

FY2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT



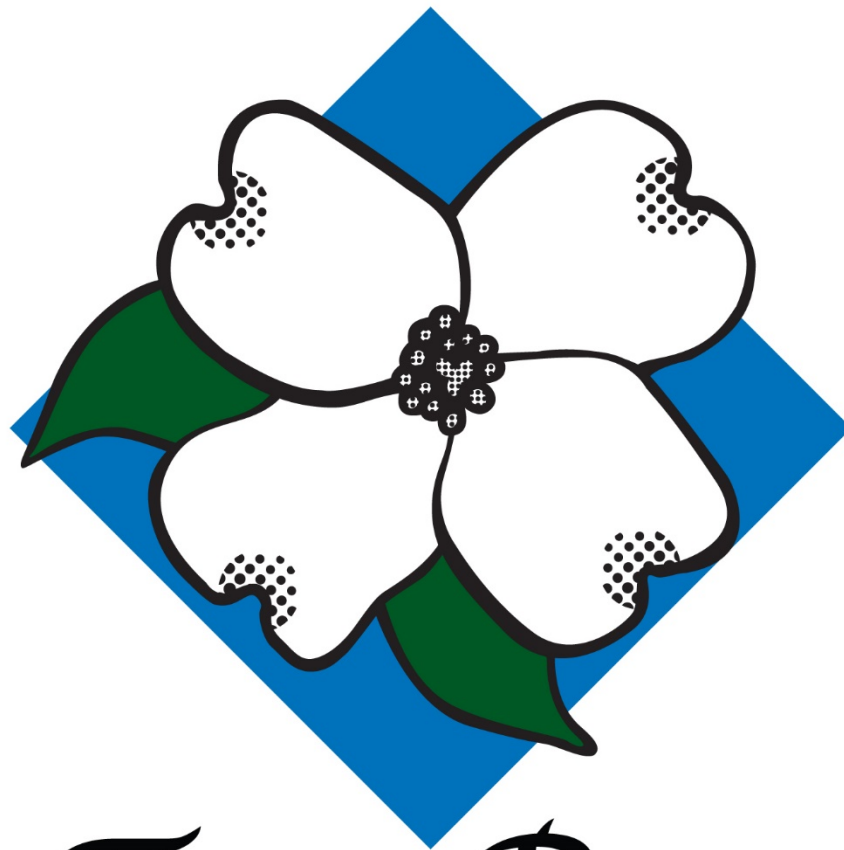
Flowery Branch

DECEMBER 7, 2020
CITY OF FLOWERY BRANCH
5410 W. PINE ST.
FLOWERY BRANCH, GA 30542

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**CITY OF FLOWERY BRANCH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

INTRODUCTORY SECTION



Flowery Branch

**CITY OF FLOWERY BRANCH , GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2020
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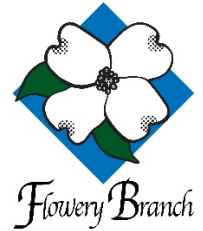
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OFFICIALS OF THE CITY OF FLOWERY BRANCH

LEGISLATIVE BRANCH

CITY COUNCIL

Mike Miller	Mayor
Chris Mundy	Council Member
Ed Asbridge	Council Member
Leslie Jarchow	Council Member
Joe Anglin	Council Member
Amy Farah	Council Member

OFFICERS OF THE COUNCIL

Vickie Short	City Clerk
Ron Bennett	City Attorney

JUDICIAL BRANCH

Michelle Hall	Municipal Court Judge and Administrative Hearing Officer
Ann Bishop	City Solicitor

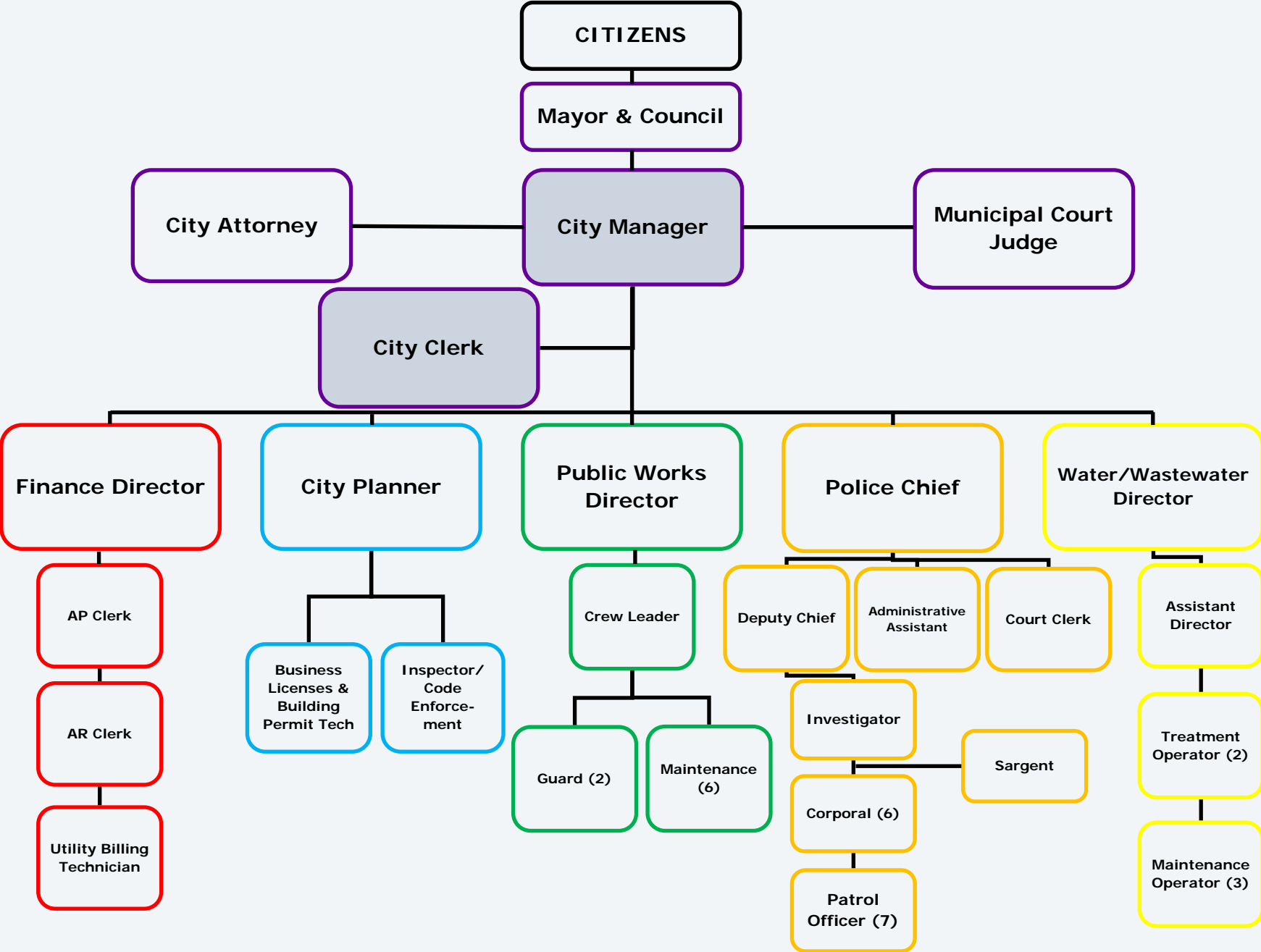
EXECUTIVE BRANCH

CITY MANAGER AND DEPARTMENT DIRECTORS

Bill Andrew	City Manager
Alisha Gamble	Finance Director
Rich Atkinson	Planning & Community Development Director
David Spillers	Police Chief
Jimmy Dean	Water and Waste Water Director
Bill Whidden	Public Works and Streets Director

2020 City of Flowery Branch Organizational Chart

Officials Appointed by City Council





December 7, 2020

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

It is our pleasure to present to the Comprehensive Annual Financial Report (CAFR) of the City of Flowery Branch (the "City") for the fiscal year ended June 30, 2020. 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 Walker, Pierce, and Tuck, CPAs, 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, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended June 30, 2020, are presented in conformity with GAAP. The independent auditors' report is presented on pages 8 and 9 as the first component of the financial 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 10 through 18 immediately following the report of the independent auditors.

Profile of the Government

Based on the 2010 U.S. Census, the City of Flowery Branch has a population of 5,679, while Hall County's population is 179,684. The Census Bureau estimates for 2018 show Flowery Branch and Hall County at 7,934 and 202,148, respectively. 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 Comprehensive Annual Financial Report includes all funds and activities directly under control of the City Council.

The annual budget serves as the foundation for the City of Flowery Branch's financial planning and control. The City of Flowery Branch's budget is adopted by City Council on or before June 30 at a regular Council meeting that is open to the public. The level of legal budgetary control is at the 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. Adjustments that increase the overall budget or personal services allocation require City Council approval.

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 prime 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 2020, the top three employers for the City of Flowery Branch are the SKF, USA, Inc., Atlanta Falcons Football Club, and The Home Depot coming in at 286, 131, and 106, respectively. The City is anticipating major growth over the next 1-5 years, with 1,200 plus new homes (this includes apartments) approved for development as of June 2020. Population is expected to exceed 12,000 by year 2024.

Since the beginning of 2020, when the COVID-19 pandemic hit our local economy, our Council, management and staff took a conservative evaluation of our City's financial condition and we continue to monitor throughout this difficult time. As of June 30, 2020, the City has experienced operational impacts but very minimal financial impacts. We will continue to monitor this situation closely throughout 2021.

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.

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 to express our appreciation to the staff of our audit firm, Walker, Pierce, and Tuck CPAs (especially Wayne Tuck and Becky Galyean), and to the staff of JAT Consulting Services (especially Rachel Bemby and Karine Brooms) for their technical guidance and assistance to make this a quality report.

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

Respectfully Submitted,



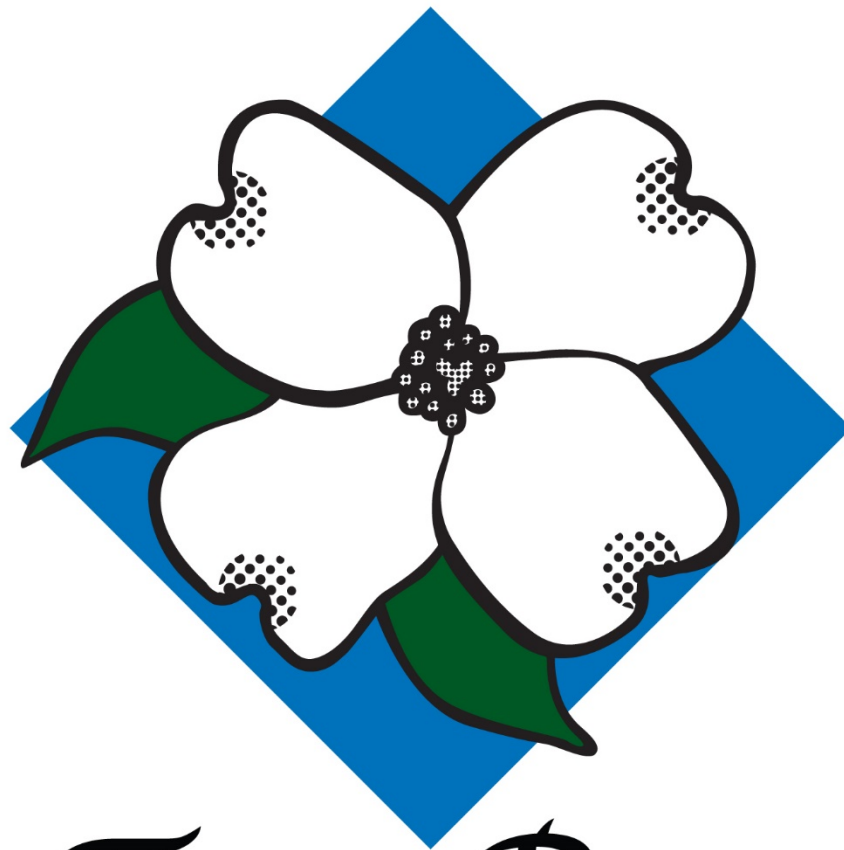
Bill Andrew
City Manager



Alisha Gamble
Finance Director

**CITY OF FLOWERY BRANCH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FINANCIAL SECTION



Flowery Branch



INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Flowery Branch, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City of Flowery Branch, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Flowery Branch, Georgia, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of changes in net pension liability and contributions on pages 10-18 and 48-54 respectively be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential

part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Flowery Branch, Georgia's basic financial statements. The introductory section, the schedule of Expenditures of Special Purpose Local Option Sales Tax, as required by O.C.G.A. 48-8-121 and the statistical sections as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Special Purpose Local Option Sales Tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Special Purpose Local Option Sales Tax is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020 on our consideration of the City of Flowery Branch, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Flowery Branch, Georgia's internal control over financial reporting and compliance.

Walker, Pierce & Tuck, CPA's, P.C.

Walker, Pierce and Tuck, CPA's, P.C.
Gainesville, Georgia
December 7, 2020



CITY OF FLOWERY BRANCH, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Flowery Branch (City), we offer readers of the City's financial statements this discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 19 to 20 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into governmental funds or proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, SPLOST fund, tax allocation district fund, and local resources fund, which are considered to be major funds. Individual fund data for the nonmajor governmental fund is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the Hotel/Motel fund and Grant Fund.

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 basic governmental fund financial statements can be found on pages 21 through 24 of this report.

Proprietary fund. The City maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer system. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 25 through 27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedule for the general fund, tax allocation district fund, local resources fund and grant fund. These schedules are intended to demonstrate the City's compliance with the legal adopted and amended budgets and can be found with accompanying notes on pages 48 through 52 of this report.

Other required supplemental information regarding the City's defined benefit retirement plan can be found on pages 53 and 54 of this report.

Government-wide Financial Analysis

Net Position As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$35,962,700.

The following table provides a summary of the City's governmental net position for the fiscal year 2019 and 2020:

City of Flowery Branch Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and Other Assets	\$ 12,394,763	\$ 5,148,642	\$ 6,231,579	\$ 4,211,876	\$18,626,342	\$ 9,360,518
Capital Assets	18,974,584	18,736,536	12,790,411	12,025,440	31,764,995	30,761,976
Total Assets	31,369,347	23,885,178	19,021,990	16,237,316	50,391,337	40,122,494
Deferred Outflows of Resources	200,625	90,737	95,626	69,229	296,251	159,966
Liabilities:						
Current Liabilities	1,170,661	915,301	1,345,785	1,211,500	2,516,446	2,126,801
Long-term Liabilities	9,051,630	3,935,117	3,130,143	3,616,880	12,181,773	7,551,997
Total Liabilities	10,222,291	4,850,418	4,475,928	4,828,380	14,698,219	9,678,798
Deferred Inflows of Resources	19,538	17,414	7,131	6,119	26,669	23,533
Net Position:						
Investment in Capital Assets	10,066,128	14,895,742	9,825,804	8,726,575	19,891,932	23,622,317
Restricted	910,049	80,010	-	-	910,049	80,010
Unrestricted	10,351,966	4,132,331	4,808,753	2,745,471	15,160,719	6,877,802
Total Net Position	\$ 21,328,143	\$19,108,083	\$14,634,557	\$11,472,046	\$35,962,700	\$30,580,129

The largest portion of the City's net position, \$19,891,932, reflects its investment in capital assets (e.g., buildings, roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this

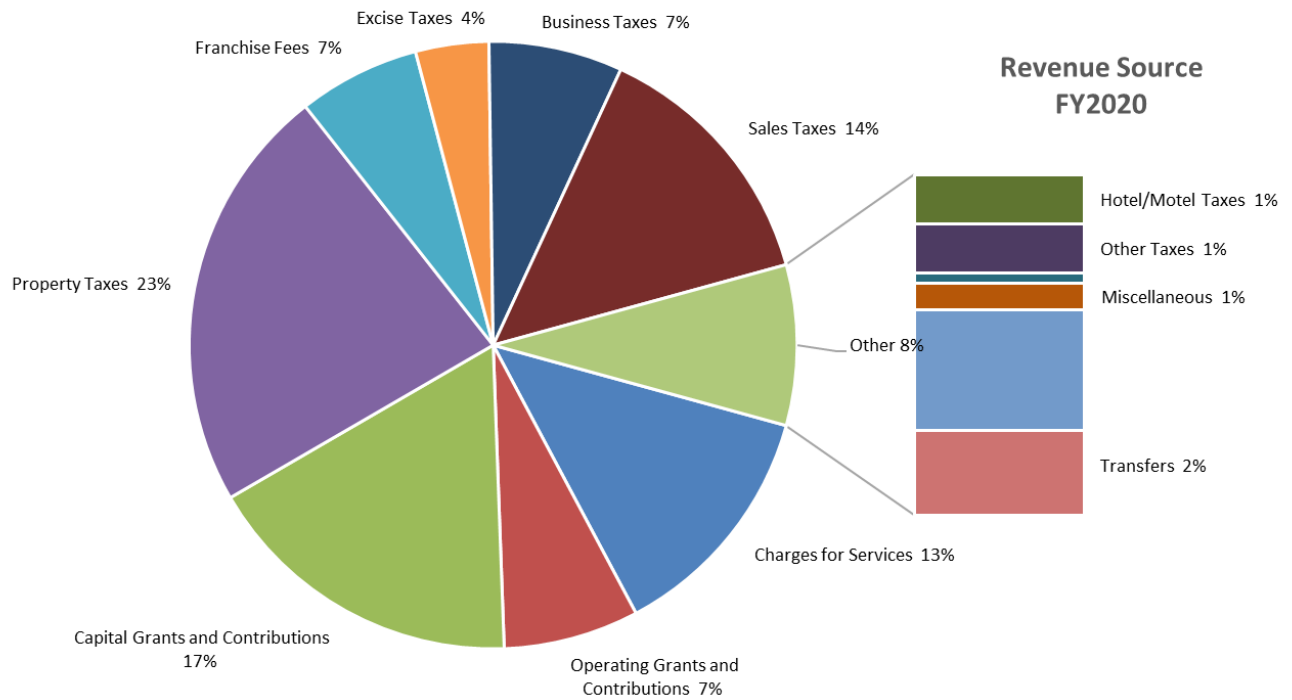
debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$910,049, represents resources that are restricted for public safety, tourism, soil and erosion bonds. The remaining portion of the City's net position represents net position of \$15,160,719 available to meet the ongoing obligations of the government. At the end of the current fiscal period, the City reported a positive balance in total net position and in unrestricted net position.

Changes in Net Position The following table indicates the changes in net position for governmental activities in fiscal years 2020 and 2019:

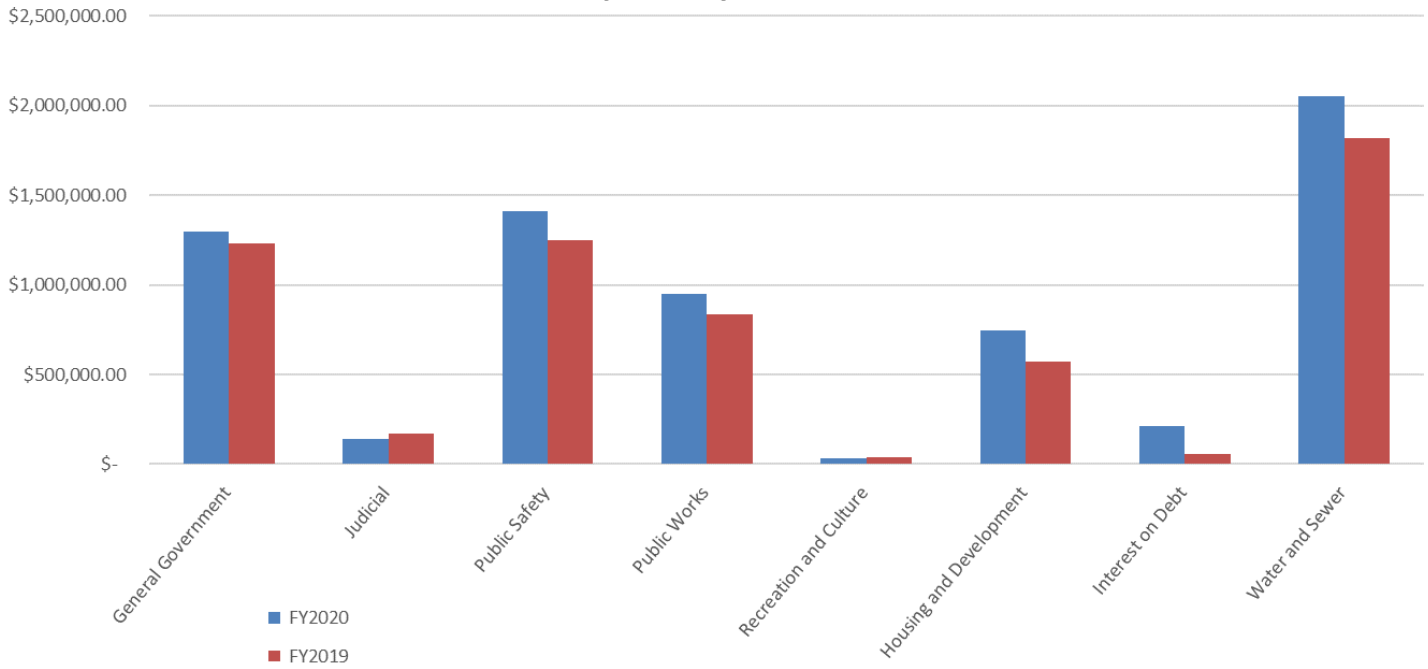
City of Flowery Branch Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for Services	\$ 1,011,509	\$ 822,134	\$ 4,678,236	\$ 2,137,801	\$ 5,689,745	\$ 2,959,935
Operating Grants and Contributions	562,733	141,643	363,891	-	926,624	141,643
Capital Grants and Contributions	1,344,239	970,280	-	-	1,344,239	970,280
General Revenues:						
Property Taxes	1,778,333	1,558,009	-	-	1,778,333	1,558,009
Franchise Fees	506,496	479,062	-	-	506,496	479,062
Excise Taxes	304,547	301,186	-	-	304,547	301,186
Business Taxes	556,056	528,040	-	-	556,056	528,040
Sales Taxes	1,080,774	1,029,352	-	-	1,080,774	1,029,352
Hotel/Motel Taxes	95,929	136,282	-	-	95,929	136,282
Other Taxes	97,229	104,755	-	-	97,229	104,755
Interest and Investment Earnings	18,253	7,568	1,367	3,707	19,620	11,275
Miscellaneous	52,176	80,644	3,631	13,955	55,807	94,599
Gain on Disposition of Assets	(237,378)	(64,706)	-	-	(237,378)	(64,706)
Transfers	(165,534)	(250,000)	165,534	250,000	-	-
Total Revenues	7,005,362	5,844,249	5,212,659	2,405,463	12,218,021	8,249,712
Expenses:						
General Government	1,315,912	1,231,264	-	-	1,315,912	1,231,264
Judicial	143,621	172,570	-	-	143,621	172,570
Public Safety	1,410,656	1,247,270	-	-	1,410,656	1,247,270
Public Works	946,576	833,302	-	-	946,576	833,302
Recreation and Culture	33,665	38,615	-	-	33,665	38,615
Housing and Development	721,191	574,078	-	-	721,191	574,078
Interest on Debt	213,681	58,160	-	-	213,681	58,160
Water and Sewer	-	-	2,050,148	1,820,104	2,050,148	1,820,104
Total Expenses	4,785,302	4,155,259	2,050,148	1,820,104	6,835,450	5,975,363
Increase (decrease) in net position	2,220,060	1,688,990	3,162,511	585,359	5,382,571	2,274,349
Net Position - Beginning	19,108,083	17,419,093	11,472,046	10,886,687	30,580,129	28,305,780
Net Position - Ending	\$21,328,143	\$19,108,083	\$14,634,557	\$11,472,046	\$35,962,700	\$30,580,129



Governmental activities Net position for governmental activities increased by \$2.2 million in fiscal year 2020. The increase in net position is due to the increase in property tax revenues, grants and contributions and charges for services. Property tax revenues increased \$220,324 or 14% primarily attributable to growth in the property tax digest which reflected 15% increase in total taxable assessed value from 2019-2020. The significant increase in grants and contributions is primarily attributable to a large contribution for right-of-way transfer on Bragg Road. Charges for services increased \$189,375 or 23% due to increase in building permits and inspections due to the new developments in the City.

Expenses by Function



Public safety, the City’s largest department, increased \$163,386 or 13% due to additional expenses for COVID-19 safety and hazard pay for essential workers; public works increased \$113,247 or 14%; general government increased approximately \$173,066; housing and development increased 168,686 or 29% due to additional contracted services and plan reviews for new developments; culture and recreation decreased \$4,950 or 13%; judicial decreased \$28,949 or 17%; and interest on long-term debt increased \$155,521 from the previous year. The other departments’ increases/decreases were minimal when compared to the previous years. The departments are conscious of the economic situation and have spent only where they felt it was essential to continue offering an acceptable level of service.

Business-type activities The increase in net position of \$3,162,511 is the result of service development charges for capital and charges for services outpacing expenses to maintain the water and sewer system. The service revenue increase includes a 5% rate increase for all utilities. The rate change went into effect December 1, 2019. Business-type expenses increased 12.6%, which is \$230,044. The result of this increase is due to rising chemical costs and additional engineering costs for the evaluation of our water and wastewater infrastructure.

Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$11.7 million and increase in fund balances of \$7.1 million. Of this balance, \$6,262,006 is restricted for special purposes, \$1,833,236 is committed for capital outlay, \$122,507 is nonspendable prepaids, and \$3,543,438 is considered unassigned and can be used to meet the near-term operating needs of the City.

General Fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year total fund balance was \$3,994,665 representing an unassigned fund balance of \$3,847,450, restricted funds of \$24,708 for law enforcement, and \$122,507 in nonspendable prepaids. Fund balance increased by \$821,698 from 2019 primarily as a result of increase in property taxes, sales taxes, building permits, and slow spending during the time of government shutdown between March-June 2020. As a measure of the liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 104.5% of total general fund expenditures, while total fund balance represents 108.5% of total general fund expenditures.

SPLOST Fund. This fund accounts for the City's share of a special purpose local option sales tax (SPLOST) collected to fund capital projects. For the current year, revenues were \$1,024,239 from taxes collected and interest earned, and expenditures \$345,175. Net transfers were (\$166,623). Fund balance as of June 30, 2020 was \$565,291.

Tax Allocation District Fund. This fund accounts for the City's tax allocation district revenue and expenses. For the current year, revenues were \$97,229 from taxes collected and expenditures \$60,060. Debt issuance and costs net \$5,422,820 for downtown developments, pavilion park, downtown park, and sidewalks improvements. Transfers out to other funds were net (\$61,585). Fund balance as of June 30, 2020 was \$5,351,957.

Grant Fund. This fund accounts for the City's grant revenue and expenses. For the current year, expenditures represent projects for essential workers' salaries, benefits, and hazard pay incurred during a public health emergency, refunded by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Funding for fiscal year 2020 eligible projects were received in fiscal year 2021, July 2020.

Local Resources Fund. This fund accounts for capital purchases as approved by the City Council. For the current fiscal year, revenues were \$404,376 from intergovernmental revenues, a private contribution, and interest earned, and expenditures of the debt service and capital outlay amounted to \$708,322. Fund balance as of June 30, 2020 was \$2,153,236.

Hotel/Motel Fund. This fund accounts for the collection and expenditure of Hotel/Motel taxes. For the current year, revenues were \$95,929 from taxes collected and expenditures \$95,929. Fund balance as of June 30, 2020 was \$50.

General Fund Budgetary Highlights

The City's budget utilized a conservative approach based on the limited information available. Emphasis was given to ensuring financial stability and long-term sustainability while providing revenue enhancement, financial properties and discipline.

The City employs a quarterly budget process in order to re-align appropriations made during the annual budget process with significant unexpected trends. This ensures adjustments facilitating appropriations to be in alignment with expected resources. Differences between the original budget and final amended budget are then resolved via official City Council action.

During the year budget realignments in appropriations were made between the original and final amended budget. Total revenues in the General Fund were greater than final budgeted revenues by approximately \$395,862. Majority of this excess collections is due to the residential growth in our area and increase in building permits issued.

Total expenditures in the General Fund were less than final budgeted amounts by approximately \$546,000. This positive budget variance is mostly attributable to unspent contract services in various departments throughout the City along with slow spending during the government shut down between March-June 2020.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of June 30, 2020, is \$18,974,584 (net of accumulated depreciation). These assets primarily reflect the buildings, machinery and equipment, as well as infrastructure assets for roadways, sidewalks, culverts and signals. Increases were attributed to the purchase of police and public works vehicles and equipment, stormwater infrastructure improvements, and road paving and repairs.

The City's investment in capital assets for its business-type activities as of June 30, 2020, is \$12,790,411 (net of accumulated depreciation). These assets primarily reflect the water and wastewater infrastructure improvements. The decrease in business-type capital assets results from the normal depreciation of the water and wastewater system.

City of Flowery Branch Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,667,364	\$ 1,702,364	\$ 553,201	\$ 553,201	\$ 2,220,565	\$ 2,255,565
Construction in Progress	153,205	95,440	377,966	99,889	531,171	195,329
Buildings and Improvements	4,783,328	5,092,108	1,915,006	1,984,684	6,698,334	7,076,792
Machinery and Equipment	698,864	427,163	3,585,032	3,684,752	4,283,896	4,111,915
Infrastructure	11,574,291	11,419,461	6,337,946	5,702,914	17,912,237	17,122,375
Intangibles	97,532	-	21,260	-	118,792	-
Net Position - Ending	<u>\$ 18,974,584</u>	<u>\$ 18,736,536</u>	<u>\$ 12,790,411</u>	<u>\$ 12,025,440</u>	<u>\$ 31,764,995</u>	<u>\$ 30,761,976</u>

Additional information on the City's capital assets can be found in note 40 to 41 of this report.

Long-term debt. At the end of fiscal year 2020, the governmental activities had total debt outstanding of \$9,593,363. The outstanding balance includes the following: \$8,715,328 for contracts payable to Gainesville and Hall County Development Authority to issue tax exempt revenue bonds; \$193,128 payable to the State Road and Tollway Authority (SRTA) for a Georgia Transportation Infrastructure Bank loan, the proceeds of which were used to finance the Lights Ferry Road transportation project which was completed in 2016; compensated absences of \$92,309; and net pension liability of \$592,598. Additional information on the City's long-term debt can be found on pages 34 through 37 of this report.

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2021 fiscal year.

- Sustainability of existing services – the City has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Current economic situation – the budget has anticipated that revenues will decrease 10%-25% due to the COVID-19 pandemic, and continue to monitor the financials through this time of uncertainty.
- All departments were advised to cut operational costs as much as possible until further notice.
- Cost of government – The City Council approved a millage rate in June of 3.264 mills, effective July 1st, 2020 with the 2019 digest. This millage rate is estimated to generate approximately \$1.4 million in revenue.
- Stabilization of revenue, especially sales tax revenues
- Vehicle and equipment replacement projects for Police and Public Works
- Continued improvements to infrastructure, especially roads and water/wastewater infrastructure expansion.
- Downtown developments with improvements to the Farmer's Market Pavilion Park, a new downtown amphitheater park, streetscapes, sidewalks, and parking.

The City restricts the use of one-time revenues to reserves, and limits the growth in expenditures from operations to those performance indicators which are designated as inadequate by City Council.

Requests for Information

This financial report is designed to provide a general overview of the City of Flowery Branch finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, City of Flowery Branch, PO Box 757, Flowery Branch, Georgia, 30542, or by calling (770) 967-6371, or by email at alisha@flowerybranchga.org.

CITY OF FLOWERY BRANCH, GEORGIA

Statement of Net Position

June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 11,636,234	\$ 3,792,603	\$ 15,428,837
Restricted cash	198,589	1,175,731	1,374,320
Receivables (net)	128,475	1,050,814	1,179,289
Intergovernmental receivable	312,350	112,807	425,157
Prepaid expenditures	122,507	-	122,507
Accrued revenue	-	96,232	96,232
Interfund balances	(3,392)	3,392	-
Total Current Assets	<u>12,394,763</u>	<u>6,231,579</u>	<u>18,626,342</u>
Noncurrent Assets			
Capital assets			
Nondepreciable	1,820,569	931,167	2,751,736
Depreciable, net	17,154,015	11,859,244	29,013,259
Total Noncurrent Assets	<u>18,974,584</u>	<u>12,790,411</u>	<u>31,764,995</u>
Total Assets	<u>31,369,347</u>	<u>19,021,990</u>	<u>50,391,337</u>
Deferred Outflows of Resources	<u>200,625</u>	<u>95,626</u>	<u>296,251</u>
Total Assets and Deferred Outflows of Resources	<u>31,569,972</u>	<u>19,117,616</u>	<u>50,687,588</u>
Liabilities			
Current Liabilities			
Accounts payable	364,582	809,067	1,173,649
Accrued expenses	127,225	29,341	156,566
Notes payable	193,128	-	193,128
Contracts payable	348,605	-	348,605
Revenue bond payable	-	272,000	272,000
Intergovernmental loan	-	69,218	69,218
Amounts held in trust	106,045	166,159	272,204
Unearned revenue	31,076	-	31,076
Total Current Liabilities	<u>1,170,661</u>	<u>1,345,785</u>	<u>2,516,446</u>
Long-term Liabilities			
Net pension liability	592,598	203,891	796,489
Contracts payable	8,366,723	-	8,366,723
Revenue bonds payable	-	1,460,000	1,460,000
Intergovernmental loan	-	1,163,389	1,163,389
Compensated absences	92,309	28,622	120,931
Unearned revenue	-	274,241	274,241
Total Long-term Liabilities	<u>9,051,630</u>	<u>3,130,143</u>	<u>12,181,773</u>
Total Liabilities	<u>10,222,291</u>	<u>4,475,928</u>	<u>14,698,219</u>
Deferred Inflows of Resources	<u>19,538</u>	<u>7,131</u>	<u>26,669</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,241,829</u>	<u>4,483,059</u>	<u>14,724,888</u>
Net Position			
Net Investment in Capital Assets	10,066,128	9,825,804	19,891,932
Restricted for:			
Capital projects	885,291	-	885,291
Public safety	24,708	-	24,708
Tourism	50	-	50
Unrestricted	10,351,966	4,808,753	15,160,719
Total Net Position	<u>\$ 21,328,143</u>	<u>\$ 14,634,557</u>	<u>\$ 35,962,700</u>

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

CITY OF FLOWERY BRANCH, GEORGIA

Statement of Activities

For the Year Ended June 30, 2020

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government:							
Governmental Activities:							
General government	\$ 1,315,912	\$ 96,725	\$ 97,198	\$ 1,344,239	\$ 222,250	\$ -	\$ 222,250
Judicial	143,621	267,950	-	-	124,329	-	124,329
Public safety	1,410,656	21,321	465,535	-	(923,800)	-	(923,800)
Public works	946,576	-	-	-	(946,576)	-	(946,576)
Recreation and culture	33,665	-	-	-	(33,665)	-	(33,665)
Housing and development	721,191	625,513	-	-	(95,678)	-	(95,678)
Interest on Debt	213,681	-	-	-	(213,681)	-	(213,681)
Total Governmental Activities	<u>4,785,302</u>	<u>1,011,509</u>	<u>562,733</u>	<u>1,344,239</u>	<u>(1,866,821)</u>	<u>-</u>	<u>(1,866,821)</u>
Business-type activities:							
Water and sewer	2,050,148	4,678,236	-	363,891	-	2,991,979	2,991,979
Total Business-type Activities	<u>2,050,148</u>	<u>4,678,236</u>	<u>-</u>	<u>363,891</u>	<u>-</u>	<u>2,991,979</u>	<u>2,991,979</u>
Total Primary Government	<u>\$ 6,835,450</u>	<u>\$ 5,689,745</u>	<u>\$ 562,733</u>	<u>\$ 1,708,130</u>	<u>(1,866,821)</u>	<u>2,991,979</u>	<u>1,125,158</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					1,778,333	-	1,778,333
Franchise fees					506,496	-	506,496
Excise taxes					304,547	-	304,547
Business tax					556,056	-	556,056
Sales tax					1,080,774	-	1,080,774
Hotel/Motel tax					95,929	-	95,929
Other taxes					97,229	-	97,229
Interest and investment earnings					18,253	1,367	19,620
Miscellaneous					52,176	3,631	55,807
Gain on disposition of assets					(237,378)	-	(237,378)
Transfers					(165,534)	165,534	-
Total General Revenues and Transfers					<u>4,086,881</u>	<u>170,532</u>	<u>4,257,413</u>
Change in Net Position					2,220,060	3,162,511	5,382,571
Net Position Beginning of Year					19,108,083	11,472,046	30,580,129
Ending Net Position					<u>\$ 21,328,143</u>	<u>\$ 14,634,557</u>	<u>\$ 35,962,700</u>

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

CITY OF FLOWERY BRANCH, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2020

	General Fund	SPLOST Fund	Tax Allocation District Fund	Local Resources Fund	Grant Fund	Hotel Motel Fund (nonmajor)	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 3,657,398	\$ 463,159	\$ 5,351,957	\$ 2,156,161	\$ -	\$ 7,559	\$ 11,636,234
Restricted cash	198,589	-	-	-	-	-	198,589
Intergovernmental receivable	123,824	188,526	-	-	-	-	312,350
Receivables (net)	124,226	-	-	-	-	4,249	128,475
Prepaid expenditures	122,507	-	-	-	-	-	122,507
Due from other funds	310,678	-	-	-	-	-	310,678
Total Assets	4,537,222	651,685	5,351,957	2,156,161	-	11,808	12,708,833
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 4,537,222	\$ 651,685	\$ 5,351,957	\$ 2,156,161	\$ -	\$ 11,808	\$ 12,708,833
Liabilities							
Accounts payable	\$ 273,563	\$ 86,394	\$ -	\$ 2,925	\$ -	\$ 1,700	\$ 364,582
Accrued expenses	58,128	-	-	-	-	-	58,128
Due to other funds	-	-	-	-	304,012	10,058	314,070
Amounts held in trust	106,045	-	-	-	-	-	106,045
Unearned revenue	31,076	-	-	-	-	-	31,076
Total Liabilities	468,812	86,394	-	2,925	304,012	11,758	873,901
Deferred Inflows of Resources	73,745	-	-	-	-	-	73,745
Total Liabilities and Deferred Inflows of Resources	542,557	86,394	-	2,925	304,012	11,758	947,646
Fund Balances							
Nonspendable:							
Prepaid expenditures	122,507	-	-	-	-	-	122,507
Restricted for:							
Capital projects	-	565,291	-	320,000	-	-	885,291
Law enforcement	24,708	-	-	-	-	-	24,708
Tourism	-	-	-	-	-	50	50
Housing and development	-	-	5,351,957	-	-	-	5,351,957
Committed for:							
Capital outlay	-	-	-	1,833,236	-	-	1,833,236
Unassigned	3,847,450	-	-	-	(304,012)	-	3,543,438
Total Fund Balances	3,994,665	565,291	5,351,957	2,153,236	(304,012)	50	11,761,187
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,537,222	\$ 651,685	\$ 5,351,957	\$ 2,156,161	\$ -	\$ 11,808	\$ 12,708,833

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

CITY OF FLOWERY BRANCH, GEORGIA
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2020

Total Governmental Fund Balances \$ 11,761,187

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	22,411,543	
Less: Accumulated depreciation	<u>(3,436,959)</u>	
Total capital assets		18,974,584

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued compensated absences not reported in governmental funds	(92,309)	
Accrued interest payable not reported in the governmental funds	(69,097)	
Notes payable	(193,128)	
Contracts payable	(8,715,328)	

Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 73,745

Pension items not included in fund financial statements.

Deferred outflows of resources	200,625	
Deferred inflows of resources	(19,538)	
Net pension liability	<u>(592,598)</u>	

Net Position of Governmental Activities \$ 21,328,143

CITY OF FLOWERY BRANCH, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	SPLOST Fund	Tax Allocation District Fund	Local Resources Fund	Grant Fund	Hotel Motel Fund (nonmajor)	Total Governmental Funds
Revenues							
Property tax	\$ 1,776,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,776,541
Sales tax	1,080,774	-	-	-	-	-	1,080,774
Business tax	556,056	-	-	-	-	-	556,056
Franchise tax	506,496	-	-	-	-	-	506,496
Excise tax	304,547	-	-	-	-	-	304,547
Hotel/Motel tax	-	-	-	-	-	95,929	95,929
Intergovernmental	12,822	1,023,656	97,229	84,376	-	-	1,218,083
Licenses and permits	702,939	-	-	-	-	-	702,939
Fines and forfeitures	277,354	-	-	-	-	-	277,354
Charges for services	40,620	-	-	-	-	-	40,620
Contributions	37,357	-	-	320,000	-	-	357,357
Interest	8,905	583	9,348	-	-	-	18,836
Miscellaneous	52,176	-	-	-	-	-	52,176
Total Revenue	5,356,587	1,024,239	106,577	404,376	-	95,929	6,987,708
Expenditures							
Current:							
General government	1,073,361	-	-	-	-	-	1,073,361
Judicial	150,292	-	-	-	-	-	150,292
Public safety	1,101,560	-	-	-	276,056	-	1,377,616
Public works	639,737	-	-	82,811	3,644	-	726,192
Recreation and culture	33,665	-	-	-	-	-	33,665
Housing and development	683,215	-	-	-	-	38,372	721,587
Debt Service:							
Interest Expenditure	-	-	-	54,160	-	-	54,160
Principal retirement	-	-	-	472,541	24,312	-	496,853
Capital Outlay	-	345,175	60,020	98,810	-	-	504,005
Total Expenditures	3,681,830	345,175	60,020	708,322	304,012	38,372	5,137,731
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,674,757	679,064	46,557	(303,946)	(304,012)	57,557	1,849,977
Other Financing Sources (Uses)							
Transfers in	106,176	-	62,251	975,861	-	-	1,144,288
Transfers out	(961,806)	(166,623)	(123,836)	-	-	(57,557)	(1,309,822)
Proceeds from sale of assets	2,571	-	-	-	-	-	2,571
Bond issuance cost	-	-	(134,040)	-	-	-	(134,040)
Proceeds from the issuance of debt	-	-	5,556,860	-	-	-	5,556,860
Total Other Financing Sources (Uses)	(853,059)	(166,623)	5,361,235	975,861	-	(57,557)	5,259,857
Net Change in Fund Balances	821,698	512,441	5,407,792	671,915	(304,012)	-	7,109,834
Fund Balances Beginning of Year	3,172,967	52,850	(55,835)	1,481,321	-	50	4,651,353
Fund Balances End of Year	\$ 3,994,665	\$ 565,291	\$ 5,351,957	\$ 2,153,236	\$ (304,012)	\$ 50	\$ 11,761,187

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

CITY OF FLOWERY BRANCH, GEORGIA
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2020

Net Changes in Fund Balances-Total Governmental Funds		\$ 7,109,834
<p>Amounts reported as governmental activities in the Statement of Activities are different from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because:</p> <p>Capital outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation.</p>		
Capital outlay	568,461	
Less: Current year depreciation	<u>(518,642)</u>	49,819
<p>In the statement of activities, only the gain/loss on the sale of various fixed assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the equipment sold.</p>		
Net book value of fixed assets sold		(239,949)
<p>Debt proceeds 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 reduced long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.</p>		
		(5,067,662)
<p>Net pension liability is not available during the current period and therefore is not reported in the funds.</p>		
End of Year	(592,598)	
Beginning of Year	<u>471,157</u>	(121,441)
<p>Contributions made after pension measurement date, changes in assumptions, and differences in expected and actual results of the defined benefit pension plan are reported as deferred outflows and not reported in the funds.</p>		
End of Year	200,625	
Beginning of Year	<u>(90,737)</u>	109,888
<p>Compensated absences are reported in the Statement of Activities, but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Compensated absence liability at June 30, 2019	95,576	
Compensated absence liability at June 30, 2020	<u>(92,309)</u>	3,267
<p>Deferred inflows of resources related to pensions are applicable to future periods and therefore are not reported in the funds.</p>		
End of Year	(19,538)	
Beginning of Year	<u>17,414</u>	(2,124)
<p>Accrued interest and amortization of deferred charges are reported in the Statement of Activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Accrued interest at June 30, 2019	26,959	
Accrued interest at June 30, 2020	<u>(69,097)</u>	(42,138)
<p>Revenues from donated assets in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		428,178
<p>Because some revenues will not be collected for several months after the City's fiscal year end, they are considered "available" revenues and are deferred in the governmental funds.</p>		
Deferred revenue at June 30, 2019	(81,357)	
Deferred revenue at June 30, 2020	<u>73,745</u>	(7,612)
Change in Net Position of Governmental Activities		<u>\$ 2,220,060</u>

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

CITY OF FLOWERY BRANCH, GEORGIA

Statement of Net Position

Proprietary Funds

June 30, 2020

	Water and Sewer
Current Assets	
Cash and cash equivalents	\$ 3,792,603
Restricted cash and cash equivalents	1,175,731
Accounts receivable (net)	1,050,814
Due from other governments	112,807
Accrued revenue	96,232
Due from other funds	3,392
Total Current Assets	6,231,579
Noncurrent Assets	
Capital assets	
Non-depreciable	931,167
Depreciable, net	11,859,244
Total Noncurrent Assets	12,790,411
Total Assets	19,021,990
Deferred Outflows of Resources	95,626
Total Assets and Deferred Outflows of Resources	19,117,616
Liabilities	
Current Liabilities	
Accounts payable	809,067
Accrued expenses	29,341
Customer deposits	166,159
Intergovernmental loan	69,218
Revenue bonds payable	272,000
Total Current Liabilities	1,345,785
Long-term Liabilities	
Net pension liability	203,891
Intergovernmental loan	1,163,389
Revenue bonds payable	1,460,000
Compensated absences	28,622
Unearned revenue	274,241
Total Long-term Liabilities	3,130,143
Total Liabilities	4,475,928
Deferred Inflows of Resources	7,131
Total Liabilities and Deferred Inflows of Resources	4,483,059
Net Position	
Net investment in capital assets	9,825,804
Unrestricted	4,808,753
Total Net Position	\$ 14,634,557

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

CITY OF FLOWERY BRANCH, GEORGIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	<u>Water and Sewer</u>
Operating Revenue	
Charges for services	\$ 2,232,078
Development fees	2,279,461
Tap-on fees	166,697
Miscellaneous income	3,631
Total Operating Revenue	4,681,867
Operating Expenses	
Personnel services:	
Salaries and wages	529,596
Employment Taxes	43,456
Benefits	191,488
Total Personnel Services	764,540
Purchased / contracted services:	
Professional and technical	46,867
Other purchased services	1,124
Total Purchased / contracted services	47,991
Other operating expenses:	
Purchased water	3,638
Supplies	275,291
Repairs and maintenance	149,077
Utilities	230,284
Engineering, lab fees and training	83,833
Depreciation	417,790
Bad debts	8,978
Miscellaneous	2,464
Total Other Operating Expenses	1,171,355
Total Operating Expenses	1,983,886
Operating Income (Loss)	2,697,981
Nonoperating Revenues (Expenses)	
Interest income	1,367
Interest expense	(66,262)
Total Nonoperating Revenues and (Expenses)	(64,895)
Income (Loss) Before Contributions and Transfers	2,633,086
Capital contributions	363,891
Transfer in	166,623
Transfer (out)	(1,089)
Change in Net Position	3,162,511
Net Position Beginning of Year	11,472,046
Net Position End of Year	\$ 14,634,557

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

CITY OF FLOWERY BRANCH, GEORGIA

Statement of Cash Flows

Proprietary Funds

For The Year Ended June 30, 2020

	<u>Water and Sewer</u>
Cash flows from operating activities:	
Receipts from customers	\$ 3,668,804
Payments to suppliers	(672,665)
Payments to employees	(752,732)
Net cash provided (used) by operating activities	2,243,407
Cash flows from noncapital financing activities:	
Transfer to other funds	(1,089)
Net cash provided (used) by noncapital financing activities	(1,089)
Cash flows from capital and related financing activities:	
Transfer from other funds	166,623
Capital contributions	363,891
Acquisition and construction of capital assets	(1,182,761)
Debt payments, principal and interest	(400,520)
Net cash provided (used) by capital and related financing activities	(1,052,767)
Cash flows from investing activities:	
Interest income	1,367
Net cash provided (used) by investing activities	1,367
Net increase (decrease) in cash and cash equivalents	1,190,918
Cash and cash equivalents, June 30, 2019	3,777,416
Cash and cash equivalents, June 30, 2020	\$ 4,968,334
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 2,697,981
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	417,790
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable and accrued revenue	(959,907)
(Increase) decrease in deferred outflows of resources	(26,397)
(Increase) decrease in deferred inflows of resources	1,012
(Increase) decrease in due from other funds	131,122
Increase (decrease) in accounts and retainage payable	118,901
Increase (decrease) in accrued expenses	1,668
Increase (decrease) in compensated absences	(1,813)
Increase (decrease) in deferred revenue	(182,056)
Increase (decrease) in customer deposits	6,756
Increase (decrease) in net pension liability	38,350
Net cash provided (used) by operating activities	\$ 2,243,407

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

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Flowery Branch, Georgia, have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and Accounting Principles Board (APB) opinions, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The more significant of the government's accounting policies are described below.

1-A The Reporting Entity

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

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

The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Discretely Presented Component Units. The Flowery Branch Development Authority is governed by a separate board and is a separate legal, public body corporate and politic 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. Currently the Development Authority is an inactive entity with no activity in the current year.

1-B Basis of Presentation, Basis of Accounting

Basis of Presentation - 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Major individual governmental funds and major individual proprietary fund are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund. This 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.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

SPLOST Fund. This fund accounts for *Special Purpose Local Option Sales Tax* financial resources expended for capital purposes approved by referendum.

Local Resource Fund. This fund is used for capital purchases purposes, as approved by the City Council.

Tax Allocation District (TAD) Fund. This is a special revenue fund which accounts for the tax allocation district revenue and expenses.

Grant Fund. This is a special revenue fund which accounts for the receipt and expenditure of grant revenue.

The City reports the following nonmajor governmental fund:

Hotel/Motel Tax Fund. This is a special revenue fund which accounts for the collection and expenditure of these special tax collections.

The City reports the following major proprietary fund:

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

1-C Fund Equity

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

Fund Balance - Generally fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. 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 balances only in the general fund. Negative unassigned fund balances may be reported in all funds.

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:

- Committed
- Assigned
- Unassigned

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

Net position - Net position represents the difference between assets and liabilities. 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 as described in the fund balance section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Enterprise fund operating revenues and expenses result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues and expenses, such as subsidies, investment earnings or interest expense, result from non-exchange transactions or ancillary activities.

Receivables from and payables to external parties are reported separately and not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

Basis of Accounting - Measurement Focus

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the flow of economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances” and eliminated on the Statement of Position.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and adjustments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgets. Formal budgetary accounting is employed as a management control device for the General Fund and Special Revenue Funds. 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. Budgets for the Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. The City Council must approve any amendments to the budget.

All annual appropriations lapse at the end of each fiscal year.

1-D Assets, Liabilities, and Equity

Cash and Cash Equivalents

The City considers short-term liquid investments that are both readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates to be cash equivalents. Only investments with original maturities of three months or less meet this definition.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

Investments

Investments are recorded as fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase and decrease to investment assets and investment income. At June 30, 2020, the City had no investments with maturities of more than three months.

Restricted Assets

These assets are held in the capital projects and special revenue funds for specific purposes defined by statute, referendum, or grant contract and are not generally available for general government operations.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to / from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans.) Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “interfund balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables, including those for the City of Flowery Branch, are shown net of an allowance for uncollectibles. Trade accounts receivable for the City are the balances in the proprietary fund resulting from the sale of water and sewer services. Balances due in excess of 90 days comprise the trade accounts receivable allowance for uncollectibles, which was \$273,564 at June 30, 2020. The collection rate for property taxes in the General Fund is in excess of 99%, consequently the City has chosen to estimate the uncollectible property tax accounts based on specific accounts that it deems to be uncollectible as of June 30, 2020.

Property Tax Calendar

The City set its millage rate for the 2019/2020 fiscal year on June 27, 2019 at 3.264 mills. Property tax bills were mailed on October 1, 2019 and were due December 31, 2019. Penalties and interest are due on all accounts not paid by the due date. Filing of delinquent tax accounts could be filed no earlier than January 1, 2020.

Inventories and Prepaid Items

Inventories are valued at the lower of cost or market. In the governmental funds, the cost of inventory items are recorded as expenditures at the time of purchase. The City maintains no significant inventories. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. The government 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). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	Governmental	Business-type
	Activities	Activities
	<u>Years</u>	<u>Years</u>
Buildings and improvements	20-50	20-50
Public domain infrastructure	14-40	14-40
Machinery & Equipment	5-20	5-20
Vehicles	5	5
Intangibles	10	10

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

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. The balance of compensated absences is recorded as a noncurrent liability and disclosed as a long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has one resource that qualifies as deferred outflows in its governmental activities. This resource is its deferred charge in pension expense related to the defined benefit pension plan. The City has two resources that qualify as deferred outflows in its proprietary funds. These resources are its deferred charge in pension expense related to the defined benefit pension plan and a deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is part of the interest expense for the year. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next physical year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies as deferred inflows in its governmental activities. This resource is its experienced gains in its 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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. These items only arises under the modified accrual basis of accounting. Accordingly, the items, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and fines.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

NOTE 2. DEPOSITS & INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities.

The City's custodial credit risk policy is to require all banks to collateralize the City's deposits at 110% of account balances and to have a perfected security agreement supporting the collateral agreement with the bank. The City does not have a foreign credit risk.

At June 30, 2020, all bank deposits were insured or fully collateralized.

Investment policies

The City's financial policies authorize investment in securities approved by the State of Georgia for local governments including obligations of the United States and or its agencies and instrumentalities, bonds or certificated of indebtedness of the State of Georgia and of its agencies and instrumentalities, certificates of deposits, and local investment pools (Georgia Fund 1). No more than 15% of the overall portfolio may 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. Investments are reported at fair market value.

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 Standard & Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operated 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). The market value of the portfolio is calculated at least quarterly.

The pool distributes earning (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 by Standard & Poor's. The weighted average maturity at the end of the current fiscal year was 39 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$5,231,890.

NOTE 3. LITIGATION

The Attorneys for the City have advised that there are no known legal matters which will have a material effect on the City's financial condition. No provision has been made to provide reserves for litigation settlements.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

NOTE 4. RECEIVABLES

The following is a summary of amounts due from others at June 30, 2020:

Governmental Funds:

Property taxes receivable - net	\$ 53,671	
Hotel Motel taxes receivable	4,249	
Fines receivables - net	30,033	
Other receivables - net	40,522	Franchise tax, excise tax, property tax for tax allocation district
Due from other government - SPLOST	188,526	
Due from other government - property taxes	23,507	
Due from other government - LOST	100,317	
Total Governmental Receivables:	<u>\$ 440,825</u>	

Business-type Funds:

Accounts receivable - net	\$ 1,050,814
Due from other governments - rebates	112,807
Total Business-type Receivables:	<u>\$ 1,163,621</u>

NOTE 5. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance as of				Balance as of	Due Within
	June 30, 2019	Additions	Reductions		June 30, 2020	One Year
Governmental Activities:						
Contract Payable	\$ 3,456,115	\$ 5,556,860	\$ (842,850)		\$ 8,170,125	\$ 287,200
Plus: original issue premium	-	561,860	(16,657)		545,203	61,405
Total Contracts Payable	<u>3,456,115</u>	<u>6,118,720</u>	<u>(859,507)</u>		<u>8,715,328</u>	<u>348,605</u>
Note Payable	384,679	-	(191,551)		193,128	193,128
Compensated Absences	95,576	91,510	(94,777)		92,309	-
Net Pension Liability	471,157	4,195	117,246		592,598	-
Total governmental activities	<u>\$ 4,407,527</u>	<u>\$ 6,214,425</u>	<u>\$ (1,028,589)</u>		<u>\$ 9,593,363</u>	<u>\$ 541,733</u>
Business-Type Activities:						
Revenue Bonds	\$ 1,998,000	\$ -	\$ (266,000)		\$ 1,732,000	\$ 272,000
Intergovernmental loan	1,300,865	-	(68,258)		1,232,607	69,218
Unearned Revenue	456,297	-	(182,056)		274,241	-
Compensated Absences	30,435	27,459	(29,272)		28,622	-
Net Pension Liability	165,541	1,474	36,876		203,891	-
Total business-type activities	<u>\$ 3,951,138</u>	<u>\$ 28,933</u>	<u>\$ (508,710)</u>		<u>\$ 3,471,361</u>	<u>\$ 341,218</u>

Deferred amounts on the City's bond refunding (which are reported as deferred outflows of resources), at June 30, 2020 are summarized as follows:

	Balance as of				Balance as of
	June 30, 2019	Additions	Reductions		June 30, 2020
Proprietary Funds					
<i>Water and Sewer Fund</i>					
Deferred Charge on refunding	\$ 37,347	\$ -	\$ (5,747)		\$ 31,600

Compensated absences and net pension obligations are generally liquidated by the general fund.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

GOVERNMENTAL ACTIVITIES

Note Payable

In November 2015, the City entered into a loan agreement with Georgia Transportation Infrastructure Bank (GTIB), by and through the State Road and Tollway Authority. These funds were used to finance the Lights Ferry Road transportation project which was completed in 2016. Interest in the amount of \$2,436 was included in interest expense during 2020.

As of June 30, 2020, the total outstanding debt was \$193,128 in principal. The loan bears an interest rate of 0.82% amortized monthly, with payments of \$16,166 beginning August 1, 2016, with a maturity date of July 1, 2021. The annual requirements to amortize note payable for governmental activities outstanding as of June 30, 2020 are as follows:

June 30	Principal	Interest
2021	\$ 193,128	\$ 859
	\$ 193,128	\$ 859

Contracts Payable

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 principal annual payments beginning April 1, 2023, with a maturity date of April 1, 2039. These funds will be used for Old Town redevelopments by streetscaping, Farmers Market Pavilion, two downtown parks, and an old town bike-pedestrian path. The interest and principal payments will be paid with tax allocation district funds, and the City is responsible for all the principal and interest payments. Interest in the amount of \$44,330 was included in interest expense in the government-wide Statement of Activities during 2020. The projects began in March of 2020. All projects are expected to be complete by June 2021. As of June 30, 2020, the total outstanding debt was \$4,995,000 in principal. The annual requirements to amortize this contract payable for governmental activities outstanding as of June 30, 2020 is as follows:

June 30	Principal	Interest
2021	\$ -	\$ 168,057
2022	-	158,794
2023	110,000	158,794
2024	190,000	155,494
2025	245,000	149,794
2026-2030	1,350,000	633,620
2031-2035	1,620,000	370,870
2036-2039	1,480,000	109,394
	\$ 4,995,000	\$ 1,904,817

On August 18, 2016, the City entered into a contract payable with Gainesville and Hall County Development Authority to issue \$4,000,000 in 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 of the principal and interest payments. Interest in the amount of \$49,533 was included in interest expense in the government-wide Statement of Activities during 2020. The project was completed in March 2019. As of June 30, 2020, the total outstanding debt was \$3,175,125 in principal. The annual requirements to amortize this contract payable for governmental activities outstanding as of June 30, 2020 is as follows:

June 30	Principal	Interest
2021	\$ 287,200	\$ 50,167
2022	293,547	45,629
2023	300,035	40,991
2024	306,666	36,251
2025	313,443	31,405
2026-2030	1,674,234	80,514
	\$ 3,175,125	\$ 284,957

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

The annual requirements to amortize total contract payable for governmental activities outstanding as of June 30, 2020 is as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 287,200	\$ 218,224
2022	293,547	204,423
2023	410,035	199,785
2024	496,666	191,745
2025	558,443	181,199
2026-2030	3,024,234	714,134
2031-2035	1,620,000	370,870
2036-2039	1,480,000	109,394
	<u>\$ 8,170,125</u>	<u>\$ 2,189,774</u>

BUSINESS-TYPE ACTIVITIES

Revenue Bond, Series 2014 (Water & Sewer Fund)

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 Bond. 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. During 2019, \$5,745 was amortized and include in interest expense. 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 which has a historical cost of \$4,303,813 and accumulated depreciation of \$1,533,233. The refunding was undertaken to reduce the interest rate. The Series 2014 Water and Sewerage Revenue Bonds carry an interest rate of 2.38%. As of June 30, 2020, the outstanding debt was \$1,732,000 in principal. Interest in the amount of \$42,822 was included in interest expense during 2020.

The annual requirements to amortize the revenue bonds for business-type activities are estimated as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 272,000	\$ 36,366
2022	278,000	29,786
2023	285,000	23,044
2024	292,000	16,136
2025	299,000	9,062
2026	306,000	1,821
	<u>\$ 1,732,000</u>	<u>\$ 116,215</u>

Intergovernmental Loan

In August 2014, the Enterprise Funds of the City entered into a \$1,500,000 loan agreement with the Georgia Environmental Facilities Authority (GEFA). These funds were used to finance the diversion of sewerage flows from the Cinnamon Cove complex to the City's existing wastewater treatment plant. The loan bears an interest rate of 1.4% amortized monthly, with payments of \$7,169 beginning on July 1, 2016, with a maturity date of June 1, 2036. As of June 30, 2020, the total outstanding debt was \$1,232,607 in principal. Interest in the amount of \$17,695 was included in interest expense during 2020.

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Financial Statements
June 30, 2020

The annual requirements to amortize the note payable for business-type activities are estimated as follows:

June 30	Principal	Interest
2021	\$ 69,218	\$ 16,810
2022	70,194	15,834
2023	71,184	14,844
2024	72,187	13,841
2025	73,204	12,824
2026-2030	381,784	48,356
2031-2035	409,451	20,689
2026	85,385	258,727
	\$ 1,232,607	\$ 401,925

NOTE 6. RISK MANAGEMENT

The City purchased general liability insurance from Travelers Indemnity Company. The City's policy starts May 1st and ends April 30th of each year. The premium for the year ending June 30, 2020 was \$102,399. The City purchases Workers Compensation Insurance through the Georgia Municipal Association Worker's Compensation Self -Insurance Fund. The City's policy year starts on January 1st and ends on December 31st of each year. The premium for the City's fiscal year of 2020 was \$95,169. As part of this risk pool, the Government 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. The Government is also to allow the pool's agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the fund. The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the worker's 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. With respect to other types of risk including torts, theft or destruction of assets, errors of omissions, and acts of God, the City has purchased sufficient insurance and, therefore, transferred risk of loss.

NOTE 7. UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

As of June 30, 2020, deferred inflows of resources and unearned revenue consisted of the following:

Governmental Activities:

Deferred inflows of resources	
Defined benefit retirement plan - See Note 15	\$ 19,538
Total deferred inflows of resources - governmental activities	\$ 19,538

Business-type Activities

Deferred inflows of resources	
Defined benefit retirement plan - See Note 15	\$ 7,131
Total deferred inflows of resources - business-type activities	\$ 7,131

Total Deferred Inflows of Resources - Government-wide	\$ 26,669
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Governmental Fund Financial Statements:

Deferred inflows of resources	
Fines	\$ 27,853
Property Taxes	45,892
Total deferred inflows of resources	\$ 73,745

Non-exchange transaction considered to be a resource collected beyond the City's period of availability.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

NOTE 7. UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES (Continued)

Government-wide and Proprietary Fund Financial Statements:

Unearned revenue - Deposits to reserve sewage plant capacity	\$ 274,241	An exchange-like transaction to be considered as revenue upon the actual sale of connection permits.
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Government-wide and Governmental Fund Financial Statements:

Unearned revenue - Business Licenses	\$ 31,076	An exchange transaction considered to be fees collected in advance of the period to which they apply.
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NOTE 8. DEFERRED OUTFLOWS OF RESOURCES

As of June 30, 2020, deferred outflows of resources consisted of the following:

Governmental Activities:

Deferred outflows of resources		
Defined benefit retirement plan - See Note 15	\$ 200,625	
Total deferred outflows of resources - governmental activities	<u>\$ 200,625</u>	

Business-type Activities

Deferred outflows of resources		
Deferred charge on refunding - See Note 5	\$ 31,600	
Defined benefit retirement plan - See Note 15	<u>64,026</u>	
Total deferred outflows of resources - business-type activities	<u>\$ 95,626</u>	

Total Deferred Outflows of Resources - Government-wide	<u><u>\$ 296,251</u></u>	
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NOTE 9. BUDGETS

The following are Governmental Funds for which budgets were legally adopted:

Department	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Variance with Final Budget Over (Under)
General Fund			
General Government	\$ 1,128,756	\$ 1,073,361	\$ (55,395)
Judicial	\$ 185,869	\$ 150,292	\$ (35,577)
Public Safety	\$ 1,455,505	\$ 1,101,560	\$ (353,945)
Public Works	\$ 687,027	\$ 639,737	\$ (47,290)
Recreation & Culture	\$ 87,458	\$ 33,665	\$ (53,793)
Housing & development	\$ 683,215	\$ 683,215	\$ -
Transfers Out	\$ 1,239,055	\$ 961,806	\$ (277,249)
Tax Allocation District Fund	\$ 5,716,340	\$ 317,896	\$ (5,398,444)
Local Resources Fund	\$ 1,373,801	\$ 708,322	\$ (665,479)
Grant Fund	\$ 304,012	\$ 304,012	\$ -
Hotel/Motel Tax Fund	\$ 95,929	\$ 95,929	\$ -
	<u>\$ 13,932,621</u>	<u>\$ 6,069,795</u>	<u>\$ (7,862,826)</u>

The legal level of control for this government is at the department level, which is the basis for the Budgetary Comparison Schedule.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

NOTE 10. HOTEL/MOTEL TAX

In the fiscal year ending June 30, 2020, the City was levying a hotel/motel tax at the rate of 5%. During the year ending June 30, 2020, the City collected \$95,929 in taxes, \$57,557 in taxes of which goes to the city and the remaining \$38,372 has contractually committed to the Lake Lanier Convention and Visitors Bureau for the expenditure of \$38,372 which brings the City into full compliance with state law.

NOTE 11. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of the interfund balances as of June 30, 2020 is as follows:

Due To:	Hotel/Motel		Total
	Grant Fund	Tax Fund	
General Fund	\$ 300,620	\$ 10,058	\$ 310,678
Water and Sewer	3,392	-	3,392
	<u>\$ 304,012</u>	<u>\$ 10,058</u>	<u>\$ 314,070</u>

This government reports interfund transfers between many of its funds. Some of the transfers are considered immaterial and are aggregated into a single column or row titled *All Others*. The sum of all transfers presented in the table agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. These transfers have been eliminated from the government- wide financial statements.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) provide unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2020 are as follows:

Transfer To:	Transfer From:					Total
	General Fund	SPLOST Fund	Tax Allocation District Fund	Water and Sewer	Hotel/Motel Tax Fund	
General Fund	\$ -	\$ -	\$ 47,530	\$ 1,089	\$ 57,557	\$ 106,176
Tax Allocation District Fund	62,251	-	-	-	-	62,251
Local Resources Fund	899,555	-	76,306	-	-	975,861
Water and Sewer	-	166,623	-	-	-	166,623
	<u>\$ 961,806</u>	<u>\$ 166,623</u>	<u>\$ 123,836</u>	<u>\$ 1,089</u>	<u>\$ 57,557</u>	<u>\$ 1,310,911</u>

NOTE 12. JOINT VENTURES

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 and is required to pay annual dues thereto. During the fiscal year ended June 30, 2020, the City paid \$8,225 in such dues. Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The Commission’s Board membership includes the chief elected official of each city and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from:

Georgia Mountains Regional Commission
1310 W. Ridge Road
Gainesville, GA 30501

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

NOTE 13. SERIES 2014 REVENUE BOND COVENANTS

The terms and conditions of the Series 2014 and Series 2020 bond resolutions have been examined for the fiscal year ending June 30, 2020. The City is in compliance with all covenants.

NOTE 14. CAPITAL ASSETS

	Beginning Balance 7/1/2019	Additions	Retirements	Reclassifications	Ending Balance 6/30/2020
Primary Government:					
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 1,702,364	\$ -	\$ 35,000	\$ -	\$ 1,667,364
Construction in Progress	95,440	153,205		(95,440)	153,205
Total non-depreciable capital assets	1,797,804	153,205	35,000	(95,440)	1,820,569
Depreciable Assets:					
Buildings & Improvements	5,504,452	-	276,972	-	5,227,480
Machinery & Equipment	1,363,819	405,256	152,870	-	1,616,205
Infrastructure	13,213,671	428,178	-	-	13,641,849
Intangibles	-	10,000	-	95,440	105,440
Total depreciable capital assets	20,081,942	843,434	429,842	95,440	20,590,974
Accumulated Depreciation:					
Buildings & Improvements	412,344	103,831	72,023	-	444,152
Machinery & Equipment	936,656	133,555	152,870	-	917,341
Infrastructure	1,794,210	273,348	-	-	2,067,558
Intangibles	-	7,908	-	-	7,908
Total accumulated depreciation	3,143,210	518,642	224,893	-	3,436,959
Total depreciable capital assets, net	16,938,732	324,792	204,949	95,440	17,154,015
Governmental activities capital assets, net	\$ 18,736,536	\$ 477,997	\$ 239,949	\$ -	\$ 18,974,584
Business-type Activities:					
Non-Depreciable Assets:					
Land	\$ 553,201	\$ -	\$ -	\$ -	\$ 553,201
Construction in Progress	99,889	278,077	-	-	377,966
Total non-depreciable capital assets	653,090	278,077	-	-	931,167
Depreciable Assets:					
Buildings & Improvements	3,472,010	-	-	-	3,472,010
Machinery & Equipment	6,025,970	38,388	91,938	-	5,972,420
Infrastructure	7,296,191	845,036	-	-	8,141,227
Intangibles	-	21,260	-	-	21,260
Total depreciable capital assets	16,794,171	904,684	91,938	-	17,606,917
Accumulated Depreciation:					
Buildings & Improvements	1,487,326	69,678	-	-	1,557,004
Machinery & Equipment	2,341,218	138,108	91,938	-	2,387,388
Infrastructure	1,593,277	210,004	-	-	1,803,281
Intangibles	-	-	-	-	-
Total accumulated depreciation	5,421,821	417,790	91,938	-	5,747,673
Total depreciable capital assets, net	11,372,350	486,894	-	-	11,859,244
Business-type activities capital assets, net	\$ 12,025,440	\$ 764,971	\$ -	\$ -	\$ 12,790,411

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

NOTE 14. CAPITAL ASSETS (Continued)

Depreciation expense was charged for the following functions:

Governmental Activities:	
General Government	\$ 127,434
Public Safety	87,106
Public Works	289,952
Health & Welfare	13,615
Housing & Development	535
Total depreciation expense - governmental activities	\$ 518,642
Business-type Activities:	
Water and Sewer	\$ 417,790
Total depreciation expense - business-type activities	\$ 417,790

NOTE 15. RETIREMENT PLAN

Deferred Compensation Plan

The City has an agreement with the City Manager to contribute 8% of his annual salary into a Deferred Compensation Plan, a defined contribution plan sponsored by the City. The plan holds its assets in a separate trust invested in annuity contracts in the name of the participant and consequently is not reported on the City's financial statements. As sponsor of the plan, the City may amend the plan at its discretion. For the year ending June 30, 2020, the employer contributed \$10,080.

Defined Benefit Retirement 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.

The Board of Trustees of the Georgia Municipal Employees Benefit System (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. The pension plan's financial report is included in the report of the Georgia Municipal Employees Benefit System.

A copy of the Pension Plan financial reports can be obtained from:

Georgia Municipal Association
201 Pryor Street, NW
Atlanta, Ga. 30303-3606

Employee membership data related to the Plan, as of June 30, 2020 was as follows:

Active employees	43
Active elected officials	0
Vested former participants	6
Retired participants and beneficiaries	2

Funding Policy

The City is required to contribute an actuarially determined amount annually to the Plan's trust. The Contribution amount is determined using actuarial methods and assumptions provided for by the adoption agreement and intended to satisfy the minimum

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

contribution requirements set forth in controlling State of Georgia statutes. The City’s retirement plan is subject to minimum funding standards of the Public Retirement Systems Standard Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards \$176,168. The minimum contribution amount is determined as the sum of the normal cost (including administrative expenses), the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization surplus, and interest on these amounts from the valuation date to the date contributions are paid. The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contributions to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan.

Recommended Contribution

	<u>Year Beginning</u>	
	<u>January 1, 2020</u>	<u>January 1, 2019</u>
Total Benefit Normal Cost	\$ 131,329	\$ 124,762
Administrative Expenses	\$ 6,963	\$ 6,323
Expected Employee Contributions	\$ -	\$ -
Employer Normal Cost	\$ 138,292	\$ 131,085
Actuarial Accrued Liability at Valuation Date	\$ 1,302,493	\$ 1,003,423
Actuarial Value of Assets at Valuation Date	\$ 809,051	\$ 616,080
Underfunded/(Surplus) Actuarial Accrued Liability	\$ 493,442	\$ 387,343
Payment on Unfunded/(Surplus) Actuarial Accrued Liability	\$ 43,771	\$ 32,341
Full Funding Credit	\$ -	\$ -
Recommended Mid-Year Contribution at Valuation Date	\$ 182,063	\$ 163,426
Adjustment to Fiscal Year (Begins July 1, 2016)	\$ 6,594	\$ 6,018
Total Recommended Mid-Year Contribution, For Fiscal Year	<u>\$ 188,657</u>	<u>\$ 169,444</u>
Recommended Contribution As A Percentage Of Expected Payroll	9.18%	10.19%

Summary of Plan Provisions

Employer	City of Flowery Branch
Social Security	No
Participant Contribution	No
Original Effective Date	11/1/2014
Eligibility Requirements	Employees: No waiting period (must not exceed 40 hours) Officials: Not participating
Normal Retirement Age	65+5
Early Retirement	55+10
Benefit Formula	2.00%
Official's Benefits	None
Vesting	5 years
Death Benefits	Automatic Option A – immediate participation Term vest Auto A death benefit
Disability Minimum	None
Cost-of-Living	None
Other	Participants who are employed as of 11-1-14 will be entitled to receive up to 5 years of credit at no cost, which will be counted for all purposes. 3-Year Final Average Earnings No changes in plan features since last valuation.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

The following chart shows the historical funding information. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Funding History

Actuarial Valuation Date	January 1, 2020
Actuarial Value of Assets (a)	\$ 809,051
Actuarial Accrued Liability (b)	\$ 1,302,493
Underfunded/(Surplus) (b) - (a)	\$ 493,442
Funded Ratio (a) / (b)	62.12%
Covered Payroll	\$ 2,031,478

Actuarial Cost Method. Entry Age Method.

Amortization Method. Closed level dollar for remaining underfunded liability.

Asset Valuation Method. Sum of actuarial value at the beginning of the 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 the end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

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

Net Investment Rate of Return	7.375% (on-going basis)
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%

The mortality and economic actuarial assumptions used in the January 1, 2020 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December 2018. Mortality experience will be reviewed periodically and updated if necessary.

Mortality Rates

Healthy:	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled:	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
Active participants, terminated vested participants, and deferred beneficiaries:	Sex-distinct Pri-2012 head-count weighted Employee Mortality Table
Plan termination basis (all lives):	1994 Group Annuity Reserving Unisex Table

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.41%
International Equity	20%	6.96%
Domestic Fixed Income	20%	1.96%
Real Estate	10%	4.76%
Global Fixed Income	5%	3.06%
Cash	0%	
Total	100%	

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 the employee contributions will be made at the current contribution rate and that City contributions will be made at equal rates to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability. The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. At June 30, 2020, the City reported a net pension liability. The amount recognized by the City were as follows:

City's Net Pension Liability:	
Governmental activities	\$ 592,598
Business-type activities	203,891
Total Net Pension Liability	\$ 796,489

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

	Discount Rate	Net Pension Liability
1% Decrease	6.375%	\$1,040,890
Current Discount Rate	7.375%	\$796,489
1% Increase	8.375%	\$594,916

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report.

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Financial Statements
June 30, 2020

Changes in the City's net pension liability for the year ended September 30, 2019 were as follows:

	Total Pension Liability	Plan Net Position	Net Pension Liability
	(TPL)	(FNP)	(NPL)
	(a)	(b)	(a)-(b)
Balances at September 30, 2018	1,287,971	651,273	636,698
Changes for the Year:			
Service Cost	\$ 116,634	\$ -	\$ 116,634
Interest Expense	105,116	-	105,116
Benefit Changes (Changes of benefit terms)	63,146	-	63,146
Experience Losses (gains)	-	-	-
(Amortized over avg remain svc period of actives & inactives)			
Changes of Assumptions	-	-	-
Contributions - Employer/Nonemployer	-	152,496	\$ (152,496)
Contributions - Employee	-	-	-
Contributions - State	-	-	-
Other Changes - Contribution timing differences	-	-	-
Net Investment Income	-	26,557	\$ (26,557)
Expected Return on Plan Investments	-	-	-
Amortized Portion of Current-period	-	-	-
Differences between Actual			
and Expected Returns on Plan Investments	-	-	-
Refunds of Contributions	-	-	-
Benefits Paid	(6,120)	(6,120)	-
Plan Administrative Expenses	-	(5,907)	\$ 5,907
Contributions for Specific Liabilities	-	-	-
Other	48,041	-	\$ 48,041
Amortization of or Change in Beginning Balances of Deferred Outflow	-	-	-
NET CHANGES:	\$ 326,817	\$ 167,026	\$ 159,791
Balances at September 30, 2019	\$ 1,614,788	\$ 818,299	\$ 796,489

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

Pension Expense for the Year Ended June 30, 2020

Service Cost	\$ 116,634
Interest on TPL	105,116
Employee Contributions	-
Administrative Expenses	5,907
Expected Return on Assets	(54,113)
Expensed Portion of Current Year Period Differences Between Expected And Actual Experience in TPL	9,020
Expensed Portion of Current Year Period Assumption Changes Current Year Plan Changes	6,863
Expensed Portion of Current Year Period Differences Between Projected and Actual Investment Earnings	5,512
Current Year Recognition of Deferred Inflows and Outflows Established in Prior Years	(4,602)
Total Pension Expense	<u>\$ 190,337</u>

For the year ended June 30, 2020, the City of Flowery Branch recognized pension expense of \$190,337.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected And Actual Experience	\$ 70,218	\$ (9,307)
Changes of Assumptions	45,306	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	22,044	(17,362)
City Contributions Subsequent to the Measurement Date	127,083	-
Total	<u>\$ 264,651</u>	<u>\$ (26,669)</u>

The \$127,083 of deferred outflow of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

The deferred outflows and inflows of resources are reported on the Statement of Net Position as follows:

	Governmental Activities	Business-Type Activities	Total
Difference Between Projected & Actual Earnings on Pension Plan Investments	\$ 46,292	\$ 14,619	\$ 60,911
Difference Between Expected & Actual Experience Assumption Change	3,558	1,124	4,682
Employer Contributions Oct 1, 2019 - June 30, 2020	96,583	30,500	127,083
	<u>\$ 180,866</u>	<u>\$ 57,116</u>	<u>\$ 237,982</u>

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2020

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the pension expense as follows:

Projected Recognition of Deferred Outflows/ (Inflows)

	Year	Outstanding Balance at	Amount recognized During FYE	Outstanding Balance at	2021	2022	2023	2024	2025	2026 and thereafter
	Established	July 1, 2019	June 30, 2020	June 30, 2020						
Fiscal Year Outflows										
Investment	2016	\$ 1,866	\$ 1,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment	2020	27,556	5,512	22,044	5,511	5,511	5,511	5,511	-	-
Assumption Change	2018	4,816	688	4,128	688	688	688	688	688	688
Assumption Change	2020	48,041	6,863	41,178	6,863	6,863	6,863	6,863	6,863	6,863
Demographics	2019	18,774	2,682	16,092	2,682	2,682	2,682	2,682	2,682	2,682
Demographics	2020	63,146	9,020	54,126	9,021	9,021	9,021	9,021	9,021	9,021
Total Outflows		\$ 164,199	\$ 26,631	\$ 137,568	\$ 24,765	\$ 24,765	\$ 24,765	\$ 24,765	\$ 19,254	\$ 19,254
Fiscal Year Inflows										
Demographic	2017	\$ (8,994)	\$ (1,499)	\$ (7,495)	\$ (1,499)	\$ (1,499)	\$ (1,499)	\$ (1,499)	\$ (1,499)	\$ -
Investment	2017	(1,914)	(957)	(957)	(957)	-	-	-	-	-
Demographic	2018	(2,114)	(302)	(1,812)	(302)	(302)	(302)	(302)	(302)	(302)
Investment	2018	(14,505)	(4,835)	(9,670)	(4,835)	(4,835)	-	-	-	-
Investment	2019	(8,980)	(2,245)	(6,735)	(2,245)	(2,245)	(2,245)	-	-	-
Total Inflows		\$ (36,507)	\$ (9,838)	\$ (26,669)	\$ (9,838)	\$ (8,881)	\$ (4,046)	\$ (1,801)	\$ (1,801)	\$ (302)
Total		\$ 127,692	\$ 16,793	\$ 110,899	\$ 14,927	\$ 15,884	\$ 20,719	\$ 22,964	\$ 17,453	\$ 18,952

NOTE 16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 7, 2020.

In November 2020, the Georgia Environmental Finance Authority approved a loan to the City in the amount of \$5,710,000 for water systems improvement projects bearing an interest rate of 0.99%.

The City has submitted a loan application to the Georgia Environmental Finance Authority that will go before the January 2021 GEFA board meeting for consideration in the amount of \$23,300,000 to fund a wastewater plant expansion project.

CITY OF FLOWERY BRANCH, GEORGIA
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Budget to GAAP	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Differences Over / (Under)	GAAP Basis	Final Budget
Revenues						
Property tax	\$ 1,649,420	\$ 1,649,420	\$ 1,776,541	\$ -	\$ 1,776,541	\$ 127,121
Sales tax	1,000,000	1,000,000	1,080,774	-	1,080,774	80,774
Business tax	514,000	515,600	556,056	-	556,056	40,456
Franchise tax	445,000	445,000	506,496	-	506,496	61,496
Excise tax	253,000	253,000	304,547	-	304,547	51,547
Hotel/Motel tax	68,340	-	-	-	-	-
Intergovernmental	600	600	12,822	-	12,822	12,222
Licenses and permits	496,975	496,975	702,939	-	702,939	205,964
Fines and forfeitures	453,000	468,403	277,354	-	277,354	(191,049)
Charges for services	31,291	31,291	40,620	-	40,620	9,329
Investment earnings	6,800	6,800	8,905	-	8,905	2,105
Contributions and donations	40,100	69,286	37,357	-	37,357	(31,929)
Miscellaneous	24,350	24,350	52,176	-	52,176	27,826
Total Revenues	<u>4,982,876</u>	<u>4,960,725</u>	<u>5,356,587</u>	<u>-</u>	<u>5,356,587</u>	<u>395,862</u>
Expenditures						
Current Operating:						
General government	1,140,871	1,128,756	1,073,361	-	1,073,361	(55,395)
Judicial	185,869	185,869	150,292	-	150,292	(35,577)
Public safety	1,409,816	1,455,505	1,101,560	-	1,101,560	(353,945)
Public works	696,527	687,027	639,737	-	639,737	(47,290)
Recreation and culture	87,458	87,458	33,665	-	33,665	(53,793)
Housing and development	671,100	683,215	683,215	-	683,215	-
Total Expenditures	<u>4,191,641</u>	<u>4,227,830</u>	<u>3,681,830</u>	<u>-</u>	<u>3,681,830</u>	<u>(546,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>791,235</u>	<u>732,895</u>	<u>1,674,757</u>	<u>-</u>	<u>1,674,757</u>	<u>941,862</u>
Other Financing Sources (Uses)						
Transfers in	-	115,870	106,176	-	106,176	(9,694)
Transfers out	(1,050,795)	(1,239,055)	(961,806)	-	(961,806)	277,249
Proceeds from sale of assets	500	500	2,571	-	2,571	2,071
Budgeted Fund Balance	259,060	389,790	-	-	-	(389,790)
Total Other Financing Sources (Uses)	<u>(791,235)</u>	<u>(732,895)</u>	<u>(853,059)</u>	<u>-</u>	<u>(853,059)</u>	<u>(120,164)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>821,698</u>	<u>\$ -</u>	<u>821,698</u>	<u>\$ 821,698</u>
Fund Balance Beginning of Year			<u>3,172,967</u>		<u>3,172,967</u>	
Fund Balance End of Year			<u>\$ 3,994,665</u>		<u>\$ 3,994,665</u>	

CITY OF FLOWERY BRANCH, GEORGIA
 Budgetary Comparison Schedule
 Tax Allocation District Fund
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Budget to GAAP	Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Differences</u> <u>Over / (Under)</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
Revenues						
Other taxes	\$ 60,000	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	60,000	97,229	97,229	-	97,229	-
Investment earnings	-	-	9,348	-	9,348	9,348
Total Revenues	120,000	97,229	106,577	-	106,577	9,348
Expenditures						
Current Operating:						
Housing and development	120,000	159,480	-	-	-	(159,480)
Capital outlay	-	5,298,984	60,020	-	60,020	(5,238,964)
Total Expenditures	120,000	5,458,464	60,020	-	60,020	(5,398,444)
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	-	(5,361,235)	46,557	-	46,557	5,407,792
Other Financing Sources (Uses)						
Transfers in	-	62,251	62,251	-	62,251	-
Transfers out	-	(123,836)	(123,836)	-	(123,836)	-
Bond issue cost	-	(134,040)	(134,040)	-	(134,040)	-
Proceeds from the issuance of debt	-	5,556,860	5,556,860	-	5,556,860	-
Total Other Financing Sources (Uses)	-	5,361,235	5,361,235	-	5,361,235	-
Net Change in Fund Balances	\$ -	\$ -	5,407,792	\$ -	5,407,792	\$ 5,407,792
Fund Balance Beginning of Year			(55,835)		(55,835)	
Fund Balance End of Year			<u>\$ 5,351,957</u>		<u>\$ 5,351,957</u>	

CITY OF FLOWERY BRANCH, GEORGIA
 Budgetary Comparison Schedule
 Local Resources Fund
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Budget to GAAP	Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Differences</u> <u>Over / (Under)</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
Revenues						
Intergovernmental	316,000	320,376	84,376	-	84,376	(236,000)
Contributions and donations	-	-	320,000	-	320,000	320,000
Total Revenues	316,000	320,376	404,376	-	404,376	84,000
Expenditures						
Current Operating:						
Public works	561,235	606,417	82,811	-	82,811	(523,606)
Debt service	529,583	529,583	526,701	-	526,701	(2,882)
Capital outlay	10,000	237,801	98,810	-	98,810	(138,991)
Total Expenditures	1,100,818	1,373,801	708,322	-	708,322	(665,479)
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(784,818)	(1,053,425)	(303,946)	-	(303,946)	(749,479)
Other Financing Sources (Uses)						
Transfers in	750,765	975,955	975,861	-	975,861	(94)
Budgeted Fund Balance	34,053	77,470	-	-	-	77,470
Total Other Financing Sources (Uses)	784,818	1,053,425	975,861	-	975,861	77,376
Net Change in Fund Balances	\$ -	\$ -	671,915	\$ -	671,915	\$ 672,103
Fund Balance Beginning of Year			1,481,321		1,481,321	
Fund Balance End of Year			<u>\$ 2,153,236</u>		<u>\$ 2,153,236</u>	

CITY OF FLOWERY BRANCH, GEORGIA
 Budgetary Comparison Schedule
 Grant Fund
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Budget to GAAP	Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	Differences <u>Over / (Under)</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
Revenues						
Intergovernmental	\$ 145,693	\$ 304,012	\$ -	\$ -	\$ -	(304,012)
Total Revenues	145,693	304,012	-	-	-	(304,012)
Expenditures						
Current Operating:						
Public safety	142,049	276,056	276,056	-	276,056	-
Public works	3,644	3,644	3,644	-	3,644	-
Debt service	-	24,312	24,312	-	24,312	-
Total Expenditures	145,693	304,012	304,012	-	304,012	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(304,012)	-	(304,012)	(304,012)
Other Financing Sources (Uses)						
Net Change in Fund Balances	\$ -	\$ -	(304,012)	\$ -	(304,012)	\$ (304,012)
Fund Balance End of Year			\$ (304,012)		\$ (304,012)	

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Required Supplementary Information
on Budgetary Accounting and Control
Year Ended June 30, 2020

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

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.

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.

Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. 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.

Budget Amendments

Amendments to the original budget appropriations were properly approved by the City Council.

Department	Original Budget	Supplemental Appropriations	Supplemental Decreases	Revised Appropriations
General Fund				
General Government	\$ 1,140,871	\$ -	\$ 12,115	\$ 1,128,756
Judicial	185,869	-	-	185,869
Public Safety	1,409,816	45,689	-	1,455,505
Public Works	696,527	-	9,500	687,027
Recreation & Culture	87,458	-	-	87,458
Housing & development	671,100	12,115	-	683,215
Transfers Out	986,795	252,260	-	1,239,055
Tax Allocation District Fund	120,000	5,596,340	-	5,716,340
Local Resources Fund	1,100,818	272,983	-	1,373,801
Grant Fund	145,693	158,319	-	304,012
Hotel Motel Fund	46,920	-	8,548	38,372
	<u>\$ 6,591,867</u>	<u>\$ 6,337,706</u>	<u>\$ 30,163</u>	<u>\$ 12,899,410</u>

CITY OF FLOWERY BRANCH, GEORGIA
 Required Supplementary Information
 Defined Benefit Retirement Plan
 June 30, 2020

Schedule of Changes in the Net Pension Liability and Related Ratios
City of Flowery Branch Retirement Plan
Last 10 Fiscal Years

	2020	2019	2018	2017	2016
Total Pension Liability					
Service cost	\$ 116,634	\$ 95,013	\$ 125,621	\$ 118,625	\$ -
Interest	105,116	88,504	68,903	56,385	-
Differences between expected and actual experience	63,146	21,459	(2,714)	(13,494)	-
Changes of assumptions	48,041	-	6,194	-	-
Changes of benefit terms	-	-	-	-	727,554
Benefit payments, including refunds of employee contributions	(6,120)	(4,079)	-	-	-
Net change in Total Pension Liability	326,817	200,897	198,004	161,516	727,554
Total Pension Liability - Beginning	1,287,971	1,087,074	889,070	727,554	-
Total Pension Liability - Ending (a)	<u>\$ 1,614,788</u>	<u>\$ 1,287,971</u>	<u>\$ 1,087,074</u>	<u>\$ 889,070</u>	<u>\$ 727,554</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 152,496	\$ 154,837	\$ 149,864	\$ 135,830	\$ 121,000
Contributions - Employee	-	-	-	-	-
Net investment income	26,557	50,844	50,094	18,604	(4,794)
Benefit payments, including refunds of employee contributions	(6,120)	(4,079)	-	-	-
Administrative expense	(5,907)	(6,374)	(6,886)	(3,771)	(3,896)
Other	-	-	-	-	-
Net change in Fiduciary Net Position	167,026	195,228	193,072	150,663	112,310
Plan Fiduciary Net Position - Beginning	651,273	456,045	262,973	112,310	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 818,299</u>	<u>\$ 651,273</u>	<u>\$ 456,045</u>	<u>\$ 262,973</u>	<u>\$ 112,310</u>
Net Pension Liability - Ending: (a)-(b)	<u>\$ 796,489</u>	<u>\$ 636,698</u>	<u>\$ 631,029</u>	<u>\$ 626,097</u>	<u>\$ 615,244</u>
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	50.68%	50.57%	41.95%	29.58%	15.44%
Covered-employee payroll	\$2,031,478	\$ 1,639,971	\$1,521,906	\$1,618,606	\$1,566,019
Net Pension Liability as a percentage of covered-employee payroll	39.21%	38.82%	41.46%	38.68%	39.29%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF FLOWERY BRANCH, GEORGIA
 Required Supplementary Information
 Defined Benefit Retirement Plan
 June 30, 2020

Schedule of Contributions
City of Flowery Branch Retirement Plan
Last 10 Fiscal Years

	2020	2019	2018	2017	2016
Actuarially determined contribution	-*	\$ 146,847	\$ 157,500	\$ 147,319	131,762
Contributions in relation to the actuarially determined contribution	-*	146,847	157,500	147,319	132,000
Contribution deficiency (excess)	-*	-	-	-	(268)
Covered-employee payroll	-*	1,639,971	1,521,906	1,618,606	1,566,019
Contributions as a percentage of covered-employee payroll	-*	8.95%	10.35%	9.10%	8.43%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available. 2020 information will be determined after fiscal year end and will be in the 2021 valuation report. The actuarially determined contribution is based on benefit study dated April 8, 2014. Contributions in relation to the actuarially determined contribution are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions. 2019 covered payroll is based on data collected as of August 31, 2018 for the 2019 actuarial valuation.

Changes of Assumptions

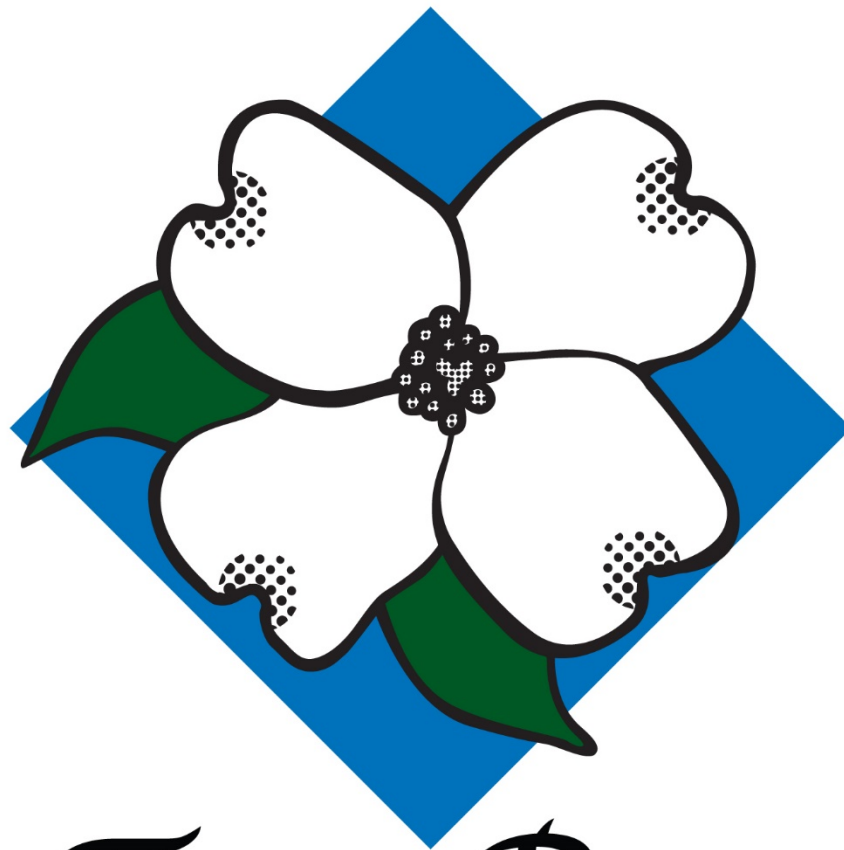
There have been no change in assumptions in the last three fiscal years.

Benefit Changes

There have been no changes in benefit provisions in the last three fiscal years.

**CITY OF FLOWERY BRANCH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

COMPLIANCE SECTION



Flowery Branch



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

To the Mayor and 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 remaining fund information of the City of Flowery Branch, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Flowery Branch, Georgia's basic financial statements, and have issued our report thereon dated December 7, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Flowery Branch, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Flowery Branch, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Walker, Pierce & Tuck CPA's P.C.

Walker, Pierce & Tuck CPA's P.C.
Gainesville, Georgia
December 7, 2020



CITY OF FLOWERY BRANCH, GEORGIA

Schedule of Special Purpose Local Option Sales Tax

Estimated Cost and Expenditure Summary

For the Year Ended June 30, 2020

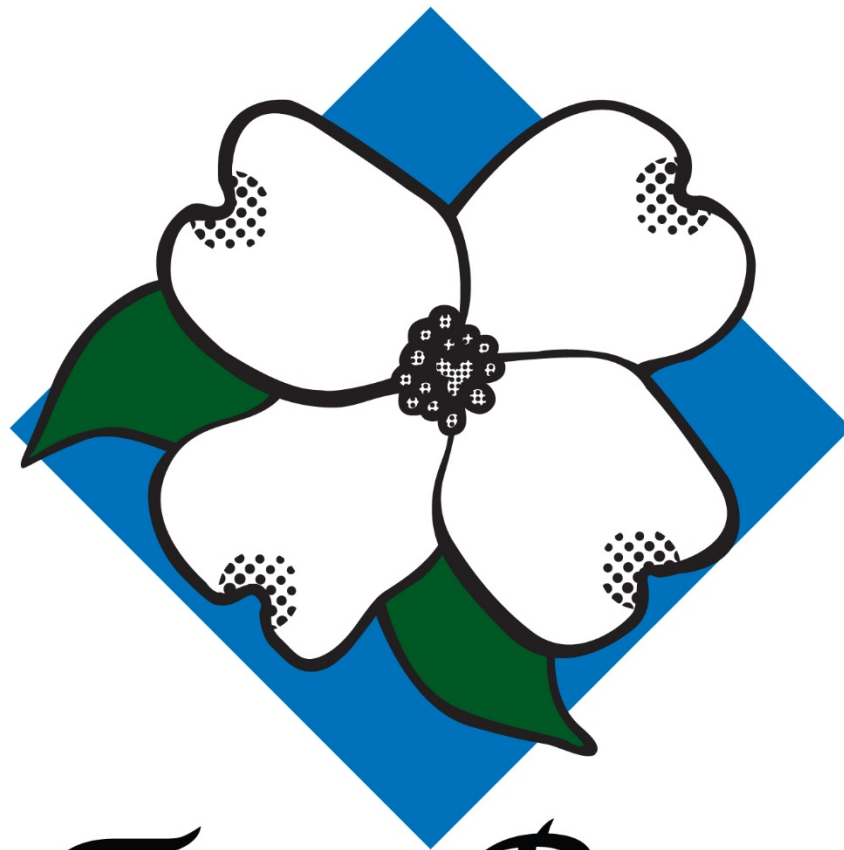
<u>Project Description</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		<u>Total</u>
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	
SPLOST VII					
Sewer system facilities	\$ 1,308,000	\$ 1,308,000	\$ 1,072,022	\$ 166,623	\$ 1,238,645
Police vehicles and equipment	231,000	231,000	175,093	340,800	515,893
Roads and sidewalks	1,113,935	1,113,935	624,113	4,375	628,488
Administrative buildings	1,616,652	1,616,652	6,640,309	-	6,640,309
Total:	<u>\$ 4,269,587</u>	<u>\$ 4,269,587</u>	<u>\$ 8,511,537</u>	<u>\$ 511,798</u>	<u>\$ 9,023,335</u>

SPLOST VII Current Year Expenditures:

Funds from SPLOST revenue sources	\$ 511,798
Total SPLOST Expenditures reported at June 30, 2020	<u>\$ 511,798</u>

**CITY OF FLOWERY BRANCH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

STATISTICAL SECTION



Flowery Branch

CITY OF FLOWERY BRANCH, GEORGIA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:										
Net investment in capital assets	\$ 10,066	\$ 14,896	\$ 13,693	\$ 9,458	\$ 10,676	\$ 9,609	\$ 8,783	\$ 7,723	\$ 6,747	\$ 6,589
Restricted	910	80	35	2,682	726	45	544	607	512	24
Unrestricted	10,352	4,132	3,692	3,467	2,926	2,652	2,355	1,571	1,484	1,385
Total governmental activities net position	<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>	<u>\$ 9,901</u>	<u>\$ 8,743</u>	<u>\$ 7,998</u>
Business-type activities:										
Net investment in capital assets	\$ 9,826	\$ 8,727	\$ 7,961	\$ 7,626	\$ 7,047	\$ 5,972	\$ 6,203	\$ 6,281	\$ 6,362	\$ 6,382
Unrestricted	4,809	2,745	2,925	2,577	2,048	2,291	1,177	1,086	1,024	1,120
Total business-type activities net position	<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>	<u>\$ 7,367</u>	<u>\$ 7,387</u>	<u>\$ 7,502</u>
Primary government:										
Net investment in capital assets	\$ 19,892	\$ 23,622	\$ 21,654	\$ 17,084	\$ 17,723	\$ 15,581	\$ 14,987	\$ 14,004	\$ 13,110	\$ 12,972
Restricted	910	80	35	2,682	726	45	544	607	512	24
Unrestricted	15,161	6,878	6,617	6,044	4,974	4,943	3,533	2,657	2,508	2,505
Total primary government net position	<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>	<u>\$ 17,268</u>	<u>\$ 16,129</u>	<u>\$ 15,500</u>

Source: Statement of Net Position

CITY OF FLOWERY BRANCH, GEORGIA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses										
Governmental activities:										
General Government	\$ 1,316	\$ 1,231	\$ 1,138	\$ 979	\$ 1,385	\$ 870	\$ 1,144	\$ 962	\$ 929	\$ 952
Judicial	144	173	134	147	122	135	118	102	127	118
Public Safety	1,411	1,247	1,147	1,079	941	956	891	895	862	914
Public Works	947	833	687	692	498	555	347	551	453	472
Health & Welfare (2)	-	-	-	-	-	-	14	17	17	31
Housing & Development	721	574	415	428	414	358	345	489	306	305
Recreation & Culture (2)	34	39	37	32	34	26	-	-	-	-
Interest on long-term debt	214	58	63	94	3	-	-	-	-	-
Total governmental activities expenses	<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>	<u>3,015</u>	<u>2,693</u>	<u>2,793</u>
Business-type activities:										
Water and Sewer	2,050	1,820	1,814	1,809	1,760	1,695	1,593	1,621	1,682	1,717
Sanitation (1)	-	-	-	-	-	-	-	-	-	79
Total business-type activities expenses:	<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>	<u>1,621</u>	<u>1,682</u>	<u>1,795</u>
Total primary government expenses	<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>	<u>4,636</u>	<u>4,375</u>	<u>4,588</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	97	85	89	90	75	196	229	175	234	213
Judicial	268	489	399	374	322	273	343	465	348	435
Public Safety	21	21	19	19	17	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Health & Welfare (2)	-	-	-	-	-	-	-	-	-	-
Housing & Development	626	226	344	275	255	139	124	97	71	70
Recreation & Culture (2)	-	2	3	3	4	5	-	-	-	-
Operating grants and contributions	563	142	216	83	61	16	13	6	42	3
Capital grants and contributions	1,344	970	909	1,104	1,403	594	1,344	1,336	523	269
Total governmental activities program revenues	<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>	<u>2,079</u>	<u>1,218</u>	<u>991</u>
Business-type activities:										
Charges for services										
Water and Sewer	5,042	2,143	2,181	2,666	2,469	1,859	1,563	1,571	1,518	1,498
Sanitation (1)	-	-	-	-	-	-	-	-	(12)	82
Total business-type activities program revenues	<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>	<u>1,571</u>	<u>1,505</u>	<u>1,580</u>
Total primary government program revenues	<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>	<u>3,650</u>	<u>2,723</u>	<u>2,571</u>
Net (expense) revenue:										
Governmental activities	(1,867)	(2,221)	(1,643)	(1,504)	(1,261)	(1,678)	(805)	(936)	(1,476)	(1,802)
Business-type activities	2,992	323	367	857	708	164	(30)	(50)	(176)	(215)
Total primary government net (expense) revenue	<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>	<u>\$ (986)</u>	<u>\$ (1,652)</u>	<u>\$ (2,017)</u>

CITY OF FLOWERY BRANCH, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,778	\$ 1,558	\$ 1,282	\$ 1,109	\$ 1,039	\$ 1,044	\$ 873	\$ 715	\$ 902	\$ 894
Franchise taxes	506	479	422	432	423	745	693	660	622	455
Excise taxes (3)	305	301	295	250	342	-	-	-	-	-
Sales taxes	556	1,029	972	896	871	846	653	370	374	351
Hotel/Motel occupancy taxes (3)	1,081	136	139	127	121	-	-	-	-	-
Business taxes	96	528	502	472	433	360	374	352	354	367
Other taxes	97	105	91	69	95	-	-	-	-	-
Interest and investment earnings	18	8	9	12	6	5	2	3	3	2
Miscellaneous	52	81	41	8	67	-	-	-	4	1
Contributions	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of asset	(237)	(65)	10	5	0	11	-	-	-	-
Transfers	(166)	(250)	(306)	(597)	(116)	(710)	(9)	(5)	(38)	126
Total governmental activities	<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>	<u>2,094</u>	<u>2,221</u>	<u>2,196</u>
Business-type activities:										
Interest and investment earnings	1	4	10	10	8	7	8	9	13	18
Miscellaneous	4	9	0	0	0	1	26	16	9	205
Gain (loss) on sale of asset	-	-	-	597	-	-	-	-	-	-
Transfers	166	250	306	-	116	710	9	5	38	(126)
Total business-type activities	<u>171</u>	<u>263</u>	<u>317</u>	<u>607</u>	<u>124</u>	<u>718</u>	<u>43</u>	<u>30</u>	<u>61</u>	<u>97</u>
Total primary government net (expense) revenue	<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>	<u>2,124</u>	<u>2,281</u>	<u>2,293</u>
Change in Net Position										
Governmental activities	2,220	1,689	1,813	1,278	2,022	624	1,781	1,158	745	394
Business-type activities	3,163	585	684	1,464	832	882	14	(20)	(116)	(118)
Total primary government	<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>	<u>\$ 1,139</u>	<u>\$ 629</u>	<u>\$ 276</u>

(1) Sanitation services were eliminated prior to FY 2012.

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

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

Source: Statement of Activities

CITY OF FLOWERY BRANCH, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property Taxes	Franchise Taxes	Sales Taxes	Hotel/Motel Occupancy Taxes (1)	Excise Taxes (1)	Business Taxes	Other Taxes	Total
2011	\$ 894	\$ 455	\$ 351	\$ -	\$ -	\$ 367	\$ -	\$ 2,067
2012	902	622	374	-	-	354	-	2,253
2013	715	660	370	-	-	352	-	2,096
2014	873	693	653	-	-	374	-	2,593
2015	1,044	745	846	-	-	360	-	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

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

Source: Statement of Activities

CITY OF FLOWERY BRANCH, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable (1)										
Prepays	123	119	119	107	102	122	124	121	136	102
Restricted:										
Public Safety	25	34	43	39	32	8	-	-	24	24
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,847	3,021	2,833	2,573	2,760	2,142	1,896	1,515	1,289	1,103
Total general fund	<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>	<u>\$ 1,635</u>	<u>\$ 1,449</u>	<u>\$ 1,229</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable (1):										
Prepays	-	-	-	-	-	-	-	-	-	-
Restricted:										
Capital projects	885	53	-	2,438	558	37	543	607	308	123
Public safety	-	-	-	-	0	0	0	0	26	4
Housing & development	5,352	-	-	204	136	-	-	-	-	-
Tax allocation district	-	-	-	-	-	-	-	-	179	111
Tourism	0	0	0	0	0	0	0	0	0	-
Committed:										
Capital projects	1,833	1,481	1,573	1,202	459	274	423	-	-	-
Unassigned	(304)	(56)	(367)	-	-	(14)	(98)	(78)	-	-
Total all other governmental funds	<u>\$ 7,767</u>	<u>\$ 1,478</u>	<u>\$ 1,207</u>	<u>\$ 3,845</u>	<u>\$ 1,153</u>	<u>\$ 297</u>	<u>\$ 868</u>	<u>\$ 529</u>	<u>\$ 512</u>	<u>\$ 238</u>

(1) The City adopted GASB54 in FY 2011.

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues										
Taxes (1)	\$ 4,320	\$ 4,124	\$ 3,691	\$ 3,351	\$ 3,325	\$ 3,018	\$ 2,629	\$ 2,169	\$ 2,181	\$ 2,023
Licenses and Permits	703	301	421	348	321	213	203	213	170	213
Intergovernmental	1,218	1,066	1,115	901	1,454	617	380	452	607	318
Fines and Forfeitures	277	478	422	354	331	283	348	404	345	434
Charges for Services	41	33	34	40	30	50	52	45	77	32
Interest Income	19	7	10	13	7	5	4	4	3	2
Contributions	357	45	8	7	10	16	1,012	895	-	-
Miscellaneous	52	81	41	47	67	30	25	10	21	31
Total Revenues	<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>	<u>4,192</u>	<u>3,405</u>	<u>3,053</u>
Expenditures										
Current:										
General Government	1,052	1,024	980	904	884	859	928	779	739	1,105
Judicial	150	176	143	150	129	136	118	100	126	121
Public Safety	1,378	1,261	1,164	1,060	954	903	909	886	888	876
Public Works	726	765	518	595	403	385	1,353	1,563	677	346
Health & Welfare (2)	-	-	-	-	-	-	14	17	17	27
Culture & Recreation (2)	34	125	37	32	13	22	-	-	-	-
Housing & Development	743	582	427	435	436	354	348	585	305	302
Capital Outlay	504	979	4,318	2,227	1,854	1,419	251	52	120	95
Debt Service:										
Principal	497	465	188	456	-	-	-	-	-	-
Interest	54	60	34	94	3	-	-	-	-	-
Total Expenditures	<u>5,138</u>	<u>5,436</u>	<u>7,809</u>	<u>5,952</u>	<u>4,676</u>	<u>4,078</u>	<u>3,920</u>	<u>3,984</u>	<u>2,872</u>	<u>2,872</u>
Excess of revenues over (under) expenditures	<u>1,850</u>	<u>699</u>	<u>(2,067)</u>	<u>(891)</u>	<u>869</u>	<u>154</u>	<u>732</u>	<u>209</u>	<u>532</u>	<u>181</u>
Other Financing Sources (Uses)										
Proceeds from the issuance of debt	5,423	-	-	4,000	724	226	-	-	-	-
Proceeds from the sale of assets	3	-	10	5	0	11	-	-	-	-
Transfers in	1,144	1,301	1,919	1,181	554	662	309	388	67	127
Transfers out	(1,310)	(1,551)	(2,225)	(1,778)	(670)	(1,372)	(318)	(393)	(106)	(0)
Total other financing sources (uses)	<u>5,260</u>	<u>(250)</u>	<u>(296)</u>	<u>3,408</u>	<u>609</u>	<u>(473)</u>	<u>(9)</u>	<u>(5)</u>	<u>(38)</u>	<u>126</u>
Net change in fund balances	<u>\$ 7,110</u>	<u>\$ 449</u>	<u>\$ (2,363)</u>	<u>\$ 2,517</u>	<u>\$ 1,478</u>	<u>\$ (319)</u>	<u>\$ 723</u>	<u>\$ 204</u>	<u>\$ 494</u>	<u>\$ 307</u>
Debt service as a percentage of noncapital expenditures	11.9%	11.8%	6.4%	14.8%	0.1%	0.0%	0.0%	0.0%	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.

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)

Fiscal Year	Property Taxes	Franchise Taxes	Sales Taxes	Hotel/Motel Occupancy Taxes (1)	Excise Taxes (1)	Business Taxes (2)	Other Taxes (2)	Total
2011	\$ 770	\$ 417	\$ 351	\$ -	\$ -	\$ -	\$ 484	\$ 2,023
2012	723	601	374	-	-	-	482	2,181
2013	788	630	370	-	-	-	382	2,169
2014	812	693	653	-	-	-	471	2,629
2015	987	745	846	-	-	-	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	-	4,320

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

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
(amounts expressed in thousands)**

Fiscal Year	Real Property			Personal Property		Public Utility (1)	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Motor Vehicles	Other						
2011	161,002	56,532	11,698	11,367	23,133	2,983	1,855	264,859	2.837	751	40%
2012	133,818	64,970	11,349	11,738	19,757	3,308	1,483	243,458	2.837	691	40%
2013	126,466	63,215	7,810	13,199	19,560	3,642	2,564	231,328	2.837	656	40%
2014	129,009	58,922	8,256	14,526	20,377	3,680	3,005	231,764	2.837	658	40%
2015	137,117	58,856	7,473	12,295	24,684	2,919	3,565	239,779	3.337	800	40%
2016	156,116	70,189	14,647	9,179	26,867	3,244	4,776	275,466	3.337	919	40%
2017	181,583	67,275	8,970	6,968	29,107	3,482	6,731	290,655	3.264	949	40%
2018	214,478	83,488	9,487	5,186	26,868	277	4,906	334,877	3.264	1,093	40%
2019	264,813	89,420	14,907	4,038	30,318	3,450	5,357	401,589	3.264	1,311	40%
2020	296,575	88,642	19,048	3,538	51,144	3,336	11,120	451,164	3.264	1,473	40%

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

Source: Georgia Department of Revenue www.dor.georgia.gov

CITY OF FLOWERY BRANCH, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)**

Taxpayer	Fiscal Year 2020 / Tax Year 2019			Fiscal Year 2011 / Tax Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
VR Tree Park LTD Partnership	\$ 58,750,000	1	12.98 %	\$ -	-	- %
Atlanta Falcons Football Club, Inc	16,207,100	2	3.58 %	-	-	- %
BRE DDR BR Stonebridge GA LLC	16,125,100	3	3.56 %	10,296,458	1	3.89 %
Publix Supermarkets	10,685,100	4	2.36 %	7,848,598	4	2.96 %
Target Corporation	6,903,016	5	1.53 %	8,000,125	2	3.02 %
DP 101, LLC	6,055,500	6	1.34 %	-	-	- %
SKF USA, Inc	5,845,300	7	1.05 %	-	-	- %
Kohl's Department Stores, Inc.	4,748,852	8	1.29 %	5,713,480	5	2.16 %
Group Four Real Estate Investments, LLC	4,323,600	9	0.96 %	-	-	- %
Home Depot USA Inc	4,218,200	10	0.93 %	7,871,740	3	2.97 %
LRG-5977 Spouts Springs ROA	-	-	-	5,339,393	6	2.02 %
Try-La Inc.	-	-	-	4,469,546	7	1.69 %
Reconserve, Inc.	-	-	-	3,765,256	8	1.42 %
Contract Properties Flowery Branch, LLC	-	-	-	2,225,507	9	0.84 %
Vulcan Lands, Inc.	-	-	-	2,166,374	10	0.82 %
	-	-	-	-	-	- %
	-	-	-	-	-	- %
Totals	\$ 133,861,768		29.57 %	\$ 57,696,477		21.78 %

Source: Finance Department

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	Total County Millage				
2011	2.837	6.250	0.000	2.710	8.960	16.420	0.250	28.467	
2012	2.837	6.250	0.000	3.080	9.330	17.670	0.250	30.087	
2013	2.837	6.250	0.000	3.080	9.330	18.490	0.200	30.857	
2014	2.837	6.250	0.000	3.080	9.330	19.250	0.150	31.567	
2015	3.337	5.989	0.000	3.830	9.819	18.900	0.100	32.156	
2016	3.337	5.735	0.000	4.080	9.815	18.800	0.050	32.002	
2017	3.264	5.716	0.000	4.080	9.796	18.800	0.000	31.860	
2018	3.264	6.700	0.000	4.080	10.780	18.500	0.000	32.544	
2019	3.264	6.700	0.000	4.080	10.780	18.200	0.000	32.244	
2020	3.264	5.098	0.000	4.080	9.178	17.550	0.000	29.992	

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

Source: Georgia Department of Revenue www.dor.georgia.gov

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		Collections in Subsequent Years (1)	Total Collections to Date	
		Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount	Percentage of Levy			
2010	\$ 760,935	\$ 742,421	97.57 %	\$ (33)	\$ 742,388	97.56 %
2011	751,405	713,030	94.89	(18)	713,012	94.89
2012	690,691	666,526	96.50	150	666,676	96.52
2013	656,277	633,663	96.55	(28)	633,635	96.55
2014	657,515	617,467	93.91	5,242	622,709	94.71
2015	800,141	784,234	98.01	-	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	1,093,050	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	1,477,469	1,452,995	98.3	N/A	1,452,995	98.3

(1) Negative collections can result from adjustments to the tax bills due to appeals. For 2010, 2011, 2013, and 2018, the amounts collected in the subsequent year did not exceed the amount of refunds issued due to appeals. Collections subsequent to 2020 are not yet available.

Source: Finance Department

CITY OF FLOWERY BRANCH, GEORGIA

WATER AND SEWER RATES

Water			
Inside City Limits			
Residential		Multifamily (per unit)	
Volume (gallons)	Rate	Volume (gallons)	Rate
0-1,000	\$7.11	0-3,355	\$23.86
1,001-2,500	\$17.79	3,356-7,500	\$8.89 per 1000 gal
2,501-4,500	\$32.01	7,501 and above	\$10.67 per 1000 gal
4,501-7,500	\$8.89 per 1000 gal		
7,501 and above	\$10.67 per 1000 gal		

Sewer			
Inside City Limits			
Residential		Multifamily (per unit)	
Base Charge	All Volume	Base Charge	All Volume
\$5.51	\$8.30	\$29.22	\$5.63

Note: The City increased water and sewer rates by 5% in December 2019.
 Source: Water and Sewer Department

CITY OF FLOWERY BRANCH, GEORGIA

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

(amounts expressed in thousands)

		WATER			
		Fiscal Year 2020		Fiscal Year 2011	
Customer	Type of Business	Total Billings	Percentage of System Revenues	Total Billings	Percentage of System Revenues
VR Tree Park LP	Residential	\$ 130,964	0.39 %	\$	
SHM Hideaway Bay LLC	Residential	8,997	0.03 %		
Coin Laundry Solutions, Inc	Laundromat	8,455	0.02 %		
Trailwest Village	Mobile Home Park	8,434	0.02 %		
TRY-LA, Inc	Hotel	8,089	0.02 %		
Hideaway Bay Marina	Commerical	7,469	0.02 %		
Buford Housing Authority	Residential	4,808	0.01 %		
David Pierce Family, LP (1)	Residential	3,701	0.01 %		
City of Flowery Branch	Local Government	3,455	0.01 %		
David Pierce Family, LP (2)	Residential	3,381	0.01 %		
Tree Park	Residential	-	-	99,044	0.53 %
Trailwest Village	Mobile Home Park	-	-	33,937	0.18 %
Try-La	Hotel	-	-	7,171	0.04 %
24/7 Laundry	Laundromat	-	-	5,476	0.03 %
David Pierce Family	Residential	-	-	3,246	0.02 %
David Pierce Family	Residential	-	-	3,264	0.02 %
MPB Properties	Commercial	-	-	1,797	0.01 %
Buford Housing	Residential	-	-	2,925	0.02 %
Nora Mejia	Residential	-	-	923	0.00 %
Larry Anderson	Residential	-	-	675	0.00 %
Totals		\$ 187,753	0.56 %	\$ 158,458	0.85 %

		SEWER			
		Fiscal Year 2020		Fiscal Year 2011	
Customer	Type of Business	Total Billings	Percentage of System Revenues	Total Billings	Percentage of System Revenues
VR Tree Park LP	Residential	\$ 152,929	0.28 %	\$	
King's Hawaiian Bakery SE, Inc	Commerical	110,001	0.20 %		
Kal-Polymers Americas LLC	Commercial	26,608	0.05 %		
SKF USA, Inc.	Commercial	17,880	0.03 %		
TRW Automotive	Commercial	14,251	0.03 %		
Cinnamin Cove Condominium Assoc.	Commerical	14,242	0.03 %		
Koswire, Inc.	Commercial	11,223	0.02 %		
Beckel, Inc.	Commerical	10,403	0.02 %		
NMC Prop dba Windward Nursing	Commercial	7,845	0.01 %		
Coin Laundry Solutions, Inc.	Laundromat	7,666	0.01 %		
Tree Park	Residential	-	-	117,228	0.20 %
Koswire, Inc.	Commercial	-	-	64,437	0.11 %
NMC Prop dba Windward Nursing	Nursing Home	-	-	39,763	0.07 %
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 %
Totals		\$ 373,049	0.67 %	\$ 331,893	0.56 %

Source: Water and Sewer Department

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	Notes Payable	Capital Leases Payable	Revenue Bonds	Intergovernmental Loan			
2011	\$ -	\$ -	\$ -	\$ 4,010,000	\$ -	\$ 4,010,000	\$ 3.17	\$ 161.68
2012	-	-	-	3,810,000	-	3,810,000	2.41	129.51
2013	-	-	-	3,600,000	-	3,600,000	2.27	128.01
2014	-	-	-	3,385,000	-	3,385,000	2.02	117.76
2015	-	225,579	-	2,990,000	1,164,918	4,380,497	2.62	157.22
2016	-	950,000	-	2,757,000	1,500,000	5,207,000	3.05	189.41
2017	3,731,030	763,102	-	2,510,000	1,434,548	8,438,680	4.88	317.21
2018	3,731,030	574,666	-	2,257,000	1,368,175	7,930,871	3.86	262.30
2019	3,456,115	384,679	-	1,998,000	1,300,865	7,139,659	2.98	236.13
2020	8,170,125	193,128	-	1,732,000	1,232,607	11,327,860	4.72	374.65

(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, 2020
(amounts expressed in thousands)**

<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	\$ 40,092,432	5.23 %	\$ 2,098,534
Hall County Board of Education	\$ 31,850,000	8.47 %	\$ 2,698,050
Total overlapping debt	<u>\$ 71,942,432</u>		<u>\$ 4,796,584</u>
Direct debt:			
Leases payable	\$ -	100.00 %	\$ -
Total direct debt	<u>\$ -</u>		<u>\$ -</u>
Total direct and overlapping debt	<u>\$ 71,942,432</u>		<u>\$ 4,796,584</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 as of June 30, 2020.

CITY OF FLOWERY BRANCH, GEORGIA

**LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt limit	\$ 45,116,365	\$ 40,158,935	\$ 33,488,040	\$ 29,065,501	\$ 27,546,601	\$ 23,977,866	\$ 23,176,420	\$ 23,132,774	\$ 24,345,808	\$ 27,029,411
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 23,132,774</u>	<u>\$ 24,345,808</u>	<u>\$ 27,029,411</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	\$ 451,163,648									
Add back: exempt real property	-									
Total assessed value	<u>\$ 451,163,648</u>									
Debt limit (10% of total assessed value)	45,116,365									
Debt applicable to limit:										
General obligation debt	-									
Less: Amount set aside for repayment of general obligation debt	-									
Total net debt applicable to limit	-									
Legal debt margin	<u>\$ 45,116,365</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

**PLEGDED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

Fiscal Year	Water and Sewer Revenue Bonds						Coverage
	Gross Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service			
				Principal	Interest		
2011	\$ 1,670	\$ 1,194	\$ 475	\$ 190	\$ 164	40%	
2012	1,519	1,212	308	200	156	40%	
2013	1,588	1,166	421	210	148	40%	
2014	1,590	1,102	488	215	144	40%	
2015	1,860	1,206	654	395 (3)	135	40%	
2016	2,469	1,408	1,061	233	67	40%	
2017	2,666	1,391	1,275	247	61	40%	
2018	2,181	1,391	790	253	55	40%	
2019	2,152	1,374	778	259	49	40%	
2020	4,682	1,566	3,116	266	43	40%	

(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

Source: Notes to the Financial Statements

CITY OF FLOWERY BRANCH, GEORGIA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (1)	Unemployment Rate (1)
2010	3,534	\$ 87,650	\$ 24,802 (2)	33.4	782	4.5 %
2011	5,096	\$ 126,391	\$ 24,802	32.0	1,223	4.5 %
2012	5,379	158,245	29,419	34.2	1,319	5.5
2013	5,635	158,467	28,122	32.6	1,572	5.3
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 (3)	7,934	239,892	30,236	35.3	1,928	3.6

(1) Source: US Census Bureau American FactFinder

(2) US Census Bureau American FactFinder data not available for FY2010.

(3) US Census Bureau American FactFinder prior year data is updated July 1 of each year.

CITY OF FLOWERY BRANCH, GEORGIA

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

Employer	2020			2011		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (3)	Rank	Percentage of Total City Employment (2)
SKF USA, Inc	286	1	5.02 %			0.00 %
Atlanta Flacons Football Club	131	2	2.30	102	1	2.72
The Home Depot	106	3	1.86	80	4	2.13
Publix Super Market	106	4	1.86	89	2	2.37
Target Store	71	5	1.25	84	3	2.24
Kohls Department Store	62	6	1.09	62	5	1.65
Contract Lumber Inc	54	7	0.95	16	10	0.43
Chick-fil-a	50	8	0.88	32	8	0.85
Reconserve of Georgia Inc	40	9	0.70	33	7	0.88
Crossroads Bar & Grille	34	10	0.60	26	9	0.69
Chilli's Bar & Grille				39	6	1.04
Totals	940		16.51 %	563		15.01 %

(1) Source: 2020 individual employer's business license filings.

(2) Source: US Census Bureau American FactFinder

(3) Source: 2011 individual employer's business license filings.

CITY OF FLOWERY BRANCH, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Legislative	6	6	6	6	6	6	6	6	6	6
Administration	2	2	2	2	2	2	2	2	2	2
Finance	2	2	2	2	2	2	2	2	2	2
Judicial	2	2	2	2	2	2	2	2	2	2
Public Safety	17	16	14	14	13	13	13	13	13	13
Public Works*	8	8	8	7	7	7	7	7	7	7
Planning and Community Development	3	3	3	3	3	3	3	3	3	3
Water and Sewer*	9	7	7	7	7	7	7	7	7	7
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>49</u>	<u>46</u>	<u>44</u>	<u>43</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>42</u>

* 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**

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
City Hall Buildings	1	1	3	3	3	3	3	3	3	3
Other Municipal Buildings	2	2	2	2	2	2	2	2	2	2
Public Safety										
Patrol Units	26	24	19	19	17	17	17	17	17	17
Public Works										
Streets (miles)	39	38	38	37	N/A	N/A	N/A	N/A	N/A	N/A
Culture and Recreation										
Parks	2	2	1	1	1	1	1	1	1	1
Water/Wastewater (1)										
Miles of water mains	16	16	16	16	16	16	16	16	16	16
Maximum daily capacity (thousand gals.)	700	700	700	700	700	700	700	700	700	700
Miles of sanitary sewers	41	41	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**

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Utility window customers	8,691	8,139	8,122	8,825	8,804	8,413	8,422	8,401	8,373	8,281
Judicial (1)										
Citations adjudicated	2,113	3,105	2,432	3,289	2,359	4,429	2,052	N/A	N/A	N/A
Bindovers	209	272	132	137	34	12	227	N/A	N/A	N/A
Warrants issued	29	100	68	98	79	104	125	N/A	N/A	N/A
Clients successfully completing probation	84	127	152	250	169	N/A	N/A	N/A	N/A	N/A
Public Safety (2)										
Arrests	340	355	235	287	287	220	304	N/A	N/A	N/A
Incidents	603	545	460	479	440	353	446	N/A	N/A	N/A
Incidents (field only)	2,356	2,346	1,750	1,900	648	N/A	N/A	N/A	N/A	N/A
Accidents	257	307	321	304	278	282	234	N/A	N/A	N/A
Calls for service	3,110	3,212	2,878	2,634	2,791	2,691	2,472	N/A	N/A	N/A
Calls for service (back up calls only)	3,481	2,874	2,414	2,597	1,231	N/A	N/A	N/A	N/A	N/A
Officer initiated traffic calls	3,098	3,967	3,123	3,380	2,769	2,950	3,876	N/A	N/A	N/A
Extra Patrols / Business Checks	18,259	11,705	5,755	6,691	7,615	7,780	3,538	N/A	N/A	N/A
Citations processed	2,290	3,458	3,753	3,301	2,574	2,488	3,296	N/A	N/A	N/A
Warning tickets issued	1,747	1,825	1,475	1,260	933	1,006	1,493	N/A	N/A	N/A
Police vehicle miles	194,189	186,851	176,473	187,258	163,147	149,699	189,030	N/A	N/A	N/A
Public Works (3)										
Work orders completed	1,928	725	765	764	673	781	N/A	N/A	N/A	N/A
Pavement repairs	110	145	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utility locates	2,483	1,916	1,173	2,442	2,662	1,694	N/A	N/A	N/A	N/A
Street signs replaced	80	95	50	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Meters replaced or installed	139	59	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streets (miles)	38	38	38	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Culture and Recreation										
Parks acres maintained	5,917	5,917	5,917	5,706	5,706	5,706	5,706	5,706	5,706	5,706
Community Development										
Residential Building Permits issued	391	259	245	347	228	201	171	119	71	98
Building inspections completed	329	1,345	1,113	1,293	941	599	531	427	271	299
Soil & erosion inspections completed	4,146	1,939	2,744	2,434	535	78	126	281	458	362
Code enforcement	195	132	35	42	13	6	32	36	41	90
New business license inspections	46	49	51	61	28	23	12	16	12	9
Certificate of occupancies issued	278	484	216	240	168	118	139	77	59	58
Water/Wastewater (4)										
New water lines installed (in linear feet)*	4,457	9,786	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water cutoffs*	482	455	244	233	245	250	234	169	190	157
Drinking water distributed (million gallons)	89	87	81	85	79	87	83	83	97	77
Average daily consumption (gallons)	241,061	239,000	285,385	261,578	N/A	N/A	N/A	N/A	N/A	N/A
Maximum daily consumption (thousand gallo	433,910	430,200	513,693	470,840	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater treated (million gallons)	210	211	208	176	172	166	165	157	142	141
Average daily treatment (gallons)	574,132	579,000	562,000	569,000	458,000	472,000	456,000	453,000	430,000	390,000
Residential water customers	1,492	1,391	1,590	1,583	1,459	1,464	1,404	1,335	1,326	1,309
Commercial water customers	92	77	84	81	75	72	80	73	72	71
Water mains (miles)*	16	16	16	16	16	16	16	16	16	16
Storm sewers (miles)*	24	24	24	24	24	24	24	24	24	24
Sanitary sewers (miles)*	41	41	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.