$ 873
Sales taxes	2,392	1,488	1,326	556	1,029	972	896	871	846	653
Franchise taxes	659	705	523	506	479	422	432	423	745	693
Excise taxes (2)	369	372	342	305	301	295	250	342	0	0
Business taxes	831	476	579	96	528	502	472	433	360	374
Hotel/Motel occupancy taxes (2)	262	208	138	1,081	136	139	127	121	0	0
Other taxes	175	210	102	97	105	91	69	95	0	0
Interest and investment earnings	110	13	17	18	8	9	12	6	5	2
Miscellaneous	142	69	77	52	81	41	8	67	0	0
Gain (loss) on sale of asset	0	25	10	(237)	(65)	10	5	0	11	0
Transfers	(1,142)	(192)	(61)	(166)	(250)	(306)	(597)	(116)	(710)	(9)
Total governmental activities	<u>7,457</u>	<u>6,042</u>	<u>5,160</u>	<u>4,087</u>	<u>3,910</u>	<u>3,456</u>	<u>2,782</u>	<u>3,282</u>	<u>2,301</u>	<u>2,586</u>
Business-type activities:										
Interest and investment earnings	67	0	0	1	4	10	10	8	7	8
Miscellaneous	0	0	12	4	9	0	0	0	1	26
Gain (loss) on sale of asset	0	0	0	0	0	0	597	0	0	0
Transfers	1,142	192	61	166	250	306	0	116	710	9
Total business-type activities	<u>1,209</u>	<u>192</u>	<u>74</u>	<u>171</u>	<u>263</u>	<u>317</u>	<u>607</u>	<u>124</u>	<u>718</u>	<u>43</u>
Total primary government net (expense) revenue	<u>8,666</u>	<u>6,234</u>	<u>5,235</u>	<u>4,257</u>	<u>4,173</u>	<u>3,772</u>	<u>3,389</u>	<u>3,406</u>	<u>3,019</u>	<u>2,629</u>
<b>Change in Net Position</b>										
Governmental activities	11,809	2,145	3,512	2,220	1,689	1,813	1,278	2,022	624	1,781
Business-type activities	2,731	2,381	2,686	3,163	585	684	1,464	832	882	14
Total primary government	<u>\$ 14,540</u>	<u>\$ 4,526</u>	<u>\$ 6,198</u>	<u>\$ 5,383</u>	<u>\$ 2,274</u>	<u>\$ 2,496</u>	<u>\$ 2,742</u>	<u>\$ 2,854</u>	<u>\$ 1,506</u>	<u>\$ 1,795</u>

(1) The Health and Welfare Department was reclassified to the Culture and Recreation function starting in FY 2015.

(2) Hotel/Motel and excise taxes were not reported separately prior to FY 2016.

Note: Amounts rounded in thousands.

Source: Statement of Activities

**CITY OF FLOWERY BRANCH, GEORGIA**

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Franchise Taxes</b>	<b>Sales Taxes</b>	<b>Hotel/Motel Occupancy Taxes (1)</b>	<b>Excise Taxes (1)</b>	<b>Business Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2014	\$ 873	\$ 693	\$ 653	\$ 0	\$ 0	\$ 374	\$ 0	\$ 2,593
2015	1,044	745	846	0	0	360	0	2,995
2016	1,039	423	871	121	342	433	95	3,325
2017	1,109	432	896	127	250	472	69	3,355
2018	1,282	422	972	139	295	502	91	3,703
2019	1,558	479	1,029	136	301	528	105	4,137
2020	1,778	506	1,081	96	305	556	97	4,419
2021	2,107	523	1,326	138	342	579	102	5,117
2022	2,668	705	1,488	208	372	476	210	6,127
2023	3,659	659	2,392	262	369	831	175	8,347

(1) Hotel/Motel, excise taxes, and other taxes were not reported separately prior to FY 2016.

Note: Amounts rounded in thousands.

Source: Statement of Activities

**CITY OF FLOWERY BRANCH, GEORGIA**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund										
Nonspendable (1)										
Prepaid Items	\$ 173	\$ 123	\$ 120	\$ 123	\$ 119	\$ 119	\$ 107	\$ 102	\$ 122	\$ 124
Lease Receivable	30	8	0	0	0	0	0	0	0	0
Restricted:										
Public Safety	87	104	32	25	34	43	39	32	8	0
Unassigned	7,902	5,675	4,945	3,847	3,021	2,833	2,573	2,760	2,142	1,896
Total general fund	<u>\$ 8,192</u>	<u>\$ 5,910</u>	<u>\$ 5,097</u>	<u>\$ 3,995</u>	<u>\$ 3,173</u>	<u>\$ 2,995</u>	<u>\$ 2,720</u>	<u>\$ 2,895</u>	<u>\$ 2,272</u>	<u>\$ 2,020</u>
All Other Governmental Funds										
Restricted:										
Capital projects	\$ 4,782	\$ 2,890	\$ 1,940	\$ 885	\$ 53	\$ 0	\$ 2,438	\$ 558	\$ 37	\$ 543
Housing & development	1,106	3,251	5,363	5,352	0	0	204	136	0	0
Committed:										
Capital projects	2,472	2,697	2,422	1,833	1,481	1,573	1,202	459	274	423
Unassigned	0	0	0	(304)	(56)	(367)	0	0	(14)	(98)
Total all other governmental funds	<u>\$ 8,360</u>	<u>\$ 8,838</u>	<u>\$ 9,725</u>	<u>\$ 7,766</u>	<u>\$ 1,478</u>	<u>\$ 1,207</u>	<u>\$ 3,845</u>	<u>\$ 1,153</u>	<u>\$ 297</u>	<u>\$ 868</u>

Note: Amounts rounded in thousands.

Source: Balance Sheet

**CITY OF FLOWERY BRANCH, GEORGIA**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>										
Taxes (1)	\$ 8,340	\$ 6,123	\$ 5,005	\$ 4,320	\$ 4,124	\$ 3,691	\$ 3,351	\$ 3,325	\$ 3,018	\$ 2,629
Licenses and Permits	342	508	966	703	301	421	348	321	213	203
Fines and Forfeitures	410	292	395	277	478	422	354	331	283	348
Charges for Services	33	46	71	41	33	34	40	30	50	52
Intergovernmental	2,837	1,955	2,095	1,218	1,066	1,115	901	1,454	617	380
Interest	126	14	18	19	7	10	13	7	5	4
Contributions	88	41	247	357	45	8	7	10	16	1,012
Other	142	69	65	52	81	41	47	67	30	25
Total Revenues	<u>12,318</u>	<u>9,048</u>	<u>8,861</u>	<u>6,988</u>	<u>6,135</u>	<u>5,743</u>	<u>5,061</u>	<u>5,545</u>	<u>4,232</u>	<u>4,653</u>
<b>Expenditures</b>										
Current:										
General Government	1,108	1,261	1,170	1,052	1,024	980	904	884	859	928
Judicial	201	163	170	150	176	143	150	129	136	118
Public Safety	2,047	1,610	1,472	1,378	1,261	1,164	1,060	954	903	909
Public Works	642	540	977	726	765	518	595	403	385	1,353
Health & Welfare (2)	0	0	0	0	0	0	0	0	0	14
Culture & Recreation (2)	71	176	28	34	125	37	32	13	22	0
Housing & Development	4,332	3,402	868	743	582	427	435	436	354	348
Capital Outlay	378	1,304	406	504	979	4,318	2,227	1,854	1,419	251
Debt Service	610	498	697	551	525	223	550	3	0	0
Total Expenditures	<u>9,389</u>	<u>8,954</u>	<u>5,788</u>	<u>5,138</u>	<u>5,436</u>	<u>7,809</u>	<u>5,952</u>	<u>4,675</u>	<u>4,078</u>	<u>3,920</u>
Excess of revenues over (under) expenditures	<u>2,929</u>	<u>94</u>	<u>3,073</u>	<u>1,850</u>	<u>699</u>	<u>(2,067)</u>	<u>(891)</u>	<u>870</u>	<u>154</u>	<u>732</u>
Other Financing Sources (Uses)										
Proceeds from the issuance of debt	0	0	0	5,423	0	0	4,000	724	226	0
Insurance refunds and recoveries	0	0	14	0	0	0	0	0	0	0
Proceeds from the sale of assets	0	25	35	3	0	10	5	0	11	0
Transfers in	1,627	1,418	1,464	1,144	1,301	1,919	1,181	554	662	309
Transfers out	(2,769)	(1,611)	(1,526)	(1,310)	(1,551)	(2,225)	(1,778)	(670)	(1,372)	(318)
Total other financing sources (uses)	<u>(1,142)</u>	<u>(168)</u>	<u>(12)</u>	<u>5,260</u>	<u>(250)</u>	<u>(296)</u>	<u>3,408</u>	<u>609</u>	<u>(473)</u>	<u>(9)</u>
Net change in fund balances	<u>\$ 1,787</u>	<u>\$ (74)</u>	<u>\$ 3,060</u>	<u>\$ 7,110</u>	<u>\$ 449</u>	<u>\$ (2,363)</u>	<u>\$ 2,517</u>	<u>\$ 1,479</u>	<u>\$ (319)</u>	<u>\$ 723</u>
Debt service as a percentage of noncapital expenditures	9.3%	7.8%	13.1%	12.1%	12.6%	6.5%	15.2%	0.1%	0.0%	0.0%

(1) Hotel/Motel and excise taxes were not reported separately prior to FY 2016.

(2) The Health and Welfare Department was reclassified to the Culture and Recreation function starting in FY 2015.

Note: Amounts rounded in thousands.

Source: Statement of revenues, expenditures, and changes in fund balance.

**CITY OF FLOWERY BRANCH, GEORGIA**

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Franchise Taxes</b>	<b>Sales Taxes</b>	<b>Hotel/Motel Occupancy Taxes (1)</b>	<b>Excise Taxes (1)</b>	<b>Business Taxes (1)</b>	<b>Other Taxes</b>	<b>Total</b>
2014	\$ 812	\$ 693	\$ 653	\$ 0	\$ 0	\$ 0	\$ 471	\$ 2,629
2015	987	745	846	0	0	0	440	3,018
2016	1,040	423	871	121	342	433	95	3,325
2017	1,106	432	896	127	250	472	69	3,351
2018	1,270	422	972	139	295	502	91	3,691
2019	1,545	479	1,029	136	301	528	105	4,124
2020	1,777	506	1,081	96	305	556	0	4,320
2021	2,107	523	1,326	138	342	579	102	5,117
2022	2,637	705	1,488	208	372	476	210	6,096
2023	3,652	659	2,392	262	369	831	175	8,340

(1) Hotel/Motel, excise taxes, and business taxes were not reported separately prior to FY 2016.

Note: Amounts rounded in thousands.

Source: Statement of revenues, expenditures, and changes in fund balance.



**CITY OF FLOWERY BRANCH, GEORGIA**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property			Personal Property		Public Utility (1)	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Digest Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Motor Vehicles	Other						
2014	\$ 129,009	\$ 58,922	\$ 8,256	\$ 14,526	\$ 20,377	\$ 3,680	\$ 3,005	\$ 231,764	2.837	\$ 579,410	40%
2015	137,117	58,856	7,473	12,295	24,684	2,919	3,565	239,779	3.337	599,447	40%
2016	156,116	70,189	14,647	9,179	26,867	3,244	4,776	275,466	3.337	688,665	40%
2017	181,583	67,275	8,970	6,968	29,107	3,482	6,731	290,655	3.264	726,638	40%
2018	214,478	83,488	9,487	5,186	26,868	277	4,906	334,877	3.264	837,193	40%
2019	264,813	89,420	14,907	4,038	30,318	3,450	5,357	401,589	3.264	1,003,973	40%
2020	296,575	88,642	19,048	3,538	51,582	3,336	11,120	451,602	3.264	1,129,004	40%
2021	327,784	96,816	19,679	2,995	52,829	4,595	11,454	493,244	3.264	1,233,109	40%
2022	396,021	101,945	21,005	2,563	55,346	3,293	11,366	568,807	3.264	1,422,018	40%
2023	533,700	154,175	39,154	2,516	62,569	4,891	13,482	783,523	3.264	1,958,809	40%

(1) Public Utility taxes for Georgia Power and Bellsouth were significantly less in tax year 2017 due to appeals.

Note: Amounts rounded in thousands.

Source: Georgia Department of Revenue [www.dor.georgia.gov](http://www.dor.georgia.gov)

**CITY OF FLOWERY BRANCH, GEORGIA**

**PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	Flowery Branch (1)	Hall County					Total County Millage	Total School District Millage	State	Total Direct & Overlapping Rates
		Operating Millage	Debt Service Millage	Fire District Millage	Emergency Services Millage	Parks Millage				
2014	2.837	6.250	0.000	3.080	0.000	0.000	9.330	19.250	0.150	31.567
2015	3.337	5.989	0.000	3.830	0.000	0.000	9.819	18.900	0.100	32.156
2016	3.337	5.735	0.000	4.080	0.000	0.000	9.815	18.800	0.050	32.002
2017	3.264	5.716	0.000	4.080	0.000	0.000	9.796	18.800	0.000	31.860
2018	3.264	6.700	0.000	4.080	0.000	0.000	10.780	18.500	0.000	32.544
2019	3.264	6.700	0.000	4.080	0.571	0.364	11.715	18.200	0.000	33.179
2020	3.264	5.098	0.000	4.080	0.571	0.364	10.113	17.550	0.000	30.927
2021	3.264	4.853	0.000	4.080	0.571	0.364	9.868	17.550	0.000	30.682
2022	3.264	4.636	0.000	4.080	0.571	0.364	9.651	16.485	0.000	29.400
2023	3.264	4.141	0.000	4.080	0.571	0.364	9.156	15.990	0.000	28.410

(1) The City only has one tax rate, there are no components to total.

Source: Georgia Department of Revenue [www.dor.georgia.gov](http://www.dor.georgia.gov)

**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 Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed 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
<b>Totals</b>	<b>\$ 388,018,226</b>		<b>68.22 %</b>	<b>\$ 77,931,421</b>		<b>33.69 %</b>

Source: Finance Department

## CITY OF FLOWERY BRANCH, GEORGIA

### PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Period Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 657,515	\$ 617,467	93.91 %	\$ 5,242	\$ 622,709	94.71 %
2015	800,141	784,234	98.01	0	784,234	98.01
2016	919,230	863,031	93.89	1,637	864,668	94.06
2017	948,698	942,640	99.36	1,160	943,800	99.48
2018	1,093,040	1,095,909	100.26	(11,493)	1,084,416	99.21
2019	1,310,788	1,346,163	102.70	556	1,346,719	102.74
2020	1,474,028	1,452,995	98.6	22,047	1,475,042	100.1
2021	1,609,948	1,613,726	100.2	8,059	1,621,784	100.7
2022	1,856,586	1,851,264	99.7	13,568	1,864,832	100.4
2023	2,557,421	2,544,988	99.5	10,420	2,555,408	99.9

(1) Negative collections can result from adjustments to the tax bills due to appeals. For 2018, the amounts collected in the subsequent year did not exceed the amount of refunds issued due to appeals.

Source: Finance Department

**CITY OF FLOWERY BRANCH, GEORGIA**

**WATER AND SEWER RATES**

**2023**

<b>Water</b>			
<b>Inside City Limits</b>			
<b>Residential</b>		<b>Multifamily (per unit)</b>	
<b>Volume (gallons)</b>	<b>Rate</b>	<b>Volume (gallons)</b>	<b>Rate</b>
Base Charge	\$8.52 per month	Base Charge	\$17.04 per month
0-2,500	\$6.82 per 1000 gal	0-2,500	\$6.82 per 1000 gal
2,501-4,500	\$8.39 per 1000 gal	2,501-4,500	\$8.39 per 1000 gal
4,500 and above	\$13.64 per 1000 gal	4,500 and above	\$13.64 per 1000 gal

<b>Sewer</b>			
<b>Inside City Limits</b>			
<b>Residential</b>		<b>Multifamily (per unit)</b>	
<b>Base Charge</b>	<b>All Volume</b>	<b>Base Charge</b>	<b>All Volume</b>
\$7.21	\$10.87 per 1000 gal	\$17.04	\$8.83 per 1000 gal

Note: The City increased water and sewer rates by approximately 8.7% in January 2023.  
 Source: Water and Sewer Department

**CITY OF FLOWERY BRANCH, GEORGIA**

**PRINCIPAL WATER AND SEWER CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO**

		<b>WATER</b>			
		<b>Fiscal Year 2023</b>		<b>Fiscal Year 2013</b>	
<b>Customer</b>	<b>Type of Business</b>	<b>Total Billings</b>	<b>Percentage of System Revenues</b>	<b>Total Billings</b>	<b>Percentage of System Revenues</b>
VR Tree Park LP	Residential	\$ 150,531	14.60 %	\$	%
Gibson Flowery Branch SPE, LLC	Residential	73,357	7.12		
Ordner Construction Company	Construction	17,378	1.69		
TRY-LA, Inc	Hotel	16,323	1.58		
SHM Hideaway Bay LLC	Commercial	16,084	1.56		
Coin Laundry Solutions, Inc	Laundromat	10,200	0.99		
Trailwest Village	Mobile Home Park	7,644	0.74	33,937	0.18
David Pierce Family	Residential	5,019	0.49	6,510	0.04
Summit Lake HOA	Residential	4,905	0.48		
Deevik Properties LLC	Nursing Home	4,864	0.47		
Tree Park	Residential			99,044	0.53
Try-La	Hotel			7,171	0.04
24/7 Laundry	Laundromat			5,476	0.03
David Pierce Family	Residential			3,246	0.02
Buford Housing	Residential			2,925	0.02
MPB Properties	Commercial			1,797	0.01
Nora Mejia	Residential			923	0.00
Larry Anderson	Residential			675	0.00
<b>Totals</b>		<b>\$ 306,305</b>	<b>29.71 %</b>	<b>\$ 161,704</b>	<b>0.87 %</b>

		<b>SEWER</b>			
		<b>Fiscal Year 2023</b>		<b>Fiscal Year 2013</b>	
<b>Customer</b>	<b>Type of Business</b>	<b>Total Billings</b>	<b>Percentage of System Revenues</b>	<b>Total Billings</b>	<b>Percentage of System Revenues</b>
VR Tree Park LP	Residential	\$ 205,403	9.59 %	\$	%
Gibson Flowery Branch SPE, LLC	Residential	74,982	3.50		
TRY-LA, Inc	Hotel	16,578	0.77		
Coin Laundry Solutions, Inc.	Laundromat	10,697	0.50		
David Pierce Family, LP	Residential	6,455	0.30		
Deevik Properties LLC	Nursing Home	5,573	0.26	39,763	0.07
Buford Housing Authority		5,494	0.26		
Burger King CSI	Commercial	4,538	0.21		
Oscar Munoz		4,401	0.21		
David Pierce Family, LP	Commercial	4,327	0.20	64,437	0.11
Tree Park	Residential			117,228	0.20
Peerless Winsmith	Commercial			30,762	0.05
Atlanta Falcons	Commercial			29,515	0.05
Centro Properties	Commercial			14,565	0.02
Hall Co. Schools	School			11,084	0.02
Brinker Georgia	Restraurant			9,265	0.02
Try-La	Hotel			8,597	0.01
Publix	Supermarket			6,677	0.01
<b>Totals</b>		<b>\$ 338,449</b>	<b>15.81 %</b>	<b>\$ 331,893</b>	<b>0.56 %</b>

Source: Water and Sewer Department

Note: Information for fiscal year 2014 is not available.

**CITY OF FLOWERY BRANCH, GEORGIA**

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

Fiscal Period Ended June 30,	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Contracts Payable	Unamortized Premium	Notes Payable	Revenue Bonds	Notes Payable			
2014	\$ 0	\$ 0	\$ 0	\$ 3,385,000	\$ 0	\$ 3,385,000	2.02 %	\$ 117.76
2015	0	0	225,579	2,990,000	1,164,918	4,380,497	2.62	157.22
2016	0	0	950,000	2,757,000	1,500,000	5,207,000	3.05	189.41
2017	3,731,030	0	763,102	2,510,000	1,434,548	8,438,680	4.88	317.21
2018	3,731,030	0	574,666	2,257,000	1,368,175	7,930,871	3.86	262.30
2019	3,456,115	0	384,679	1,998,000	1,300,865	7,139,659	2.98	236.13
2020	8,170,125	545,203	193,128	1,732,000	1,232,607	11,873,063	4.95	392.68
2021	7,882,925	483,798	0	1,460,000	1,163,388	10,990,111	3.83	318.54
2022	7,589,378	483,798	0	1,182,000	1,868,107	11,123,283	2.74	278.41
2023	7,179,343	429,286	0	897,000	4,896,729	13,402,358	2.99	326.88

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

Note: The City does not have any general obligation debt.

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

**CITY OF FLOWERY BRANCH, GEORGIA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping general obligation debt:			
Hall County	\$ 36,750,475	6.28 %	\$ 2,307,388
Hall County Board of Education	<u>155,036,371</u>	10.64 %	<u>16,488,331</u>
Total overlapping debt	<u>\$ 191,786,846</u>		<u>\$ 18,795,719</u>
Direct debt:			
Contracts payable	\$ 7,179,343	100.00 %	\$ 7,179,343
Unamortized premium	<u>429,286</u>	100.00 %	<u>429,286</u>
Total direct debt	<u>\$ 7,608,629</u>		<u>\$ 7,608,629</u>
Total direct and overlapping debt	<u>\$ 199,395,475</u>		<u>\$ 26,404,348</u>

(1) The percentage of overlapping debt applicable is estimated using 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.

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

Source: Assessed value data used to estimate applicable percentages and debt outstanding obtained from Hall County's Finance Department and Hall County Board of Education Finance Department as



**CITY OF FLOWERY BRANCH, GEORGIA**

**LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt limit	\$ 79,700,511	\$ 58,017,335	\$ 49,671,483	\$ 45,116,365	\$ 40,158,935	\$ 33,488,040	\$ 29,065,501	\$ 27,546,601	\$ 23,977,866	\$ 23,176,420
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>\$ 79,700,511</u>	<u>\$ 58,017,335</u>	<u>\$ 49,671,483</u>	<u>\$ 45,116,365</u>	<u>\$ 40,158,935</u>	<u>\$ 33,488,040</u>	<u>\$ 29,065,501</u>	<u>\$ 27,546,601</u>	<u>\$ 23,977,866</u>	<u>\$ 23,176,420</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Assessed value	\$ 783,523,451									
Add back: exempt real property	<u>13,481,662</u>									
Total assessed value	<u>\$ 797,005,113</u>									
Debt limit (10% of total assessed value)	79,700,511									
Debt applicable to limit:										
General obligation debt	0									
Less: Amount set aside for repayment of general obligation debt	<u>0</u>									
Total net debt applicable to limit	<u>0</u>									
Legal debt margin	<u>\$ 79,700,511</u>									

Note: The City does not have any general obligation debt.

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repayment.

**CITY OF FLOWERY BRANCH, GEORGIA**

**PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Water and Sewer Revenue Bonds						Coverage
	Gross Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service			
				Principal	Interest		
2014	\$ 1,590	\$ 1,102	\$ 488	\$ 215	\$ 144	1.36	
2015	1,860	1,206	654	395 (3)	135	1.23	
2016	2,469	1,408	1,061	233	67	3.54	
2017	2,666	1,391	1,275	247	61	4.14	
2018	2,181	1,391	790	253	55	2.56	
2019	2,152	1,374	778	259	49	2.52	
2020	4,682	1,566	3,116	266	43	10.09	
2021	5,321	1,898	3,423	272	36	11.10	
2022	4,846	2,123	2,723	278	28	8.90	
2023	4,658	2,713	1,945	285	25	6.27	

(1) Gross revenue is comprised of operating revenue, connection fees, and miscellaneous revenues

(2) Total operating expenses exclusive of depreciation

(3) The City refunded Series 2004 bonds with the issuance of Series 2014 bonds

Note: Amounts rounded in thousands.

Source: Notes to the Financial Statements

## CITY OF FLOWERY BRANCH, GEORGIA

### DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

<b>Fiscal Period</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>School Enrollment (1)</b>	<b>Unemployment Rate (1)</b>
2014	5,829	\$ 167,549	\$ 28,744	33.2	1,700	5.3
2015	6,012	167,506	27,862	33.1	1,787	5.4
2016	6,216	170,878	27,490	34.5	1,897	5.0
2017	6,503	172,999	26,603	34.3	1,859	3.5
2018	6,801	205,635	30,236	35.3	1,928	2.6
2019	7,934	239,892	30,236	35.3	1,928	3.6
2020	7,934	239,892	30,236	35.3	1,928	3.6
2021	8,325	287,229	34,502	35.3	1,928	3.6
2022	10,144	405,283	39,953	38.4	1,859	3.5
2023	10,938	448,469	41,001	38.5	1,859	2.5

(1) Source: US Census Bureau QuickFacts

(2) US Census Bureau QuickFacts prior year data updated July 1 of each year.

**CITY OF FLOWERY BRANCH, GEORGIA**

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

<b>Employer</b>	<b>2023</b>			<b>2013</b>		
	<b>Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total City Employment (2)</b>	<b>Employees (3)</b>	<b>Rank</b>	<b>Percentage of Total City Employment (2)</b>
Atlanta Falcons Football Club	301	1	5.29 %	106	1	2.33 %
SKF USA Inc	272	2	4.78			
GXO Logistics Supply Chain	248	3	4.36			
The Home Depot	124	4	2.18	95	2	2.09
Publix Super Market	122	5	2.14	85	3	1.87
Makita U.S.A	101	6	1.77			
Target Store	96	7	1.69			
Chick-Fil-A	67	8	1.18	50	5	1.10
Contract Lumber Inc	42	9	0.74			
Chili's	38	10	0.67	32	6	0.70
Kohl's				62	4	1.37
Crossroads Bar & Grille				28	7	0.62
Northeast Georgia Physicians				26	8	0.57
TJ Maxx				25	9	0.55
Petsmart				22	10	0.48
<b>Totals</b>	<b>1,411</b>		<b>24.78 %</b>	<b>531</b>		<b>11.69 %</b>

(1) Source: 2023 individual employer's business license filings.

(2) Source: US Census Bureau QuickFact

(3) Source: 2013 individual employer's business license filings.

**CITY OF FLOWERY BRANCH, GEORGIA**

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

<b>Function</b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Legislative	6	6	6	6	6	6	6	6	6	6
Adminstration	2	2	2	2	2	2	2	2	2	2
Finance	6	5	4	4	2	2	2	2	2	2
Judicial	2	2	2	2	2	2	2	2	2	2
Public Safety	22	18	16	16	16	14	14	13	13	13
Public Works*	11	10	8	8	8	8	7	7	7	7
Planning and Community Development	5	4	3	3	3	3	3	3	3	3
Tourism	2	1	0	0	0	0	0	0	0	0
Water and Sewer*	9	9	9	9	7	7	7	7	7	7
<b>Total</b>	<b><u>65</u></b>	<b><u>57</u></b>	<b><u>50</u></b>	<b><u>50</u></b>	<b><u>46</u></b>	<b><u>44</u></b>	<b><u>43</u></b>	<b><u>42</u></b>	<b><u>42</u></b>	<b><u>42</u></b>

\* Employees in the Public Works Department and Water and Sewer Department are split between both departments based on job allocation.

Source: City Annual Budget Document

**CITY OF FLOWERY BRANCH, GEORGIA**

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

<b>Function/Program</b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
General Government										
City Hall Buildings	1	1	1	1	1	3	3	3	3	3
Other Municipal Buildings	2	2	2	2	2	2	2	2	2	2
Public Safety										
Patrol Units	27	24	27	26	24	19	19	17	17	17
Public Works										
Streets (miles)	60	55	52	39	38	38	37	N/A	N/A	N/A
Culture and Recreation										
Parks	2	2	2	2	2	1	1	1	1	1
Water/Wastewater (1)										
Miles of water mains	20	20	20	16	16	16	16	16	16	16
Maximum daily capacity (thousand gals.)	997	997	480	700	700	700	700	700	700	700
Miles of sanitary sewers	39	39	41	41	41	41	41	41	41	41
Miles of storm sewers	24	24	24	24	24	24	24	24	24	24

(1) Some data for Water and Wasterwater not available. Moving forward this data will be tracked using new maintenance software.

Source: Annual Financial Audit and various city departments

**CITY OF FLOWERY BRANCH, GEORGIA**

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

<b>Function</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>General Government</b>										
Utility window customers	8,723	9,552	10,531	8,691	8,139	8,122	8,825	8,804	8,413	8,422
<b>Judicial (1)</b>										
Citations adjudicated	2,574	2,232	2,433	2,113	3,105	2,432	3,289	2,359	4,429	2,052
Bindovers	294	312	290	209	272	132	137	34	12	227
Warrants issued	114	123	97	29	100	68	98	79	104	125
Clients successfully completing probation	226	146	38	84	127	152	250	169	N/A	N/A
<b>Public Safety (2)</b>										
Arrests	481	404	376	340	355	235	287	287	220	304
Incidents	1,067	918	870	603	545	460	479	440	353	446
Incidents ( field only)	3,273	3,113	2,679	2,356	2,346	1,750	1,900	648	N/A	N/A
Accidents	369	380	295	257	307	321	304	278	282	234
Calls for service	4,795	4,190	3,592	3,110	3,212	2,878	2,634	2,791	2,691	2,472
Calls for service (back up calls only)	3,819	4,053	3,962	3,481	2,874	2,414	2,597	1,231	N/A	N/A
Officer initiated traffic calls	6,384	5,230	5,103	3,098	3,967	3,123	3,380	2,769	2,950	3,876
Extra Patrols / Business Checks	19,716	18,385	29,639	18,259	11,705	5,755	6,691	7,615	7,780	3,538
Citations processed	2,909	1,940	2,523	2,290	3,458	3,753	3,301	2,574	2,488	3,296
Warning tickets issued	4,564	4,135	3,555	1,747	1,825	1,475	1,260	933	1,006	1,493
Police vehicle miles	247,258	188,581	194,510	194,189	186,851	176,473	187,258	163,147	149,699	189,030
<b>Public Works (3)</b>										
Work orders completed	1,399	1,286	1,675	1,928	725	765	764	673	781	N/A
Pavement repairs	77	96	82	110	145	N/A	N/A	N/A	N/A	N/A
Utility locates	3,005	2,630	2,846	2,483	1,916	1,173	2,442	2,662	1,694	N/A
Street signs replaced	110	81	86	80	95	50	N/A	N/A	N/A	N/A
Meters replaced or installed	65	93	305	139	59	N/A	N/A	N/A	N/A	N/A
Streets (miles)	60	55	52	38	38	38	N/A	N/A	N/A	N/A
<b>Culture and Recreation</b>										
Parks acres maintained	5.917	5.917	5.917	5.917	5.917	5.917	5.706	5.706	5.706	5.706
<b>Community Development</b>										
Residential Building Permits issued	229	390	496	391	259	245	347	228	201	171
Building inspections completed	1,046	3,490	2,362	329	1,345	1,113	1,293	941	599	531
Soil & erosion inspections completed	250	13,804	9,538	4,146	1,939	2,744	2,434	535	78	126
Code enforcement	131	157	193	195	132	35	42	13	6	32
New business license inspections	73	54	62	46	49	51	61	28	23	12
Certificate of occupancies issued	344	537	493	278	484	216	240	168	118	139
<b>Water/Wastewater (4)</b>										
New water lines installed (in linear feet)*	0	0	6,412	4,457	9,786	N/A	N/A	N/A	N/A	N/A
Water cutoffs*	313	277	290	482	455	244	233	245	250	234
Drinking water distributed (million gallons)	133	123	103	89	87	81	85	79	87	83
Average daily consumption (gallons)	364,796	336,698	284,777	241,061	239,000	285,385	261,578	N/A	N/A	N/A
Maximum daily consumption (thousand galls)	997,000	997,000	480,000	433,910	430,200	513,693	470,840	N/A	N/A	N/A
Wastewater treated ( million gallons)	301	302	234	210	211	208	176	172	166	165
Average daily treatment (gallons)	815,000	827,397	641,897	574,132	579,000	562,000	569,000	458,000	472,000	456,000
Residential water customers	1,773	1,787	1,492	1,492	1,391	1,590	1,583	1,459	1,464	1,404
Commercial water customers	98	87	92	92	77	84	81	75	72	80
Water mains (miles)*	20	20	20	16	16	16	16	16	16	16
Storm sewers (miles)*	24	24	24	24	24	24	24	24	24	24
Sanitary sewers (miles)*	39	39	41	41	41	41	41	41	41	41

(1) Municipal data is not available prior to 2014.

(2) Public Safety data is not available prior to 2014.

(3) Some data for Public Works not available. Moving forward this data will be tracked using new maintenance software.

(4) Some data for Water and Wasterwater not available. Moving forward this data will be tracked using new maintenance software.

\* Maintained by the Public Works department.

Source: Various City Departments.

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***OTHER REPORTING SECTION***

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***SINGLE AUDIT SECTION***

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**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***

Honorable Mayor and  
Members of the City Council  
City of Flowery Branch, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Flowery Branch, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Flowery Branch, Georgia’s basic financial statements and have issued our report thereon dated October 20, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Flowery Branch, Georgia’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 City of Flowery Branch, Georgia’s internal control. Accordingly, we do not express an opinion on the effectiveness of City of Flowery Branch, Georgia’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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

**Report on Compliance and Other Matters**

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

## **City of Flowery Branch, Georgia's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on City of Flowery Branch, Georgia's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Flowery Branch, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion the response.

### **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 City of Flowery Branch, Georgia'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.

*Rushon, LLC*

Gainesville, Georgia  
October 20, 2023

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Honorable Mayor and  
Members of the City Council  
City of Flowery Branch, Georgia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Flowery Branch, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Flowery Branch, Georgia's major federal programs for the year ended June 30, 2023. City of Flowery Branch, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Flowery Branch, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Flowery Branch, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Flowery Branch, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Flowery Branch, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

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

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



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

*Rushton, LLC*

Gainesville, Georgia  
October 20, 2023

**CITY OF FLOWERY BRANCH, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*For the fiscal year ended June 30, 2023*

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass- Through Number</u>	<u>Expenditures</u>
<b>Department of Justice</b>			
Bulletproof Vest Partnership Program	16.607	N/A	\$ <u>1,403</u>
<b>Department of the Treasury</b>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>887,585</u>
<b>United States Environmental Protection Agency</b>			
<u>Clean Water State Revolving Fund Cluster</u>			
Passed through the Georgia Environmental Finance Authority: Capitalization Grants for Clean Water State Revolving Funds	66.458	CW2020010	609,172
<u>Drinking Water State Revolving Fund Cluster</u>			
Passed through the Georgia Environmental Finance Authority: Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW2020020	<u>2,490,634</u>
Total United States Environmental Protection Agency			<u>3,099,806</u>
<b>Total Federal Awards</b>			<u><u>\$ 3,988,794</u></u>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2023**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Flowery Branch, Georgia, under programs for the federal government for the fiscal year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. De Minimis Indirect Cost Rate**

City of Flowery Branch, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

**4. Payments to Subrecipients**

For the current fiscal year, City of Flowery Branch, Georgia did not pass federal funds through to subrecipients.

**CITY OF FLOWERY BRANCH, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2023**

**1. Summary of the Auditor's Results**

**A. Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

**B. Federal Awards**

Internal control over major programs:	
Material weaknesses identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
<u>Drinking Water State Revolving Fund Cluster</u>	
66.468 Capitalization Grants for Drinking Water State Revolving Funds	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**CITY OF FLOWERY BRANCH, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2023**

**2. Financial Statement Findings and Responses**

**A. Current Year Audit Findings**

**2023-001**

*Condition:* A material prior period adjustment was required to correct the beginning balance of cash and cash equivalents.

*Criteria:* Generally accepted accounting principles require cash balances be properly recorded.

*Effect:* Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated

*Cause:* Incorrect balances of cash and cash equivalents were recorded due to errors in reporting and calculation.

*Recommendation:* Management should review their year-end procedures for recording account balances.

*Management Response:* Management concurs with this finding. City staff will review all year-end balances to ensure they are properly calculated and recorded.

**B. Prior Year Audit Findings Follow-Ups**

**2022-001**

*Condition:* While performing audit procedures on traffic citations, we noted employees are able to manually change fine amounts in the receipting software without review. The judge is not reviewing and signing off on citations that are not contested. Citations that are not contested are collected, posted to account, and sent to the Solicitor to close out the violation.

Corrected

**3. Federal Award Findings and Questioned Costs**

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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***STATE REPORTING SECTION***

**CITY OF FLOWERY BRANCH, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
*For the fiscal year ended June 30, 2023*

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>SPLOST VII</b>					
Sewer system facilities	\$ 1,308,000	\$ 1,308,000	\$ 1,334,538	\$ 311,586	\$ 1,646,124
Police vehicles and equipment	231,000	231,000	515,893	0	515,893
Roads and sidewalks	1,113,935	1,113,935	676,114	0	676,114
Administrative buildings	1,616,652	1,616,652	6,640,309	0	6,640,309
Total	<u>\$ 4,269,587</u>	<u>\$ 4,269,587</u>	<u>\$ 9,166,854</u>	<u>\$ 311,586</u>	<u>\$ 9,478,440</u>
<b>SPLOST VIII</b>					
Roads, streets, bridges, sidewalks	\$ 5,718,230	\$ 6,344,146	\$ 576,997	\$ 165,963	\$ 742,960
Parks and leisure facilities, land, and equipment	415,000	415,000	0	0	0
Public safety vehicles and equipment	276,000	276,000	85,505	99,313	184,818
Public works facilities, land, vehicles, and equipment	383,384	383,384	37,493	18,628	56,121
Total	<u>\$ 6,792,614</u>	<u>\$ 7,418,530</u>	<u>\$ 699,995</u>	<u>\$ 283,904</u>	<u>\$ 983,899</u>

\* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.





Art work provided by West Hall High School FY2023 Senior IB Students