

FY2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT



Flowery Branch

FOR FISCAL YEAR ENDING JUNE 30, 2021

CITY OF FLOWERY BRANCH

5410 W. PINE ST.

FLOWERY BRANCH, GA 30542

WWW.FLOWERYBRANCHGA.ORG

**CITY OF FLOWERY BRANCH, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021
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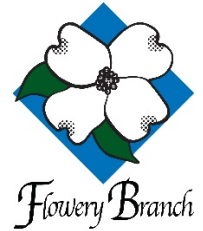
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OFFICIALS OF THE CITY OF FLOWERY BRANCH

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

Shelia Cooper	Assistant City Clerk
Ron Bennett	City Attorney

JUDICIAL BRANCH

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

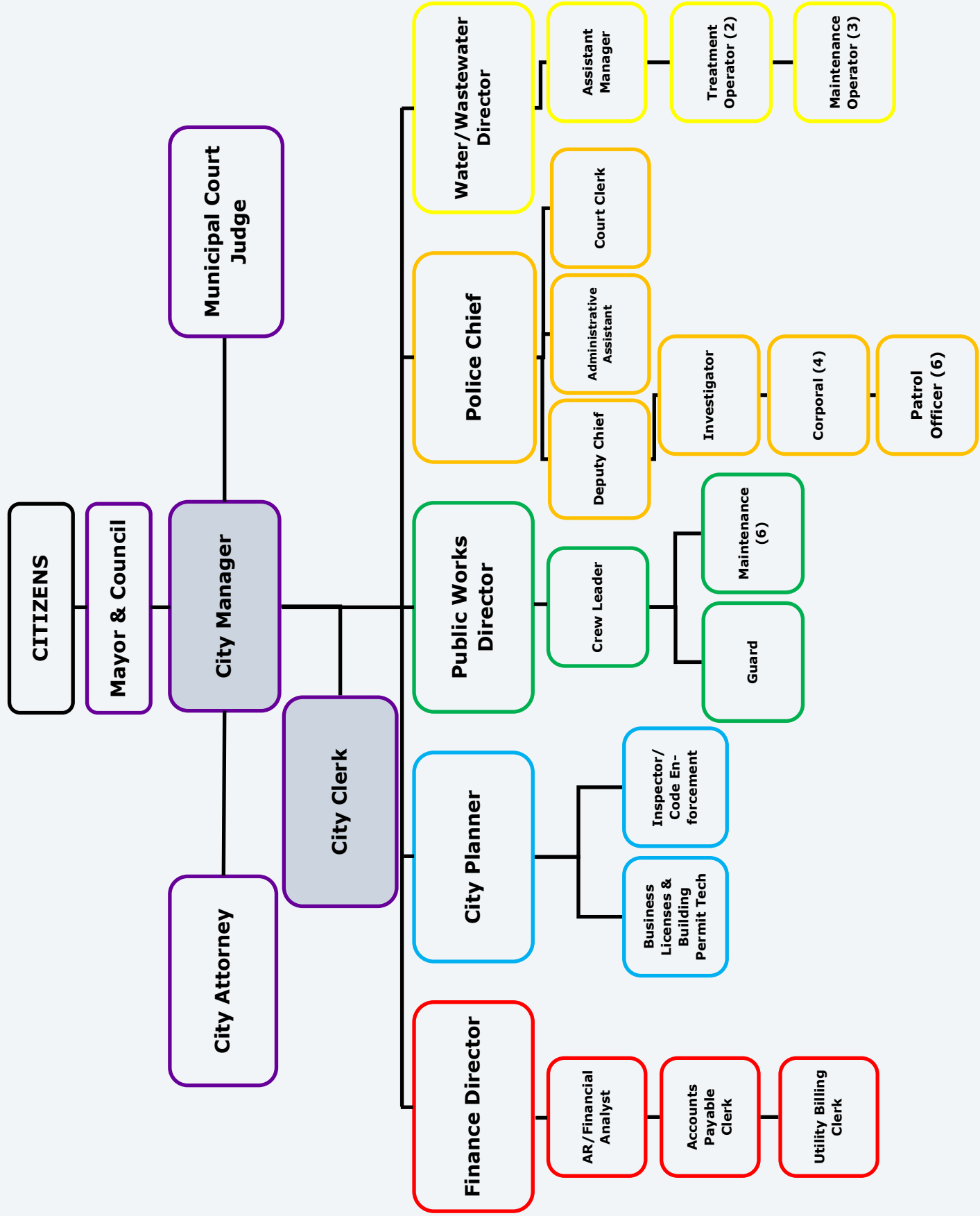
EXECUTIVE BRANCH

CITY MANAGER AND DEPARTMENT DIRECTORS

Vickie Short	Interim City Manager
Alisha Gamble	Finance Director
Rich Atkinson	Planning & Community Development Director
Chris Hulsey	Interim Police Chief
Jimmy Dean	Water and Waste Water Director
Bill Whidden	Public Works and Streets Director

Fiscal Year 2021 City of Flowery Branch Organizational Chart

Officials Appointed by City Council





December 9, 2021

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 Annual Comprehensive Financial Report (ACFR) of the City of Flowery Branch (the "City") for the fiscal year ended June 30, 2021. 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, 2021, 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, 2021, 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 20 immediately following the report of the independent auditors.

Profile of the Government

Based on the 2020 U.S. Census, the City of Flowery Branch has a population of 9,391, while Hall County's population is 203,136. The City of Flowery Branch is empowered to levy a property tax on real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

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 2021, the top three employers for the City of Flowery Branch are the SKF, USA, Inc., Atlanta Falcons Football Club, and Publix Super Market coming in at 270, 123, and 119, respectively. The City is anticipating the continuation of major growth over the next 1-3 years, including two townhome developments in the Old Town district, and the addition of Woodfield apartments approved for development calendar year of 2021. 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, 2021, the City continues to experience operational impacts but very minimal financial impacts. We will continue to monitor this situation closely throughout fiscal year 2022.

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) 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.

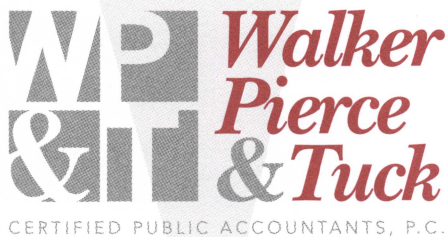
Respectfully Submitted,



Vickie Short
Interim City Manager



Alisha Gamble
Finance Director



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 aggregate remaining fund information of the City of Flowery Branch, Georgia, as of and for the year ended June 30, 2021, 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, 2021, 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 10-20 and 51-58 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, combining and individual nonmajor fund financial statements, 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 combining and individual nonmajor fund financial statements and 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 combining and individual nonmajor fund financial statements and 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 9, 2021 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 9, 2021



CITY OF FLOWERY BRANCH, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDING JUNE 30, 2021



As management of the City of Flowery Branch (City), we offer readers of the City's financial statements this discussion and analysis of the City's financial activities for the fiscal year ended June 30, 2021. 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 valuable indicator of whether the City's financial situation 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 City's governmental activities 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 21 to 22 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. Like other state and local governments, the City 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 and balances of spendable resources available at the end of the fiscal year. Such information may help evaluate 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 helpful 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 fund's balance sheet and the governmental fund's 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 fund's balance sheet and the governmental fund's 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 by passing an annual budget ordinance and amended as required for the general and special revenue funds.

The basic governmental fund financial statements can be found on pages 23 through 27 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 28 through 30 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 50 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 51 through 57 of this report.

Other required supplemental information regarding the City's defined benefit retirement plan can be found on pages 58 and 59 of this report.

Government-wide Financial Analysis

Net Position As noted earlier, net position may serve over time as a valuable indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources for the City exceeded liabilities and deferred inflows of resources by \$42,160,847 as of the fiscal year-end.

The following table provides a summary of the City's governmental net position for the fiscal years 2020 and 2021:

City of Flowery Branch Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and Other Assets	\$ 15,493,198	\$ 12,394,763	\$ 7,859,706	\$ 6,231,579	\$23,352,904	\$18,626,342
Capital Assets	18,865,642	18,974,584	13,532,172	12,790,411	32,397,814	31,764,995
Total Assets	34,358,840	31,369,347	21,391,878	19,021,990	55,750,718	50,391,337
Deferred Outflows of Resources	149,060	200,625	71,533	95,626	220,593	296,251
Liabilities:						
Current Liabilities	1,074,775	1,170,661	1,566,644	1,345,785	2,641,419	2,516,446
Long-term Liabilities	8,592,898	9,051,630	2,576,147	3,130,143	11,169,045	12,181,773
Total Liabilities	9,667,673	10,222,291	4,142,791	4,475,928	13,810,464	14,698,219
Deferred Inflows of Resources	-	19,538	-	7,131	-	26,669
Net Position:						
Investment in Capital Assets	5,289,592	10,066,128	10,882,929	9,825,804	16,172,521	19,891,932
Restricted	7,335,267	910,049	-	-	7,335,267	910,049
Unrestricted	12,215,368	10,351,966	6,437,691	4,808,753	18,653,059	15,160,719
Total Net Position	\$ 24,840,227	\$ 21,328,143	\$ 17,320,620	\$ 14,634,557	\$ 42,160,847	\$ 35,962,700

The most significant portion of the City's net position, \$5,289,592, 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 are 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

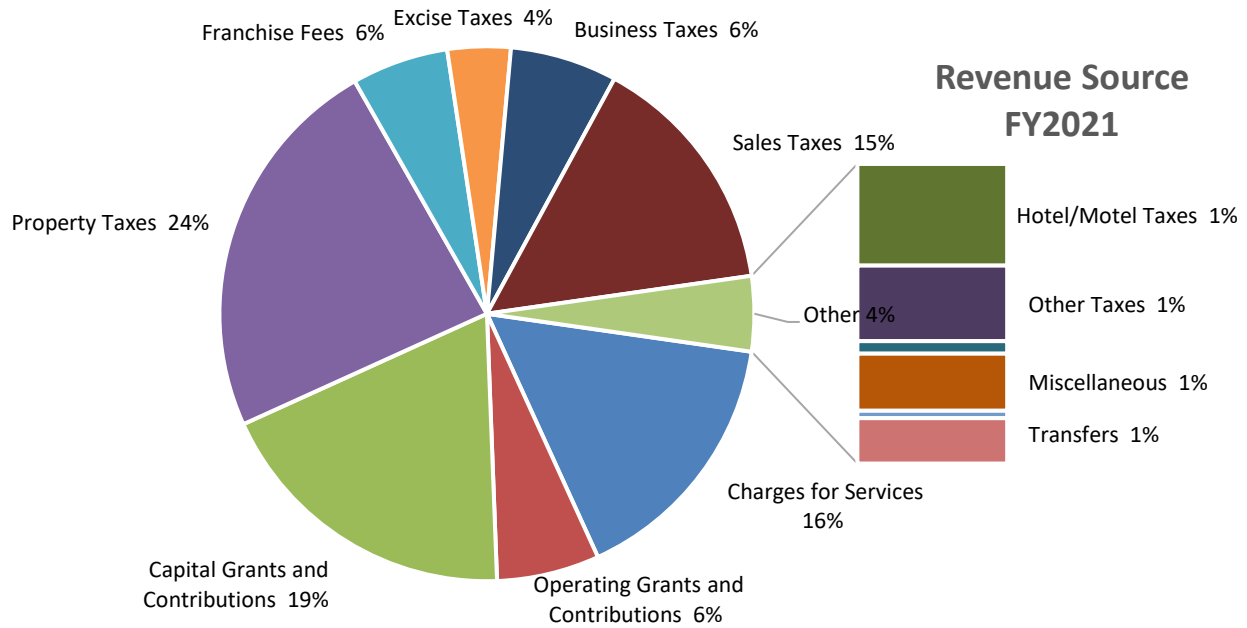
this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$7,335,267, represents restricted resources for public safety, capital projects, and tourism. The remaining portion of the City's net position represents net position of \$12,215,368, which is available to meet the government's ongoing obligations. At the end of the current fiscal period, the City reported a positive balance in total net and unrestricted net positions.

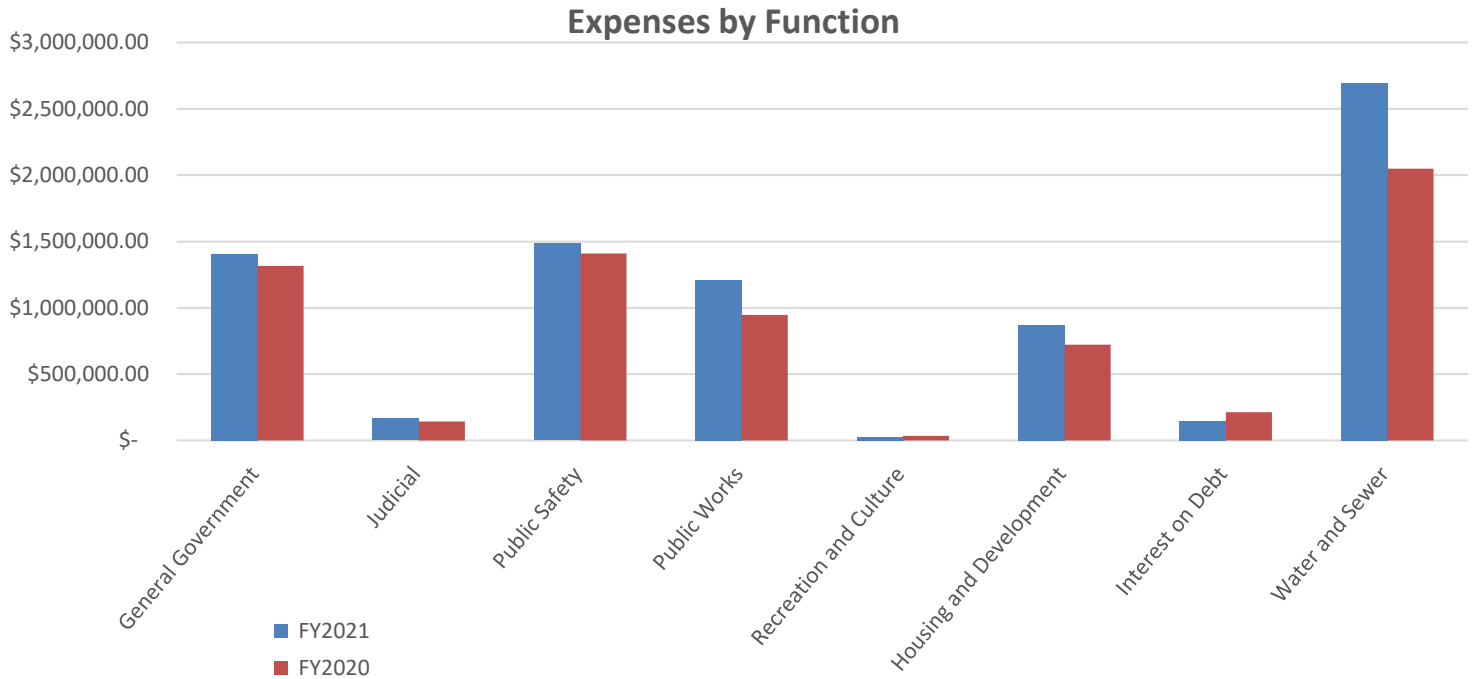
Changes in Net Position The following table indicates the changes in net position for governmental activities in fiscal years 2021 and 2020:

City of Flowery Branch Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for Services	\$ 1,424,277	\$ 1,011,509	\$ 5,308,856	\$ 4,678,236	\$ 6,733,133	\$ 5,689,745
Operating Grants and Contributions	555,525	562,733	-	363,891	555,525	926,624
Capital Grants and Contributions	1,684,667	1,344,239	-	-	1,684,667	1,344,239
General Revenues:						
Property Taxes	2,106,961	1,778,333	-	-	2,106,961	1,778,333
Franchise Fees	523,190	506,496	-	-	523,190	506,496
Excise Taxes	341,864	304,547	-	-	341,864	304,547
Business Taxes	579,437	556,056	-	-	579,437	556,056
Sales Taxes	1,325,553	1,080,774	-	-	1,325,553	1,080,774
Hotel/Motel Taxes	137,846	95,929	-	-	137,846	95,929
Other Taxes	102,441	97,229	-	-	102,441	97,229
Interest and Investment Earnings	16,970	18,253	450	1,367	17,420	19,620
Miscellaneous	77,419	52,176	12,431	3,631	89,850	55,807
Gain on Disposition of Assets	10,070	(237,378)	-	-	10,070	(237,378)
Total Revenues	8,886,220	7,170,896	5,321,737	5,047,125	14,207,957	12,218,021
Expenses:						
General Government	1,405,068	1,315,912	-	-	1,405,068	1,315,912
Judicial	165,571	143,621	-	-	165,571	143,621
Public Safety	1,484,744	1,410,656	-	-	1,484,744	1,410,656
Public Works	1,211,699	946,576	-	-	1,211,699	946,576
Recreation and Culture	27,747	33,665	-	-	27,747	33,665
Housing and Development	869,886	721,191	-	-	869,886	721,191
Interest on Debt	147,930	213,681	-	-	147,930	213,681
Water and Sewer	-	-	2,697,165	2,050,148	2,697,165	2,050,148
Total Expenses	5,312,645	4,785,302	2,697,165	2,050,148	8,009,810	6,835,450
Increase (decrease) in net position	3,573,575	2,385,594	2,624,572	2,996,977	6,198,147	5,382,571
Transfers	(61,491)	(165,534)	61,491	165,534	-	-
Net Position - Beginning	21,328,143	19,108,083	14,634,557	11,472,046	35,962,700	30,580,129
Net Position - Ending	\$ 24,840,227	\$ 21,328,143	\$ 17,320,620	\$ 14,634,557	\$ 42,160,847	\$ 35,962,700



Governmental activities Net position for governmental activities increased by \$3.5 million in the fiscal year 2021. The increase in net position is due to the increase in property tax revenues, grants, and charges for services. Property tax revenues increased \$328,628, primarily attributable to growth in the property tax digest and reassessments, which reflected an 18% increase in total taxable assessed value from 2020-2021. The significant increase in grants and contributions is primarily attributable to Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding to reimburse essential workers' payroll expenses due to COVID-19. Charges for services increased \$412,768 or 41% due to an increase in building permits and inspections due to the new developments in the City.



Public safety, the City's largest department, increased \$74,088 or 5% due to additional expenses for COVID-19 safety and hazard pay for essential workers, but most of the costs were reimbursed through the CARES Act funding; public works increased \$265,123 or 28% due to road paving and repairs and maintenance of roads throughout the City; general government increased approximately \$89,156; housing and development increased 147,070 or 21% due to additional contracted services and plan reviews for new developments; culture and recreation decreased \$5,918 or 18%; judicial increased \$21,950 or 15% due to the transition to virtual court expenses, and interest on long-term debt decreased \$65,751 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 \$2,686,063 results from 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 in water and a 7% increase for wastewater. The rate change went into effect on August 20, 2020. Business-type expenses increased 11%, which is \$527,343. This increase is due to rising chemical costs, disposal of sludge 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, an 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 a combined ending fund balance of \$14.8 million and an increase in fund balances of \$3.5 million. Of this balance, \$7,335,267 is restricted for special purposes, \$2,421,809 is committed for capital outlay, \$120,079 is non-spendable prepaids, and \$4,944,752 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, the total fund balance was \$5,097,004, representing an unassigned fund balance of \$4,944,752, restricted funds of \$32,173 for law enforcement, \$120,079 in nonspendable prepaids. Fund balance increased by \$1,102,339 from 2020, primarily due to an increase in property taxes, sales taxes, building permits, and essential workers' payroll reimbursement from the CARES Act funding. As a measure of liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 121.9% of total general fund expenditures, while total fund balance represents 125.7% 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. The current year's revenues were \$1,480,667 from taxes collected and interest earned, and expenditures \$44,750. Net transfers were (\$61,491). As of June 30, 2021, the fund balance was \$1,939,717, 29% or \$1,374,426 higher than the prior year. This significant increase in fund balance in 2021 is the first year of SPLOST VIII's six-year term. Funding sources must be collected before approved projects can begin. As we advance through the projects, we expect expenditures to increase for the fiscal year 2022.



Tax Allocation District Fund. This fund accounts for the City's tax allocation district revenue and expenses. The current year's revenues were \$102,441 from taxes collected, \$154,000 of contributions collected for tenant improvements, and \$5,443 of interest earned for total revenues of \$261,884. Current expenditures are \$32,431, debt service of \$168,057, and capital projects for downtown developments pavilion park, downtown park, and sidewalks improvements of \$118,925, for total expenditures of \$319,413. Transfers out to other funds were net \$68,899. Fund balance as of June 30, 2021, was \$5,363,327. This fund balance includes unspent revenue bond proceeds for the downtown development. On February 2020, Moody's Investors Service published the city's first credit opinion in relation to this debt. Moody's assigned a Aa2 rating to the city's Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020, issued through the Gainesville Hall County Redevelopment Authority. The City anticipates the Old Town Projects to be near completion by the end of June 30, 2022.



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 CARES Act funding. The only activity for the fiscal year 2021 is recording revenue received for the fiscal year 2021 for \$435,794.

Local Resources Fund. This fund accounts for capital purchases as approved by the City Council. For the current fiscal year, revenues were \$1,317,958 from intergovernmental revenues, a private contribution, and interest earned, and expenditures of the debt service and capital outlay amounted to \$1,175,527. Fund balance as of June 30, 2021, was \$2,153,236. Fluctuations in fund balance result from quarterly transfers from the general fund for funding projects and capital expenditures for road paving and maintenance, stormwater infrastructure improvements, buildings repairs and maintenance at the Depot and Caboose, city-wide signage project, and debt payments for the Lights Ferry Roundabout and City Hall and Plaza.



Hotel/Motel Fund. This fund accounts for the collection and expenditure of Hotel/Motel taxes. For the current year, revenues were \$137,846 from taxes collected and expenditures \$137,796. As of July 1, 2020, the City was approved to increase Hotel Motel Tax collections from 5% to 8%, with the additional 3% contribution to tourism development. Fund balance as of June 30, 2021, 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 to realign 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 the 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 \$1,794,465. The majority of these excess collections are due to our area's residential growth, increased building permits, increased assessed property tax values on the residential growth, and an increase in local option sales tax collections.

Total expenditures in the General Fund were less than final budgeted amounts by approximately \$563,481. This positive budget variance is primarily attributable to unspent contract services in various departments throughout the City.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of June 30, 2021, is \$18,865,642 (net of accumulated depreciation). These assets primarily reflect the buildings, machinery, equipment, and infrastructure assets for roadways, sidewalks, culverts, and signals. Increases were attributed to purchasing 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, 2021, is \$13,532,172 (net of accumulated depreciation). These assets primarily reflect the water and wastewater infrastructure improvements. The decrease in business-type capital assets results from the expected depreciation of the water and wastewater system.

**City of Flowery Branch Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,667,364	\$ 1,667,364	\$ 553,201	\$ 553,201	\$ 2,220,565	\$ 2,220,565
Construction in Progress	517,035	153,205	1,145,901	377,966	1,662,936	531,171
Buildings and Improvements	4,679,497	4,783,328	1,845,328	1,915,006	6,524,825	6,698,334
Machinery and Equipment	620,238	698,864	3,591,013	3,585,032	4,211,251	4,283,896
Infrastructure	11,294,520	11,574,291	6,379,721	6,337,946	17,674,241	17,912,237
Intangibles	86,988	97,532	17,008	21,260	103,996	118,792
Net Position - Ending	<u>\$18,865,642</u>	<u>\$18,974,584</u>	<u>\$ 13,532,172</u>	<u>\$ 12,790,411</u>	<u>\$ 32,397,814</u>	<u>\$ 31,764,995</u>

Additional information on the City's capital assets can be found in note 43 to 44 of this report.

Long-term debt. At the end of the fiscal year 2021, the governmental activities had a 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 37 through 40 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 be back to normal range since the City has not experienced significant losses due to the COVID-19 pandemic. In fiscal year 2020, revenues were decreased 10%-25% due to the COVID-19 pandemic, and the City has monitored the effects of the pandemic since March 2020.
- Cost of government – The City Council approved a millage rate in June of 3.264 mills, effective July 1, 2021 with the 2021 digest. This millage rate is estimated to generate approximately \$2.1 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.
- In July 1, 2021, fiscal year 2022, the City was awarded Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan in the amount of \$3,108,858. Fifty percent, \$1,554,429, was deposited, and the City anticipates the remaining fifty percent to be deposited by July 1, 2022. The City is currently in the planning phase for projects.

The City restricts the use of one-time revenues to reserves and limits the growth in expenditures from operations to those performance indicators 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 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 (470) 798-0524, or by email at alisha@flowerybranchga.org.

CITY OF FLOWERY BRANCH, GEORGIA

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 14,409,253	\$ 5,930,521	\$ 20,339,774
Restricted cash	215,555	1,220,938	1,436,493
Receivables (net)	308,041	326,943	634,984
Intergovernmental receivable	440,270	232,311	672,581
Prepaid expenditures	120,079	-	120,079
Accrued revenue	-	148,993	148,993
Total Current Assets	15,493,198	7,859,706	23,352,904
Noncurrent Assets			
Capital assets			
Nondepreciable	2,184,399	1,699,102	3,883,501
Depreciable, net	16,681,243	11,833,070	28,514,313
Total Noncurrent Assets	18,865,642	13,532,172	32,397,814
Total Assets	34,358,840	21,391,878	55,750,718
Deferred Outflows of Resources	149,060	71,533	220,593
Total Assets and Deferred Outflows of Resources	34,507,900	21,463,411	55,971,311
Liabilities			
Current Liabilities			
Accounts payable	435,250	991,103	1,426,353
Accrued expenses	62,224	10,044	72,268
Contracts payable	353,212	-	353,212
Revenue bond payable	-	278,000	278,000
Intergovernmental loan	-	70,194	70,194
Amounts held in trust	112,310	198,584	310,894
Compensated absences	64,385	18,719	83,104
Unearned revenue	47,394	-	47,394
Total Current Liabilities	1,074,775	1,566,644	2,641,419
Long-term Liabilities			
Net pension liability	572,533	197,897	770,430
Contracts payable	8,013,511	-	8,013,511
Revenue bonds payable	-	1,182,000	1,182,000
Intergovernmental loan	-	1,093,194	1,093,194
Compensated absences	6,854	15,397	22,251
Unearned revenue	-	87,659	87,659
Total Long-term Liabilities	8,592,898	2,576,147	11,169,045
Total Liabilities	9,667,673	4,142,791	13,810,464
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	9,667,673	4,142,791	13,810,464
Net Position			
Net Investment in Capital Assets	5,289,592	10,882,929	16,172,521
Restricted for:			
Capital projects	1,939,717	-	1,939,717
Public safety	32,173	-	32,173
Tourism	50	-	50
Housing and development	5,363,327	-	5,363,327
Unrestricted	12,215,368	6,437,691	18,653,059
Total Net Position	\$ 24,840,227	\$ 17,320,620	\$ 42,160,847

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, 2021

	<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	\$ 1,405,068	\$ 127,629	\$ 512,539	\$ 1,684,667	\$ 919,767	\$ -	\$ 919,767
Judicial	165,571	387,026	-	-	221,455	-	221,455
Public safety	1,484,744	18,545	42,986	-	(1,423,213)	-	(1,423,213)
Public works	1,211,699	-	-	-	(1,211,699)	-	(1,211,699)
Recreation and culture	27,747	-	-	-	(27,747)	-	(27,747)
Housing and development	869,886	891,077	-	-	21,191	-	21,191
Interest on Debt	147,930	-	-	-	(147,930)	-	(147,930)
Total Governmental Activities	5,312,645	1,424,277	555,525	1,684,667	(1,648,176)	-	(1,648,176)
Business-type activities:							
Water and sewer	2,697,165	5,308,856	-	-	-	2,611,691	2,611,691
Total Business-type Activities	2,697,165	5,308,856	-	-	-	2,611,691	2,611,691
Total Primary Government	\$ 8,009,810	\$ 6,733,133	\$ 555,525	\$ 1,684,667	(1,648,176)	2,611,691	963,515
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					2,106,961	-	2,106,961
Franchise fees					523,190	-	523,190
Excise taxes					341,864	-	341,864
Business tax					579,437	-	579,437
Sales tax					1,325,553	-	1,325,553
Hotel/Motel tax					137,846	-	137,846
Other taxes					102,441	-	102,441
Interest and investment earnings					16,970	450	17,420
Miscellaneous					77,419	12,431	89,850
Gain on disposition of assets					10,070	-	10,070
Transfers					(61,491)	61,491	-
Total General Revenues and Transfers					5,160,260	74,372	5,234,632
Change in Net Position					3,512,084	2,686,063	6,198,147
Net Position Beginning of Year					21,328,143	14,634,557	35,962,700
Ending Net Position					\$ 24,840,227	\$ 17,320,620	\$ 42,160,847

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

CITY OF FLOWERY BRANCH, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2021

	General Fund	SPLOST Fund	Tax Allocation District Fund	Local Resources Fund	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 5,073,426	\$ 1,673,244	\$ 5,209,327	\$ 2,434,692	\$ 18,564	\$ 14,409,253
Restricted cash	215,555	-	-	-	-	215,555
Intergovernmental receivable	173,797	266,473	-	-	-	440,270
Receivables (net)	136,079	-	154,000	-	17,962	308,041
Prepaid expenditures	120,079	-	-	-	-	120,079
Due from other funds	28,618	-	-	-	-	28,618
Total Assets	5,747,554	1,939,717	5,363,327	2,434,692	36,526	15,521,816
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 5,747,554	\$ 1,939,717	\$ 5,363,327	\$ 2,434,692	\$ 36,526	\$ 15,521,816
Liabilities						
Accounts payable	\$ 414,509	\$ -	\$ -	\$ 12,883	\$ 7,858	\$ 435,250
Due to other funds	-	-	-	-	28,618	28,618
Amounts held in trust	112,310	-	-	-	-	112,310
Unearned revenue	47,394	-	-	-	-	47,394
Total Liabilities	574,213	-	-	12,883	36,476	623,572
Deferred Inflows of Resources	76,337	-	-	-	-	76,337
Total Liabilities and Deferred Inflows of Resources	650,550	-	-	12,883	36,476	699,909
Fund Balances						
Nonspendable:						
Prepaid expenditures	120,079	-	-	-	-	120,079
Restricted for:						
Capital projects	-	1,939,717	-	-	-	1,939,717
Law enforcement	32,173	-	-	-	-	32,173
Tourism	-	-	-	-	50	50
Housing and development	-	-	5,363,327	-	-	5,363,327
Committed for:						
Capital outlay	-	-	-	2,421,809	-	2,421,809
Unassigned	4,944,752	-	-	-	-	4,944,752
Total Fund Balances	5,097,004	1,939,717	5,363,327	2,421,809	50	14,821,907
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,747,554	\$ 1,939,717	\$ 5,363,327	\$ 2,434,692	\$ 36,526	\$ 15,521,816

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, 2021

Total Governmental Fund Balances \$ 14,821,907

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	22,744,258	
Less: Accumulated depreciation	<u>(3,878,616)</u>	
Total capital assets		18,865,642

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		(71,239)
Accrued interest payable not reported in the governmental funds		(62,224)
Contracts payable		(8,366,723)

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.		76,337
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Pension items not included in fund financial statements.

Deferred outflows of resources		149,060
Net pension liability		<u>(572,533)</u>

Net Position of Governmental Activities		<u>\$ 24,840,227</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF FLOWERY BRANCH, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	SPLOST Fund	Tax Allocation District Fund	Local Resources Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property tax	\$ 2,096,793	\$ -	\$ -	\$ -	\$ -	\$ 2,096,793
Sales tax	1,325,553	-	-	-	-	1,325,553
Business tax	579,437	-	-	-	-	579,437
Franchise tax	523,190	-	-	-	-	523,190
Excise tax	341,864	-	-	-	-	341,864
Hotel/Motel tax	-	-	-	-	137,846	137,846
Intergovernmental	603	1,479,816	102,441	76,142	435,794	2,094,796
Licenses and permits	965,955	-	-	-	-	965,955
Fines and forfeitures	394,602	-	-	-	-	394,602
Charges for services	71,296	-	-	-	-	71,296
Contributions	42,986	-	154,000	50,000	-	246,986
Interest	11,527	851	5,443	-	-	17,821
Miscellaneous	63,573	-	-	-	-	63,573
Total Revenue	6,417,379	1,480,667	261,884	126,142	573,640	8,859,712
Expenditures						
Current:						
General government	1,169,541	-	-	-	650	1,170,191
Judicial	168,091	-	-	-	2,214	170,305
Public safety	1,347,315	-	-	-	124,329	1,471,644
Public works	566,601	-	-	405,588	4,589	976,778
Recreation and culture	27,747	-	-	-	-	27,747
Housing and development	775,605	-	32,431	-	60,204	868,240
Debt Service:						
Interest Expenditure	-	-	168,057	48,151	-	216,208
Principal retirement	-	-	-	480,328	-	480,328
Capital Outlay	-	44,750	118,925	241,460	-	405,135
Total Expenditures	4,054,900	44,750	319,413	1,175,527	191,986	5,786,576
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,362,479	1,435,917	(57,529)	(1,049,385)	381,654	3,073,136
Other Financing Sources (Uses)						
Transfers in	77,642	-	68,899	1,317,958	-	1,464,499
Transfers out	(1,386,857)	(61,491)	-	-	(77,642)	(1,525,990)
Insurance refunds and recoveries	13,846	-	-	-	-	13,846
Proceeds from sale of assets	35,229	-	-	-	-	35,229
Total Other Financing Sources (Uses)	(1,260,140)	(61,491)	68,899	1,317,958	(77,642)	(12,416)
Net Change in Fund Balances	1,102,339	1,374,426	11,370	268,573	304,012	3,060,720
Fund Balances Beginning of Year	3,994,665	565,291	5,351,957	2,153,236	(303,962)	11,761,187
Fund Balances End of Year	\$ 5,097,004	\$ 1,939,717	\$ 5,363,327	\$ 2,421,809	\$ 50	\$ 14,821,907

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, 2021

Net Changes in Fund Balances-Total Governmental Funds		\$ 3,060,720
<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		483,959
Less: Current year depreciation		<u>(567,742)</u>
		(83,783)
<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		(25,159)
<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>		
		541,733
<p>Net pension liability is not available during the current period and therefore is not reported in the funds.</p>		
End of Year		(572,533)
Beginning of Year		<u>592,598</u>
		20,065
<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		149,060
Beginning of Year		<u>(200,625)</u>
		(51,565)
<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, 2020		92,309
Compensated absence liability at June 30, 2021		<u>(71,239)</u>
		21,070
<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		-
Beginning of Year		<u>19,538</u>
		19,538
<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, 2020		69,097
Accrued interest at June 30, 2021		<u>(62,224)</u>
		6,873
<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, 2020		(73,745)
Deferred revenue at June 30, 2021		<u>76,337</u>
		2,592
Change in Net Position of Governmental Activities		<u>\$ 3,512,084</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, 2021

	Water and Sewer
Current Assets	
Cash and cash equivalents	\$ 5,930,521
Restricted cash and cash equivalents	1,220,938
Accounts receivable (net)	326,943
Due from other governments	232,311
Accrued revenue	148,993
Total Current Assets	7,859,706
Noncurrent Assets	
Capital assets	
Non-depreciable	1,699,102
Depreciable, net	11,833,070
Total Noncurrent Assets	13,532,172
Total Assets	21,391,878
Deferred Outflows of Resources	71,533
Total Assets and Deferred Outflows of Resources	21,463,411
Liabilities	
Current Liabilities	
Accounts payable	991,103
Accrued expenses	10,044
Compensated absences	18,719
Customer deposits	198,584
Intergovernmental loan	70,194
Revenue bonds payable	278,000
Total Current Liabilities	1,566,644
Long-term Liabilities	
Net pension liability	197,897
Intergovernmental loan	1,093,194
Revenue bonds payable	1,182,000
Compensated absences	15,397
Unearned revenue	87,659
Total Long-term Liabilities	2,576,147
Total Liabilities	4,142,791
Deferred Inflows of Resources	-
Total Liabilities and Deferred Inflows of Resources	4,142,791
Net Position	
Net investment in capital assets	10,882,929
Unrestricted	6,437,691
Total Net Position	\$ 17,320,620

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, 2021

	<u>Water and Sewer</u>
Operating Revenue	
Charges for services	\$ 2,902,492
Development fees	2,219,783
Tap-on fees	186,581
Miscellaneous income	12,431
Total Operating Revenue	5,321,287
Operating Expenses	
Personnel services:	
Salaries and wages	581,595
Employment Taxes	49,244
Benefits	178,849
Total Personnel Services	809,688
Purchased / contracted services:	
Professional and technical	61,565
Other purchased services	1,310
Total Purchased / contracted services	62,875
Other operating expenses:	
Purchased water	10,306
Supplies	349,295
Repairs and maintenance	338,132
Utilities	241,107
Engineering, lab fees and training	83,180
Depreciation	450,638
Miscellaneous	3,000
Total Other Operating Expenses	1,475,658
Total Operating Expenses	2,348,221
Operating Income (Loss)	2,973,066
Nonoperating Revenues (Expenses)	
Interest income	450
Interest expense	(348,944)
Total Nonoperating Revenues and (Expenses)	(348,494)
Income (Loss) Before Contributions and Transfers	2,624,572
Transfer in	61,491
Change in Net Position	2,686,063
Net Position Beginning of Year	14,634,557
Net Position End of Year	\$ 17,320,620

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, 2021

	<u>Water and Sewer</u>
Cash flows from operating activities:	
Receipts from customers	\$ 5,722,128
Payments to suppliers	(912,990)
Payments to employees	(805,392)
Net cash provided (used) by operating activities	4,003,746
Cash flows from capital and related financing activities:	
Transfer from other funds	61,491
Acquisition and construction of capital assets	(1,192,399)
Debt payments, principal and interest	(690,163)
Net cash provided (used) by capital and related financing activities	(1,821,071)
Cash flows from investing activities:	
Interest income	450
Net cash provided (used) by investing activities	450
Net increase (decrease) in cash and cash equivalents	2,183,125
Cash and cash equivalents, June 30, 2020	4,968,334
Cash and cash equivalents, June 30, 2021	\$ 7,151,459
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 2,973,066
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	450,638
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable and accrued revenue	551,606
(Increase) decrease in deferred outflows of resources	24,093
(Increase) decrease in deferred inflows of resources	(7,131)
(Increase) decrease in due from other funds	3,392
Increase (decrease) in accounts and retainage payable	182,036
Increase (decrease) in accrued expenses	(19,297)
Increase (decrease) in compensated absences	5,494
Increase (decrease) in deferred revenue	(186,582)
Increase (decrease) in customer deposits	32,425
Increase (decrease) in net pension liability	(5,994)
Net cash provided (used) by operating activities	\$ 4,003,746

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

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

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, 2021

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.

The City reports the following nonmajor governmental fund:

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

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

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

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

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 all governmental fund types, except for the Capital Project Funds, for the upcoming fiscal year. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and Special Revenue Funds. The same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principle basis. Capital budgets are adopted for the Capital Project Funds on a project basis. Additional capital projects are budgeted by the City Council as capital projects are approved throughout the year. The City Council must approve any amendments to the budget. The legal level of control for this government is at the department level, which is the basis for the Budgetary Comparison Schedules.

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, 2021

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, 2021, 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 \$287,573 at June 30, 2021. 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, 2021.

Property Tax Calendar

The City set its millage rate for the 2020/2021 fiscal year on June 25, 2020 at 3.264 mills. Property tax bills were mailed on October 1, 2020 and were due December 31, 2020. Penalties and interest are due on all accounts not paid by the due date. Fines on delinquent tax accounts could be filed no earlier than January 1, 2021.

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, 2021

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.

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, 2021

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, 2021, 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 36 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$4,966,400.

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, 2021

NOTE 4. RECEIVABLES

The following is a summary of amounts due from others at June 30, 2021:

Governmental Funds:

Property taxes receivable - net	\$ 56,060	
Hotel Motel taxes receivable	17,962	
Fines receivables - net	40,387	
Other receivables - net	39,632	Franchise tax, excise tax, property tax for tax allocation district
Other receivables	154,000	Tenant contributions for improvements for the tax allocation district
Due from other government - SPLOST	266,473	
Due from other government - property taxes	53,422	
Due from other government - LOST	120,375	
Total Governmental Receivables:	\$ 748,311	

Business-type Funds:

Accounts receivable - net	\$ 326,943
Due from other governments - rebates	232,311
Total Business-type Receivables:	\$ 559,254

NOTE 5. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Balance as of June 30, 2020	Additions	Reductions	Balance as of June 30, 2021	Due Within One Year
Governmental Activities:					
Contract Payable	\$ 8,170,125	\$ -	\$ (287,200)	\$ 7,882,925	\$ 293,547
Plus: original issue premium	545,203	-	(61,405)	483,798	59,665
Total Contracts Payable	8,715,328	-	(348,605)	8,366,723	353,212
Note Payable	193,128	-	(193,128)	-	-
Compensated Absences	92,309	99,717	(120,787)	71,239	64,385
Net Pension Liability	592,598	-	(20,065)	572,533	-
Total governmental activities	\$ 9,593,363	\$ 99,717	\$ (682,585)	\$ 9,010,495	\$ 417,597
Business-Type Activities:					
Revenue Bonds	\$ 1,732,000	\$ -	\$ (272,000)	\$ 1,460,000	\$ 278,000
Intergovernmental loan	1,232,607	-	(69,219)	1,163,388	70,194
Unearned Revenue	274,241	-	(186,582)	87,659	-
Compensated Absences	28,622	16,737	(11,243)	34,116	18,719
Net Pension Liability	203,891	-	(5,994)	197,897	-
Total business-type activities	\$ 3,471,361	\$ 16,737	\$ (545,038)	\$ 2,943,060	\$ 366,913

Deferred amounts on the City's bond refunding (which are reported as deferred outflows of resources), at June 30, 2021 are summarized as follows:

	Balance as of June 30, 2020	Additions	Reductions	Balance as of June 30, 2021
Proprietary Funds				
<i>Water and Sewer Fund</i>				
Deferred Charge on refunding	\$ 31,600	\$ -	\$ (5,745)	\$ 25,855

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

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Financial Statements
June 30, 2021

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. The loan bore an interest rate of 0.82% amortized monthly, with payments of \$16,166 beginning August 1, 2016, and was paid in full during 2021. Interest in the amount of \$859 was included in interest expense during 2021.

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 \$163,425 was included in interest expense in the government-wide Statement of Activities during 2021. The projects began in March of 2020. All projects are expected to be complete during 2022. As of June 30, 2021, 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, 2021 is as follows:

June 30	Principal	Interest
2022	\$ -	\$ 158,794
2023	110,000	158,794
2024	190,000	155,494
2025	245,000	149,794
2026	255,000	142,444
2027-2031	1,395,000	590,269
2032-2036	1,675,000	313,069
2037-2039	1,125,000	68,100
	\$4,995,000	\$ 1,736,758

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 \$45,051 was included in interest expense in the government-wide Statement of Activities during 2021. The project was completed in March 2019. As of June 30, 2020, the total outstanding debt was \$2,887,925 in principal. The annual requirements to amortize this contract payable for governmental activities outstanding as of June 30, 2021 is as follows:

June 30	Principal	Interest
2022	\$ 293,547	\$ 45,629
2023	300,035	40,991
2024	306,666	36,251
2025	313,443	31,405
2026	320,370	26,453
2027-2030	1,353,864	54,061
	\$ 2,887,925	\$ 234,790

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Financial Statements
June 30, 2021

The annual requirements to amortize total contract payable for governmental activities outstanding as of June 30, 2021 is as follows:

June 30	Principal	Interest
2022	\$ 293,547	\$ 204,423
2023	410,035	199,785
2024	496,666	191,745
2025	558,443	181,199
2026	575,370	168,897
2027-2031	2,748,864	644,330
2032-2036	1,675,000	313,069
2037-2039	1,125,000	68,100
	\$7,882,925	\$ 1,971,548

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 2021, \$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 \$1,640,828. 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, 2021, the outstanding debt was \$1,460,000 in principal. Interest in the amount of \$36,286 was included in interest expense during 2021.

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

June 30	Principal	Interest
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
	\$ 1,460,000	\$ 79,849

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, 2021, the total outstanding debt was \$1,163,388 in principal. Interest in the amount of \$16,813 was included in interest expense during 2021.

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Financial Statements
June 30, 2021

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

June 30	Principal	Interest
2022	\$ 70,194	\$ 15,834
2023	71,184	14,844
2024	72,187	13,841
2025	73,204	12,824
2026	74,235	11,793
2027-2031	387,164	42,976
2032-2036	415,220	14,920
	\$ 1,163,388	\$ 127,032

In February 2021, the Enterprise Funds of the City entered into a \$5,710,000 loan agreement with the Georgia Environmental Facilities Authority (GEFA). These funds are to be used to finance the upgrade the water distribution system and related appurtenances until the earlier of the project completion date, October 1, 2024, or the that that the loan has been fully disbursed. The loan bears an interest rate of 0.99% amortized monthly. Accrued interest shall be payable monthly until the earlier of the completion date, October 1, 2024, or the date that the funds are fully disbursed. At that point, principal and interest shall be payable monthly for 20 years from the commencement date. As of June 30, 2021 no funds have been disbursed so there was no principal outstanding nor interest incurred.

In April 2021, the Enterprise Funds of the City entered into a \$23,300,000 loan agreement with the Georgia Environmental Facilities Authority (GEFA). These funds are to be used to finance the upgrade of the Flowery Branch water reclamation facility and related appurtenances until the earlier of the project completion date, October 1, 2024 or the that that the loan has been fully disbursed. The loan bears an interest rate of 1.04% amortized monthly. Accrued interest shall be payable monthly until the earlier of the completion date, November 1, 2023, or the date that the funds are fully disbursed. At that point, principal and interest shall be payable monthly for 20 years from the commencement date. As of June 30, 2021 no funds have been disbursed so there was no principal outstanding nor interest incurred.

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, 2021 was \$99,191. 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 2021 was \$70,179. 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, 2021, deferred inflows of resources and unearned revenue consisted of the following:

Governmental Fund Financial Statements:

Deferred inflows of resources

Fines	\$	20,277	Non-exchange transaction considered to be a resource
Property Taxes		56,060	collected beyond the City's period of availability.
Total deferred inflows of resources	\$	76,337	

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Financial Statements
June 30, 2021

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

Government-wide and Proprietary Fund Financial Statements:

Unearned revenue - Deposits to reserve sewage plant capacity	\$	87,659	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	\$	47,394	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, 2021, deferred outflows of resources consisted of the following:

Governmental Activities:

Deferred outflows of resources		
Defined benefit retirement plan - See Note 15	\$	149,060
Total deferred outflows of resources - governmental activities	\$	149,060

Business-type Activities

Deferred outflows of resources		
Deferred charge on refunding - See Note 5	\$	25,855
Defined benefit retirement plan - See Note 15		45,678
Total deferred outflows of resources - business-type activities	\$	71,533

Total Deferred Outflows of Resources - Government-wide	\$	220,593
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NOTE 9. HOTEL/MOTEL TAX

In the fiscal year ending June 30, 2021, the City was levying a hotel/motel tax at the rate of 8%. During the year ending June 30, 2021, the City collected \$137,846 in taxes, \$77,642 in taxes of which goes to the city and the remaining \$60,204 has contractually committed to the Lake Lanier Convention and Visitors Bureau for the expenditure of \$137,846 which brings the City into full compliance with state law.

NOTE 10. 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, 2021 is as follows:

<u>Due To:</u>	Hotel/Motel Tax Fund	Total
General Fund	\$ 28,618	\$ 28,618
	\$ 28,618	\$ 28,618

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.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

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, 2021 are as follows:

<u>Transfer To:</u>	<u>Transfer From:</u>			Total
	General Fund	SPLOST Fund	Hotel/Motel Tax Fund	
General Fund	\$ -	\$ -	\$ 77,642	\$ 77,642
Tax Allocation District Fund	68,899	-	-	68,899
Local Resources Fund	1,317,958	-	-	1,317,958
Water and Sewer	-	61,491	-	61,491
	<u>\$ 1,386,857</u>	<u>\$ 61,491</u>	<u>\$ 77,642</u>	<u>\$ 1,525,990</u>

NOTE 11. 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, 2021, the City paid \$8,727 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

NOTE 12. 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, 2021. The City is in compliance with all covenants.

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

NOTE 13. CAPITAL ASSETS

	Beginning Balance 7/1/2020	Additions	Retirements	Reclassifications	Ending Balance 6/30/2021
Primary Government:					
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 1,667,364	\$ -	\$ -	\$ -	\$ 1,667,364
Construction in Progress	153,205	363,830		-	517,035
Total non-depreciable capital assets	1,820,569	363,830	-	-	2,184,399
Depreciable Assets:					
Buildings & Improvements	5,227,480	-	-	-	5,227,480
Machinery & Equipment	1,616,205	120,129	151,244	-	1,585,090
Infrastructure	13,641,849	-	-	-	13,641,849
Intangibles	105,440	-	-	-	105,440
Total depreciable capital assets	20,590,974	120,129	151,244	-	20,559,859
Accumulated Depreciation:					
Buildings & Improvements	444,152	103,831	-	-	547,983
Machinery & Equipment	917,341	173,596	126,085	-	964,852
Infrastructure	2,067,558	279,771	-	-	2,347,329
Intangibles	7,908	10,544	-	-	18,452
Total accumulated depreciation	3,436,959	567,742	126,085	-	3,878,616
Total depreciable capital assets, net	17,154,015	(447,613)	25,159	-	16,681,243
Governmental activities capital assets, net	\$ 18,974,584	\$ (83,783)	\$ 25,159	\$ -	\$ 18,865,642
Business-type Activities:					
Non-Depreciable Assets:					
Land	\$ 553,201	\$ -	\$ -	\$ -	\$ 553,201
Construction in Progress	377,966	767,935	-	-	1,145,901
Total non-depreciable capital assets	931,167	767,935	-	-	1,699,102
Depreciable Assets:					
Buildings & Improvements	3,472,010	-	-	-	3,472,010
Machinery & Equipment	5,972,420	151,993	15,256	-	6,109,157
Infrastructure	8,141,227	272,471	-	-	8,413,698
Intangibles	21,260	-	-	-	21,260
Total depreciable capital assets	17,606,917	424,464	15,256	-	18,016,125
Accumulated Depreciation:					
Buildings & Improvements	1,557,004	69,678	-	-	1,626,682
Machinery & Equipment	2,387,388	146,012	15,256	-	2,518,144
Infrastructure	1,803,281	230,696	-	-	2,033,977
Intangibles	-	4,252	-	-	4,252
Total accumulated depreciation	5,747,673	450,638	15,256	-	6,183,055
Total depreciable capital assets, net	11,859,244	(26,174)	-	-	11,833,070
Business-type activities capital assets, net	\$ 12,790,411	\$ 741,761	\$ -	\$ -	\$ 13,532,172

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

Depreciation expense was charged for the following functions:

Governmental Activities:

General Government	\$ 130,070
Public Safety	120,815
Public Works	302,707
Health & Welfare	13,615
Housing & Development	535
Total depreciation expense - governmental activities	\$ 567,742

Business-type Activities:

Water and Sewer	\$ 450,638
Total depreciation expense - business-type activities	\$ 450,638

NOTE 14. 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, 2021, the employer contributed \$15,367.

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, 2021 was as follows:

Active employees	30
Active elected officials	0
Vested former participants	9
Retired participants and beneficiaries	4

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

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 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 \$175,172. 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, 2021</u>	<u>January 1, 2020</u>
Total Benefit Normal Cost	\$ 116,666	\$ 131,329
Administrative Expenses	\$ 6,744	\$ 6,963
Expected Employee Contributions	\$ -	\$ -
Employer Normal Cost	<u>\$ 123,410</u>	<u>\$ 138,292</u>
Actuarial Accrued Liability at Valuation Date	\$ 1,525,468	\$ 1,302,493
Actuarial Value of Assets at Valuation Date	<u>\$ 1,023,778</u>	<u>\$ 809,051</u>
Underfunded/(Surplus) Actuarial Accrued Liability	\$ 501,690	\$ 493,442
Payment on Unfunded/(Surplus) Actuarial Accrued Liability	\$ 45,639	\$ 43,771
Full Funding Credit	\$ -	\$ -
Recommended Mid-Year Contribution at Valuation Date	\$ 169,049	\$ 182,063
Adjustment to Fiscal Year (Begins July 1, 2016)	\$ 6,123	\$ 6,594
Total Recommended Mid-Year Contribution, For Fiscal Year	<u>\$ 175,172</u>	<u>\$ 188,657</u>
Recommended Contribution As A Percentage Of Expected Payroll	10.57%	9.18%

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Financial Statements
June 30, 2021

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.

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, 2021
Actuarial Value of Assets (a)	\$ 1,023,778
Actuarial Accrued Liability (b)	\$ 1,525,468
Underfunded/(Surplus) (b) - (a)	\$ 501,690
Funded Ratio (a) / (b)	67.11%
Covered Payroll	\$ 1,638,190

Actuarial Cost Method. Projected unit credit.

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, 2021 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%

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

The mortality and economic actuarial assumptions used in the January 1, 2021 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 2019. 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.

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.40%
International Equity	20%	7.05%
Domestic Fixed Income	20%	1.15%
Real Estate	10%	4.50%
Global Fixed Income	5%	1.25%
Cash	0%	
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. At June 30, 2021, the City reported a net pension liability. The amount recognized by the City were as follows:

City's Net Pension Liability:	
Governmental activities	\$ 572,533
Business-type activities	197,897
Total Net Pension Liability	<u>\$ 770,430</u>

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

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:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% Decrease	6.375%	\$1,038,443
Current Discount Rate	7.375%	\$770,430
1% Increase	8.375%	\$549,484

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

Changes in the City's net pension liability for the year ended September 30, 2021 were as follows:

	Total Pension Liability	Plan Net Position	Net Pension Liability
	(TPL)	(FNP)	(NPL)
	(a)	(b)	(a)-(b)
Balances at September 30, 2019	1,614,788	818,299	796,489
Changes for the Year:			
Service Cost	\$ 131,652	\$ -	\$ 131,652
Interest Expense	128,011	-	\$ 128,011
Benefit Changes (Changes of benefit terms)	-	-	\$ -
Experience Losses (gains)	-	-	-
(Amortized over avg remain svc period of actives & inactives)			
Changes of Assumptions	-	-	-
Contributions - Employer/Nonemployer	-	174,247	\$ (174,247)
Contributions - Employee	-	-	-
Contributions - State	-	-	-
Other Changes - Contribution timing differences	-	-	-
Net Investment Income	-	88,443	\$ (88,443)
Expected Return on Plan Investments	-	-	-
Amortized Portion of Current-period	-	-	-
Differences between Actual and Expected Returns on Plan Investments	(29,483)	-	\$ (29,483)
Refunds of Contributions	-	-	-
Benefits Paid	(21,398)	(21,398)	-
Plan Administrative Expenses	-	(6,451)	\$ 6,451
Contributions for Specific Liabilities	-	-	-
Other	-	-	\$ -
Amortization of or Change in Beginning Balances of Deferred Outflow	-	-	-
NET CHANGES:	\$ 208,782	\$ 234,841	\$ (26,059)
Balances at September 30, 2020	\$ 1,823,570	\$ 1,053,140	\$ 770,430

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Financial Statements
June 30, 2021

Pension Expense for the Year Ended June 30, 2021

Service Cost	\$ 131,652
Interest on TPL	128,011
Employee Contributions	-
Administrative Expenses	6,451
Expected Return on Assets	(65,748)
Expensed Portion of Current Year Period Differences Between Expected And Actual Experience in TPL	(4,913)
Expensed Portion of Current Year Period Assumption Changes Current Year Plan Changes	-
Expensed Portion of Current Year Period Differences Between Projected and Actual Investment Earnings	(4,539)
Current Year Recognition of Deferred Inflows and Outflows Established in Prior Years	14,927
Total Pension Expense	<u>\$ 205,841</u>

For the year ended June 30, 2021, the City of Flowery Branch recognized pension expense of \$205,841.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected And Actual Experience	\$ 58,515	\$ (32,076)
Changes of Assumptions	37,755	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(10,948)
City Contributions Subsequent to the Measurement Date	141,492	-
Total	<u>\$ 237,762</u>	<u>\$ (43,024)</u>

Deferred Outflows/Inflows of Resources Related to Pensions

The \$141,492 of deferred outflow of resources resulting from the City's contributions made after the measurement date of the net position liability but before the end of the employer's reporting period will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

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	\$ (8,430)	\$ (2,518)	\$ (10,948)
Difference Between Expected & Actual Experience Assumption Change	20,358	6,081	26,439
Employer Contributions Oct 1, 2020 - June 30, 2021	29,071	8,684	37,755
	108,949	32,543	141,492
	<u>\$ 149,948</u>	<u>\$ 44,790</u>	<u>\$194,738</u>

CITY OF FLOWERY BRANCH, GEORGIA

Notes to Financial Statements

June 30, 2021

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 Established	Outstanding Balance at July 1, 2020	Amount recognized During FYE June 30, 2021	Outstanding Balance at June 30, 2021	2022	2023	2024	2025	2026	2026 and thereafter
Fiscal Year Outflows										
Investment	2020	22,044	5,511	16,533	5,511	5,511	5,511	-	-	\$ -
Assumption Change	2018	4,128	688	3,440	688	688	688	688	688	\$ -
Assumption Change	2020	41,178	6,863	34,315	6,863	6,863	6,863	6,863	6,863	\$ -
Demographics	2019	16,092	2,682	13,410	2,682	2,682	2,682	2,682	2,682	\$ -
Demographics	2020	54,126	9,021	45,105	9,021	9,021	9,021	9,021	9,021	\$ -
Total Outflows		\$ 137,568	\$ 24,765	\$ 112,803	\$ 24,765	\$ 24,765	\$ 24,765	\$ 19,254	\$ 19,254	\$ -
Fiscal Year Inflows										
Demographic	2017	\$ (7,495)	\$ (1,499)	\$ (5,996)	\$ (1,499)	\$ (1,499)	\$ (1,499)	\$ (1,499)	\$ -	\$ -
Demographic	2018	(1,812)	(302)	(1,510)	(302)	(302)	(302)	(302)	(302)	\$ -
Demographic	2021	(29,483)	(4,913)	(24,570)	(4,914)	(4,914)	(4,914)	(4,914)	(4,914)	\$ -
Investment	2017	(957)	(957)	-	-	-	-	-	-	\$ -
Investment	2018	(9,670)	(4,835)	(4,835)	(4,835)	-	-	-	-	\$ -
Investment	2019	(6,735)	(2,245)	(4,490)	(2,245)	(2,245)	-	-	-	\$ -
Investment	2021	(22,695)	(4,539)	(18,156)	(4,539)	(4,539)	(4,539)	(4,539)	-	\$ -
Total Inflows		\$ (78,847)	\$ (19,290)	\$ (59,557)	\$ (18,334)	\$ (13,499)	\$ (11,254)	\$ (11,254)	\$ (5,216)	\$ -
Total		\$ 58,721	\$ 5,475	\$ 53,246	\$ 6,431	\$ 11,266	\$ 13,511	\$ 8,000	\$ 14,038	\$ -

NOTE 15. SUBSEQUENT EVENTS

Under the Local Recovery Assistance Funds Under the American Rescue Plan Act of 2021, the City of Flowery Branch was awarded a total of \$3,108,858. The first 50% was deposited on July 12, 2021 in the amount of \$1,554,429. The remaining award will be issued in FY 2023.

In July 2021, \$296,113 in draws were taken on a GEFA loan.

Subsequent events have been evaluated through December 9, 2021.

CITY OF FLOWERY BRANCH, GEORGIA

Budgetary Comparison Schedule - GAAP Basis

General Fund

For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property tax	\$ 1,631,673	\$ 1,631,673	\$ 2,096,793	\$ 465,120
Sales tax	750,000	825,258	1,325,553	500,295
Business tax	523,250	523,250	579,437	56,187
Franchise tax	483,000	483,000	523,190	40,190
Excise tax	188,250	188,750	341,864	153,114
Intergovernmental	800	800	603	(197)
Licenses and permits	469,050	469,050	965,955	496,905
Fines and forfeitures	400,000	400,000	394,602	(5,398)
Charges for services	28,800	28,800	71,296	42,496
Investment earnings	6,800	6,800	11,527	4,727
Contributions and donations	35,245	36,245	42,986	6,741
Miscellaneous	29,288	29,288	63,573	34,285
Total Revenues	4,546,156	4,622,914	6,417,379	1,794,465
Expenditures				
Current Operating:				
General government				
Council	37,836	29,336	27,005	(2,331)
City clerk	114,432	114,432	105,313	(9,119)
Mayor	12,839	11,339	10,074	(1,265)
City manager	201,474	283,669	283,664	(5)
Elections	2,400	2,400	270	(2,130)
General administration	496,804	502,396	435,022	(67,374)
Risk management	97,500	102,376	101,986	(390)
Building and plant	184,728	216,028	197,480	(18,548)
Public information	8,300	8,800	8,727	(73)
Records management	200	200	-	(200)
Judicial				
Municipal court	187,422	188,761	168,091	(20,670)
Public safety				
Police administration	455,387	469,001	414,941	(54,060)
Patrol	1,033,866	1,044,440	932,374	(112,066)
Public works				
Highways and street administration	630,860	602,647	501,573	(101,074)
Street lighting	73,800	73,800	59,423	(14,377)
Traffic engineering	3,800	5,300	5,025	(275)
Maintenance and shop	6,300	6,300	580	(5,720)
Recreation and culture				
Community center and depot	27,300	26,900	12,347	(14,553)
Railroad right-of-way	8,800	8,800	4,317	(4,483)
Culture and recreation	33,650	33,650	10,062	(23,588)
Parks	75,000	75,000	1,021	(73,979)
Housing and development				
Planning and community development	772,136	775,806	750,880	(24,926)
Economic development	37,000	37,000	24,725	(12,275)
Total Expenditures	4,501,834	4,618,381	4,054,900	(563,481)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	44,322	4,533	2,362,479	2,357,946
Other Financing Sources (Uses)				
Transfers in	89,692	25,770	77,642	51,872
Transfers out	(690,771)	(1,391,707)	(1,386,857)	4,850
Proceeds from sale of assets	500	500	35,229	34,729
Insurance refunds and recoveries	-	-	13,846	13,846
Budgeted Fund Balance	556,257	1,360,904	-	(1,360,904)
Total Other Financing Sources (Uses)	(44,322)	(4,533)	(1,260,140)	(1,255,607)
Net Change in Fund Balances	\$ -	\$ -	1,102,339	\$ 1,102,339
Fund Balance Beginning of Year			3,994,665	
Fund Balance End of Year			\$ 5,097,004	

CITY OF FLOWERY BRANCH, GEORGIA
 Budgetary Comparison Schedule - GAAP Basis
 Tax Allocation District Fund
 For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 63,480	\$ -	\$ -	-
Intergovernmental	92,219	102,444	102,441	(3)
Investment earnings	10,000	10,000	5,443	(4,557)
Contributions and donations	-	154,000	154,000	-
Total Revenues	165,699	266,444	261,884	(4,560)
Expenditures				
Current Operating:				
Housing and development	10,000	32,663	32,431	(232)
Debt service	168,060	168,060	168,057	(3)
Capital outlay	5,298,984	5,298,984	118,925	(5,180,059)
Total Expenditures	5,477,044	5,499,707	319,413	(5,180,294)
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(5,311,345)	(5,233,263)	(57,529)	5,175,734
Other Financing Sources (Uses)				
Transfers in	-	68,899	68,899	-
Budgeted Fund Balance	5,311,345	5,164,364	-	(5,164,364)
Total Other Financing Sources (Uses)	5,311,345	5,233,263	68,899	(5,164,364)
Net Change in Fund Balances	\$ -	\$ -	11,370	\$ 11,370
Fund Balance Beginning of Year			5,351,957	
Fund Balance End of Year			<u>5,363,327</u>	

CITY OF FLOWERY BRANCH, GEORGIA

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2021

	Grant Fund	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$	- \$	18,564 \$
Accounts receivable (net)		-	17,962
Total Assets		-	36,526
Deferred Outflows of Resources			
		-	-
Total Assets and Deferred Outflows of Resources		-	36,526
Liabilities			
Accounts payable	\$	- \$	7,858 \$
Due to other funds		-	28,618
Total Liabilities		-	36,476
Deferred Inflows of Resources			
		-	-
Total Liabilities and Deferred Inflows of Resources		-	36,476
Fund Balance			
Restricted for:			
Tourism		-	50
Total Fund Balance		-	50
Total Liabilities, Deferred Inflows and Fund Balance	\$	- \$	36,526 \$

CITY OF FLOWERY BRANCH, GEORGIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Grant Fund	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
Revenues			
Hotel/Motel tax	\$ -	\$ 137,846	\$ 137,846
Intergovernmental	435,794	-	435,794
Total Revenue	<u>435,794</u>	<u>137,846</u>	<u>573,640</u>
Expenditures			
Current:			
General government	650	-	650
Judicial	2,214	-	2,214
Public safety	124,329	-	124,329
Public works	4,589	-	4,589
Housing and development	-	60,204	60,204
Total Expenditures	<u>131,782</u>	<u>60,204</u>	<u>191,986</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	304,012	77,642	381,654
Other Financing Sources (Uses)			
Transfers out	-	(77,642)	(77,642)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(77,642)</u>	<u>(77,642)</u>
Net Change in Fund Balances	304,012	-	304,012
Fund Balances Beginning of Year	(304,012)	50	(303,962)
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>

CITY OF FLOWERY BRANCH, GEORGIA
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual
Grant Fund
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 131,790	\$ 131,790	\$ 435,794	\$ 304,004
Total Revenues	131,790	131,790	435,794	304,004
Expenditures				
Current Operating:				
General government	651	651	650	(1)
Judicial	2,215	2,215	2,214	(1)
Public safety	124,334	124,334	124,329	(5)
Public works	4,590	4,590	4,589	(1)
Total Expenditures	131,790	131,790	131,782	(8)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	304,012	304,012
Other Financing Sources (Uses)				
Net Change in Fund Balances	\$ -	\$ -	304,012	\$ 304,012
Fund Balance Beginning of Year			(304,012)	
Fund Balance End of Year			\$ -	

CITY OF FLOWERY BRANCH, GEORGIA
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual
Hotel/Motel Tax Fund
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Hotel/Motel tax	38,692	162,180	137,846	(24,334)
Total Revenues	<u>38,692</u>	<u>162,180</u>	<u>137,846</u>	<u>(24,334)</u>
Expenditures				
Current Operating:				
Housing and development	13,000	60,260	60,204	(56)
Total Expenditures	<u>13,000</u>	<u>60,260</u>	<u>60,204</u>	<u>(56)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,692</u>	<u>101,920</u>	<u>77,642</u>	<u>(24,278)</u>
Other Financing Sources (Uses)				
Transfers out	(25,692)	(101,920)	(77,642)	(24,278)
Total Other Financing Sources (Uses)	<u>(25,692)</u>	<u>(101,920)</u>	<u>(77,642)</u>	<u>(24,278)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (48,556)</u>
Fund Balance Beginning of Year			<u>50</u>	
Fund Balance End of Year			<u>\$ 50</u>	

CITY OF FLOWERY BRANCH, GEORGIA
Notes to Required Supplementary Information
on Budgetary Accounting and Control
Year Ended June 30, 2021

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 City Manager may make transfers of appropriations within a department at the department heads request. Transfers of appropriations between departments require the approval of council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Budget Amendments

Amendments to the original budget appropriations are approved by the City Council.

CITY OF FLOWERY BRANCH, GEORGIA
Required Supplementary Information
Defined Benefit Retirement Plan
June 30, 2021

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

	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service cost	\$ 131,652	\$ 116,634	\$ 95,013	\$ 125,621	\$ 118,625	\$ -
Interest	128,011	105,116	88,504	68,903	56,385	-
Differences between expected and actual experience	(29,483)	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	(21,398)	(6,120)	(4,079)	-	-	-
Net change in Total Pension Liability	208,782	326,817	200,897	198,004	161,516	727,554
Total Pension Liability - Beginning	1,614,788	1,287,971	1,087,074	889,070	727,554	-
Total Pension Liability - Ending (a)	\$ 1,823,570	\$ 1,614,788	\$ 1,287,971	\$ 1,087,074	\$ 889,070	\$ 727,554
Plan Fiduciary Net Position						
Contributions - Employer	\$ 174,247	\$ 152,496	\$ 154,837	\$ 149,864	\$ 135,830	\$ 121,000
Contributions - Employee	-	-	-	-	-	-
Net investment income	88,443	26,557	50,844	50,094	18,604	(4,794)
Benefit payments, including refunds of employee contributions	(21,398)	(6,120)	(4,079)	-	-	-
Administrative expense	(6,451)	(5,907)	(6,374)	(6,886)	(3,771)	(3,896)
Other	-	-	-	-	-	-
Net change in Fiduciary Net Position	234,841	167,026	195,228	193,072	150,663	112,310
Plan Fiduciary Net Position - Beginning	818,299	651,273	456,045	262,973	112,310	-
Plan Fiduciary Net Position - Ending (b)	\$ 1,053,140	\$ 818,299	\$ 651,273	\$ 456,045	\$ 262,973	\$ 112,310
Net Pension Liability - Ending: (a)-(b)	\$ 770,430	\$ 796,489	\$ 636,698	\$ 631,029	\$ 626,097	\$ 615,244
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	57.75%	50.68%	50.57%	41.95%	29.58%	15.44%
Covered payroll	\$ 1,638,190	\$ 2,031,478	\$ 1,639,971	\$ 1,521,906	\$ 1,618,606	\$ 1,566,019
Net Pension Liability as a percentage of covered payroll	47.03%	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, 2021

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

	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	-*	\$ 169,444	\$ 146,847	\$ 157,500	\$ 147,319	131,762
Contributions in relation to the actuarially determined contribution	-*	188,656	146,847	157,500	147,319	132,000
Contribution deficiency (excess)	-*	-	-	-	-	(268)
Covered payroll	-*	2,031,478	1,639,971	1,521,906	1,618,606	1,566,019
Contributions as a percentage of covered payroll	-*	8.34%	8.95%	10.35%	9.10%	8.43%

* 2021 information will be determined after fiscal year end and will be included in the 2022 valuation report.

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available. 2021 information will be determined after fiscal year end and will be in the 2022 valuation report. The actuarially determined contribution is based on benefit study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December 2019. 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. 2020 covered payroll is based on data collected as of September 30, 2019 for the 2020 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
Introduction to the Statistical Section
(Unaudited)

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

<u>Contents</u>	<u>Pages</u>
Financial Trends.....	60-66
These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.	
Revenue Capacity.....	67-72
These tables/schedules contain information that may assist the reader in assessing the viability of the City’s most significant revenue sources.	
Debt Capacity.....	73-76
These tables/schedules present information designed to assist the reader in analyzing the affordability of the City’s current levels of outstanding debt, and the City’s ability to issue additional debit in the future.	
Demographic and Economic Information.....	77-78
These tables/schedule offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City’s financial activities take place.	
Operating Information.....	79-81
These tables/schedules contact service and infrastructure data to assist the reader in understanding how the information in the City’s financial report relates to the services the government provides and the activities it performs.	

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

CITY OF FLOWERY BRANCH, GEORGIA

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

	<u>2021</u>	<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>
Governmental activities:										
Net investment in capital assets	\$ 5,290	(1) \$ 10,066	\$ 14,896	\$ 13,693	\$ 9,458	\$ 10,676	\$ 9,609	\$ 8,783	\$ 7,723	\$ 6,747
Restricted	7,335	(1) 910	80	35	2,682	726	45	544	607	512
Unrestricted	12,215	10,352	4,132	3,692	3,467	2,926	2,652	2,355	1,571	1,484
Total governmental activities net position	<u>\$ 24,840</u>	<u>\$ 21,328</u>	<u>\$ 19,108</u>	<u>\$ 17,419</u>	<u>\$ 15,606</u>	<u>\$ 14,328</u>	<u>\$ 12,306</u>	<u>\$ 11,682</u>	<u>\$ 9,901</u>	<u>\$ 8,743</u>
Business-type activities:										
Net investment in capital assets	\$ 10,883	\$ 9,826	\$ 8,727	\$ 7,961	\$ 7,626	\$ 7,047	\$ 5,972	\$ 6,203	\$ 6,281	\$ 6,362
Unrestricted	6,438	4,809	2,745	2,925	2,577	2,048	2,291	1,177	1,086	1,024
Total business-type activities net position	<u>\$ 17,321</u>	<u>\$ 14,635</u>	<u>\$ 11,472</u>	<u>\$ 10,887</u>	<u>\$ 10,203</u>	<u>\$ 9,095</u>	<u>\$ 8,263</u>	<u>\$ 7,380</u>	<u>\$ 7,367</u>	<u>\$ 7,387</u>
Primary government:										
Net investment in capital assets	\$ 16,173	\$ 19,892	\$ 23,622	\$ 21,654	\$ 17,084	\$ 17,723	\$ 15,581	\$ 14,987	\$ 14,004	\$ 13,110
Restricted	7,335	910	80	35	2,682	726	45	544	607	512
Unrestricted	18,653	15,161	6,878	6,617	6,044	4,974	4,943	3,533	2,657	2,508
Total primary government net position	<u>\$ 42,161</u>	<u>\$ 35,963</u>	<u>\$ 30,580</u>	<u>\$ 28,306</u>	<u>\$ 25,809</u>	<u>\$ 23,423</u>	<u>\$ 20,569</u>	<u>\$ 19,063</u>	<u>\$ 17,268</u>	<u>\$ 16,129</u>

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

Note: Amounts rounded in thousands.

Source: Statement of Net Position

CITY OF FLOWERY BRANCH, GEORGIA

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

	<u>2021</u>	<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>
Expenses										
Governmental activities:										
General Government	\$ 1,405	\$ 1,316	\$ 1,231	\$ 1,138	\$ 979	\$ 1,385	\$ 870	\$ 1,144	\$ 962	\$ 929
Judicial	166	144	173	134	147	122	135	118	102	127
Public Safety	1,485	1,411	1,247	1,147	1,079	941	956	891	895	862
Public Works	1,212	947	833	687	692	498	555	347	551	453
Health & Welfare (2)	-	-	-	-	-	-	-	14	17	17
Housing & Development	870	721	574	415	428	414	358	345	489	306
Recreation & Culture (2)	28	34	39	37	32	34	26	-	-	-
Interest on long-term debt	148	214	58	63	94	3	-	-	-	-
Total governmental activities expenses	<u>5,313</u>	<u>4,785</u>	<u>4,155</u>	<u>3,621</u>	<u>3,452</u>	<u>3,398</u>	<u>2,900</u>	<u>2,859</u>	<u>3,015</u>	<u>2,693</u>
Business-type activities:										
Water and Sewer	2,697	2,050	1,820	1,814	1,809	1,760	1,695	1,593	1,621	1,682
Sanitation (1)	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses:	<u>2,697</u>	<u>2,050</u>	<u>1,820</u>	<u>1,814</u>	<u>1,809</u>	<u>1,760</u>	<u>1,695</u>	<u>1,593</u>	<u>1,621</u>	<u>1,682</u>
Total primary government expenses	<u>8,010</u>	<u>6,835</u>	<u>5,975</u>	<u>5,435</u>	<u>5,261</u>	<u>5,158</u>	<u>4,595</u>	<u>4,451</u>	<u>4,636</u>	<u>4,375</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	128	97	85	89	90	75	196	229	175	234
Judicial	387	268	489	399	374	322	273	343	465	348
Public Safety	19	21	21	19	19	17	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Health & Welfare (2)	-	-	-	-	-	-	-	-	-	-
Housing & Development	891	626	226	344	275	255	139	124	97	71
Recreation & Culture (2)	-	-	2	3	3	4	5	-	-	-
Operating grants and contributions	556	563	142	216	83	61	16	13	6	42
Capital grants and contributions	1,685	1,344	970	909	1,104	1,403	594	1,344	1,336	523
Total governmental activities program revenues	<u>3,664</u>	<u>2,918</u>	<u>1,934</u>	<u>1,979</u>	<u>1,948</u>	<u>2,138</u>	<u>1,223</u>	<u>2,053</u>	<u>2,079</u>	<u>1,218</u>
Business-type activities:										
Charges for services										
Water and Sewer	5,309	5,042	2,143	2,181	2,666	2,469	1,859	1,563	1,571	1,518
Sanitation (1)	-	-	-	-	-	-	-	-	-	(12)
Total business-type activities program revenues	<u>5,309</u>	<u>5,042</u>	<u>2,143</u>	<u>2,181</u>	<u>2,666</u>	<u>2,469</u>	<u>1,859</u>	<u>1,563</u>	<u>1,571</u>	<u>1,505</u>
Total primary government program revenues	<u>8,973</u>	<u>7,961</u>	<u>4,077</u>	<u>4,160</u>	<u>4,614</u>	<u>4,606</u>	<u>3,082</u>	<u>3,617</u>	<u>3,650</u>	<u>2,723</u>
Net (expense) revenue:										
Governmental activities	(1,648)	(1,867)	(2,221)	(1,643)	(1,504)	(1,261)	(1,678)	(805)	(936)	(1,476)
Business-type activities	2,612	2,992	323	367	857	708	164	(30)	(50)	(176)
Total primary government net (expense) revenue	<u>\$ 963</u>	<u>\$ 1,125</u>	<u>\$ (1,899)</u>	<u>\$ (1,276)</u>	<u>\$ (647)</u>	<u>\$ (552)</u>	<u>\$ (1,513)</u>	<u>\$ (835)</u>	<u>\$ (986)</u>	<u>\$ (1,652)</u>

CITY OF FLOWERY BRANCH, GEORGIA

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

	<u>2021</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,107	\$ 1,778	\$ 1,558	\$ 1,282	\$ 1,109	\$ 1,039	\$ 1,044	\$ 873	\$ 715	\$ 902
Franchise taxes	523	506	479	422	432	423	745	693	660	622
Excise taxes (3)	342	305	301	295	250	342	-	-	-	-
Sales taxes	1,326	556	1,029	972	896	871	846	653	370	374
Hotel/Motel occupancy taxes (3)	138	1,081	136	139	127	121	-	-	-	-
Business taxes	579	96	528	502	472	433	360	374	352	354
Other taxes	102	97	105	91	69	95	-	-	-	-
Interest and investment earnings	17	18	8	9	12	6	5	2	3	3
Miscellaneous	77	52	81	41	8	67	-	-	-	4
Contributions	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of asset	10	(237)	(65)	10	5	0	11	-	-	-
Transfers	(61)	(166)	(250)	(306)	(597)	(116)	(710)	(9)	(5)	(38)
Total governmental activities	<u>5,160</u>	<u>4,087</u>	<u>3,910</u>	<u>3,456</u>	<u>2,782</u>	<u>3,282</u>	<u>2,301</u>	<u>2,586</u>	<u>2,094</u>	<u>2,221</u>
Business-type activities:										
Interest and investment earnings	0	1	4	10	10	8	7	8	9	13
Miscellaneous	12	4	9	0	0	0	1	26	16	9
Gain (loss) on sale of asset	-	-	-	-	597	-	-	-	-	-
Transfers	61	166	250	306	-	116	710	9	5	38
Total business-type activities	<u>74</u>	<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>
Total primary government net (expense) revenue	<u>5,235</u>	<u>4,257</u>	<u>4,173</u>	<u>3,772</u>	<u>3,389</u>	<u>3,406</u>	<u>3,019</u>	<u>2,629</u>	<u>2,124</u>	<u>2,281</u>
Change in Net Position										
Governmental activities	3,512	2,220	1,689	1,813	1,278	2,022	624	1,781	1,158	745
Business-type activities	2,686	3,163	585	684	1,464	832	882	14	(20)	(116)
Total primary government	<u>\$ 6,198</u>	<u>\$ 5,383</u>	<u>\$ 2,274</u>	<u>\$ 2,496</u>	<u>\$ 2,742</u>	<u>\$ 2,854</u>	<u>\$ 1,506</u>	<u>\$ 1,795</u>	<u>\$ 1,139</u>	<u>\$ 629</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.

Note: Amounts rounded in thousands.

Source: Statement of Activities

CITY OF FLOWERY BRANCH, GEORGIA

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

Fiscal Year	Property Taxes	Franchise Taxes	Sales Taxes	Hotel/Motel Occupancy Taxes (1)	Excise Taxes (1)	Business Taxes	Other Taxes	Total
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
2021	2,107	523	1,326	138	342	579	102	5,117

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

Note: Amounts rounded in thousands.

Source: Statement of Activities

CITY OF FLOWERY BRANCH, GEORGIA

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

	<u>2021</u>	<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>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable (1)										
Prepays	120	123	119	119	107	102	122	124	121	136
Restricted:										
Public Safety	32	25	34	43	39	32	8	-	-	24
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	4,945	3,847	3,021	2,833	2,573	2,760	2,142	1,896	1,515	1,289
Total general fund	<u>\$ 5,097</u>	<u>\$ 3,995</u>	<u>\$ 3,173</u>	<u>\$ 2,995</u>	<u>\$ 2,720</u>	<u>\$ 2,895</u>	<u>\$ 2,272</u>	<u>\$ 2,020</u>	<u>\$ 1,635</u>	<u>\$ 1,449</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable (1):										
Prepays	-	-	-	-	-	-	-	-	-	-
Restricted:										
Capital projects	1,940	885	53	-	2,438	558	37	543	607	308
Public safety	-	-	-	-	-	0	0	0	0	26
Housing & development	5,363	5,352	-	-	204	136	-	-	-	-
Tax allocation district	-	-	-	-	-	-	-	-	-	179
Tourism	-	-	-	-	-	-	-	-	-	-
Committed:										
Capital projects	2,422	1,833	1,481	1,573	1,202	459	274	423	-	-
Unassigned	-	(304)	(56)	(367)	-	-	(14)	(98)	(78)	-
Total all other governmental funds	<u>\$ 9,725</u>	<u>\$ 7,766</u>	<u>\$ 1,478</u>	<u>\$ 1,207</u>	<u>\$ 3,845</u>	<u>\$ 1,153</u>	<u>\$ 297</u>	<u>\$ 868</u>	<u>\$ 529</u>	<u>\$ 512</u>

(1) The City adopted GASB54 in FY 2011.

Note: Amounts rounded in thousands.

Source: Balance Sheet

CITY OF FLOWERY BRANCH, GEORGIA

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

	<u>2021</u>	<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>
Revenues										
Taxes (1)	\$ 5,005	\$ 4,320	\$ 4,124	\$ 3,691	\$ 3,351	\$ 3,325	\$ 3,018	\$ 2,629	\$ 2,169	\$ 2,181
Licenses and Permits	966	703	301	421	348	321	213	203	213	170
Intergovernmental	2,095	1,218	1,066	1,115	901	1,454	617	380	452	607
Fines and Forfeitures	395	277	478	422	354	331	283	348	404	345
Charges for Services	71	41	33	34	40	30	50	52	45	77
Interest Income	18	19	7	10	13	7	5	4	4	3
Contributions	247	357	45	8	7	10	16	1,012	895	-
Miscellaneous	65	52	81	41	47	67	30	25	10	21
Total Revenues	<u>8,861</u>	<u>6,988</u>	<u>6,135</u>	<u>5,743</u>	<u>5,061</u>	<u>5,545</u>	<u>4,232</u>	<u>4,653</u>	<u>4,192</u>	<u>3,405</u>
Expenditures										
Current:										
General Government	1,170	1,052	1,024	980	904	884	859	928	779	739
Judicial	170	150	176	143	150	129	136	118	100	126
Public Safety	1,472	1,378	1,261	1,164	1,060	954	903	909	886	888
Public Works	977	726	765	518	595	403	385	1,353	1,563	677
Health & Welfare (2)	-	-	-	-	-	-	-	14	17	17
Culture & Recreation (2)	28	34	125	37	32	13	22	-	-	-
Housing & Development	868	743	582	427	435	436	354	348	585	305
Capital Outlay	406	504	979	4,318	2,227	1,854	1,419	251	52	120
Debt Service:										
Principal	480	497	465	188	456	-	-	-	-	-
Interest	216	54	60	34	94	3	-	-	-	-
Total Expenditures	<u>5,787</u>	<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>
Excess of revenues over (under) expenditures	<u>3,073</u>	<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>
Other Financing Sources (Uses)										
Proceeds from the issuance of debt	-	5,423	-	-	4,000	724	226	-	-	-
Insurance refunds and recoveries	14	-	-	-	-	-	-	-	-	-
Proceeds from the sale of assets	35	3	-	10	5	0	11	-	-	-
Transfers in	1,464	1,144	1,301	1,919	1,181	554	662	309	388	67
Transfers out	(1,526)	(1,310)	(1,551)	(2,225)	(1,778)	(670)	(1,372)	(318)	(393)	(106)
Total other financing sources (uses)	<u>(12)</u>	<u>5,260</u>	<u>(250)</u>	<u>(296)</u>	<u>3,408</u>	<u>609</u>	<u>(473)</u>	<u>(9)</u>	<u>(5)</u>	<u>(38)</u>
Net change in fund balances	<u>\$ 3,061</u>	<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>
Debt service as a percentage of noncapital expenditures	12.9%	11.9%	11.8%	6.4%	14.8%	0.1%	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.

Note: Amounts rounded in thousands.

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

CITY OF FLOWERY BRANCH, GEORGIA

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

Fiscal Year	Property Taxes	Franchise Taxes	Sales Taxes	Hotel/Motel Occupancy Taxes (1)	Excise Taxes (1)	Business Taxes (1)	Other Taxes	Total
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
2021	2,107	523	1,326	135	342	579	102	5,114

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

Note: Amounts rounded in thousands.

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

CITY OF FLOWERY BRANCH, GEORGIA

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

Fiscal Year	Real Property			Personal Property		Public Utility (1)	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Motor Vehicles	Other						
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%
2021	327,794	96,816	19,679	2,995	52,436	4,595	11,454	492,861	3.264	1,609	40%

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

Note: Amounts rounded in thousands.

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

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					
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	
2021	3.264	4.853	0.000	4.080	8.933	17.550	0.000	29.747	

(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

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Fiscal Year 2021 / Tax Year 2020			Fiscal Year 2012 / Tax Year 2011		
	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	\$ 69,003,300	1	14.00 %	\$ -		- %
SKF USA, Inc	58,112,632	2	11.79 %			- %
Atlanta Falcons Football Club, LLC	27,243,000	3	5.53 %	18,012,924	2	7.40 %
Publix Supermarkets	15,862,688	4	3.22 %			- %
NNP-Looper Lake LLC	10,621,901	5	2.16 %	7,848,598	3	3.22 %
Vulcan Construction Materials, LLC	11,333,604	6	2.30 %			- %
DP 101, LLC	7,942,600	7	1.61 %			%
Atlanta Falcons Football Club, LLC	7,855,943	8	1.59 %	3,684,716	6	1.51 %
Group Four Real Estate Investments, LLC	6,490,500	9	1.32 %			- %
Home Depot USA Inc	5,801,616	10	1.18 %			- %
Tree Lake Associates	-		- %	27,616,937	1	%
Habersham Bank	-		- %	5,339,393	4	%
Bellsouth Telecom / AT&T Georgia	-		- %	4,880,117	5	%
Avery Products Corporation	-		- %	2,751,509	7	%
Georgia Marble Aggregates Corp	-		- %	2,166,374	9	%
Titshaw, Shirley L.	-		- %	2,012,609	10	%
Kohl's Department Stores, Inc.	-		- %			- %
LRG-5977 Spouts Springs ROA	-		- %			- %
Try-La Inc.	-		- %			- %
Reconserve, Inc.	-		- %	2,619,016	8	1.08 %
Contract Properties Flowery Branch, LLC	-		- %			- %
Vulcan Lands, Inc.	-		- %			- %
	-		- %			- %
	-		- %			- %
Totals	\$ 220,267,784		44.69 %	\$ 76,932,193		13.21 %

Source: Finance Department

CITY OF FLOWERY BRANCH, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Period Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	22,047	1,475,042	99.8
2021	1,421,465	1,613,726	113.5	N/A	1,613,726	113.5

(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 2021 are not yet available.

Source: Finance Department

CITY OF FLOWERY BRANCH, GEORGIA

WATER AND SEWER RATES

2021

Water			
Inside City Limits			
Residential		Multifamily (per unit)	
Volume (gallons)	Rate	Volume (gallons)	Rate
Base Charge	\$7.00 per month	Base Charge	\$7.00 per month
0-2,500	\$5.60 per 1000 gal	0-2,500	\$5.60 per 1000 gal
2,501-4,500	\$7.56 per 1000 gal	2,501-4,500	\$7.56 per 1000 gal
4,500 and above	\$11.20 per 1000 gal	4,500 and above	\$11.20 per 1000 gal

Sewer			
Inside City Limits			
Residential		Multifamily (per unit)	
Base Charge	All Volume	Base Charge	All Volume
\$7.00	\$8.93 per 1000 gal	\$7.00	\$7.25 per 1000 gal

Note: The City increased water rates bt 5% and sewer rates by 7% in August 2020.

Source: Water and Sewer Department

CITY OF FLOWERY BRANCH, GEORGIA

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

		WATER			
		Fiscal Year 2021		Fiscal Year 2012	
Customer	Type of Business	Total Billings	Percentage of System Revenues	Total Billings	Percentage of System Revenues
VR Tree Park LP	Residential	\$ 138,480	0.41 %	\$	
SHM Hideaway Bay LLC	Commercial	20,836	0.06 %		
TRY-LA, Inc	Hotel	10,870	0.03 %		
Crest Flowery Branch Apartments (1)	Residential	10,655	0.03 %		
Coin Laundry Solutions, Inc	Laundromat	9,463	0.03 %		
Trailwest Village	Mobile Home Park	5,752	0.02 %		
Buford Housing Authority	Residential	4,337	0.01 %		
City of Flowery Branch	Local Government	4,092	0.01 %		
Crest Flowery Branch Apartments (2)	Commercial	3,526	0.01 %		
David Pierce Family, LP (1)	Residential	3,245	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		\$ 211,257	0.63 %	\$ 158,458	0.85 %

		SEWER			
		Fiscal Year 2021		Fiscal Year 2012	
Customer	Type of Business	Total Billings	Percentage of System Revenues	Total Billings	Percentage of System Revenues
VR Tree Park LP	Residential	\$ 156,568	0.50 %	\$	
SKF USA, Inc.	Commercial	22,646	0.07 %		
Crest Flowery Branch Apartments	Residential	13,135	0.04 %		
TRY-LA, Inc	Hotel	9,675	0.03 %		
Coin Laundry Solutions, Inc.	Laundromat	8,611	0.03 %		
Buford Housing Authority	Re	4,736	0.02 %		
David Pierce Family, LP	re	3,823	0.01 %		
Thomas Concrete of Georgia	Commercial	3,306	0.01 %		
Deevik Properties LLC	Commercial	2,914	0.01 %		
Oscar Munoz	Commercial	2,732	0.01 %		
Tree Park	Residential	-	-	117,228	0.20 %
David Pierce Family, LP	Commercial	-	-	64,437	0.11 %
Deevik Properties LLC	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		\$ 228,146	0.73 %	\$ 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	Unamortized Premium	Notes Payable	Capital Leases Payable	Revenue Bonds	Intergovernmental Loan			
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	545,203	193,128	-	1,732,000	1,232,607	11,873,063	4.95	392.68
2021	7,882,925	483,798	-	-	1,460,000	1,163,388	10,990,111	3.83	318.54

(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, 2021**

<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	\$ 37,249,562	5.29 %	\$ 1,971,465
Hall County Board of Education	\$ 149,520,000	8.66 %	\$ 12,947,006
Total overlapping debt	<u>\$ 186,769,562</u>		<u>\$ 14,918,470</u>
Direct debt:			
Contracts payable	7,882,925	100.00 %	7,882,925
Unamortized premium	483,798	100.00 %	483,798
Notes payable	-	100.00 %	-
Leases payable	\$ -	100.00 %	\$ -
Total direct debt	<u>\$ 8,366,723</u>		<u>\$ 8,366,723</u>
Total direct and overlapping debt	<u>\$ 195,136,285</u>		<u>\$ 23,285,193</u>

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

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

Source: Assessed value data used to estimate applicable percentages and debt outstanding obtained from Hall County's Finance Department and Hall County Board of Education Finance Department as of June 30, 2021.

CITY OF FLOWERY BRANCH, GEORGIA

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>2021</u>	<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>
Debt limit	\$ 49,671,483	\$ 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
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 49,671,483</u>	<u>\$ 45,116,365</u>	<u>\$ 40,158,935</u>	<u>\$ 33,488,040</u>	<u>\$ 29,065,501</u>	<u>\$ 27,546,601</u>	<u>\$ 23,977,866</u>	<u>\$ 23,176,420</u>	<u>\$ 23,132,774</u>	<u>\$ 24,345,808</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	\$ 496,714,826									
Add back: exempt real property	-									
Total assessed value	<u>\$ 496,714,826</u>									
Debt limit (10% of total assessed value)	49,671,483									
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>\$ 49,671,483</u>									

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

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

CITY OF FLOWERY BRANCH, GEORGIA

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

Fiscal Year	Water and Sewer Revenue Bonds						Coverage
	Gross Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service			
				Principal	Interest		
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%	
2021	5,321	1,025	4,296	272	36	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

Note: Amounts rounded in thousands.

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)
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	7,934	239,892	30,236	35.3	1,928	3.6
2021	8,325	287,229	34,502	35.3	1,928	3.6

(1) Source: US Census Bureau QuickFacts

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

CITY OF FLOWERY BRANCH, GEORGIA

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

Employer	2021			2012		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (3)	Rank	Percentage of Total City Employment (2)
SKF USA, Inc	270	1	4.74 %			0.00 %
Atlanta Falcons Football Club	123	2	2.16 %	102	1	2.43 %
Publix Super Market	119	3	2.09 %	84	3	2.00 %
The Home Depot	104	4	1.83 %	86	2	2.05 %
Target Store	98	5	1.72 %	78	4	1.86 %
Kohls Department Store	62	6	1.09 %	62	5	1.48 %
Contract Lumber Inc	56	7	0.98 %	13	10	0.31 %
Chick-fil-a	50	8	0.88 %	53	6	1.26 %
Chilli's Bar & Grille	41	10	0.72 %	31	7	0.74 %
Reconserve of Georgia, Inc.	35		0.61 %	31	8	0.74 %
Crossroads Bar & Grille	-		0.00 %	23	9	0.55 %
Totals	958		16.82 %	563		13.40 %

- (1) Source: 2020 individual employer's business license filings.
- (2) Source: US Census Bureau QuickFact
- (3) Source: 2012 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>2021</u>	<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>
Legislative	6	6	6	6	6	6	6	6	6	6
Adminstration	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	16	16	16	14	14	13	13	13	13	13
Public Works*	8	8	8	8	7	7	7	7	7	7
Planning and Community Development	3	3	3	3	3	3	3	3	3	3
Water and Sewer*	10	10	7	7	7	7	7	7	7	7
Total	<u>49</u>	<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>

* 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	<u>2021</u>	<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>
General Government										
City Hall Buildings	1	1	1	3	3	3	3	3	3	3
Other Municipal Buildings	2	2	2	2	2	2	2	2	2	2
Public Safety										
Patrol Units	27	26	24	19	19	17	17	17	17	17
Public Works										
Streets (miles)	82	39	38	38	37	N/A	N/A	N/A	N/A	N/A
Culture and Recreation										
Parks	2	2	2	1	1	1	1	1	1	1
Water/Wastewater (1)										
Miles of water mains	20	16	16	16	16	16	16	16	16	16
Maximum daily capacity (thousand gals.)	480	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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Utility window customers	10,531	8,691	8,139	8,122	8,825	8,804	8,413	8,422	8,401	8,373
Judicial (1)										
Citations adjudicated	2,433	2,113	3,105	2,432	3,289	2,359	4,429	2,052	N/A	N/A
Bindovers	290	209	272	132	137	34	12	227	N/A	N/A
Warrants issued	97	29	100	68	98	79	104	125	N/A	N/A
Clients successfully completing probation	38	84	127	152	250	169	N/A	N/A	N/A	N/A
Public Safety (2)										
Arrests	376	340	355	235	287	287	220	304	N/A	N/A
Incidents	870	603	545	460	479	440	353	446	N/A	N/A
Incidents (field only)	2,679	2,356	2,346	1,750	1,900	648	N/A	N/A	N/A	N/A
Accidents	295	257	307	321	304	278	282	234	N/A	N/A
Calls for service	3,592	3,110	3,212	2,878	2,634	2,791	2,691	2,472	N/A	N/A
Calls for service (back up calls only)	3,962	3,481	2,874	2,414	2,597	1,231	N/A	N/A	N/A	N/A
Officer initiated traffic calls	5,103	3,098	3,967	3,123	3,380	2,769	2,950	3,876	N/A	N/A
Extra Patrols / Business Checks	29,639	18,259	11,705	5,755	6,691	7,615	7,780	3,538	N/A	N/A
Citations processed	2,523	2,290	3,458	3,753	3,301	2,574	2,488	3,296	N/A	N/A
Warning tickets issued	3,555	1,747	1,825	1,475	1,260	933	1,006	1,493	N/A	N/A
Police vehicle miles	194,510	194,189	186,851	176,473	187,258	163,147	149,699	189,030	N/A	N/A
Public Works (3)										
Work orders completed	1,675	1,928	725	765	764	673	781	N/A	N/A	N/A
Pavement repairs	82	110	145	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utility locates	2,846	2,483	1,916	1,173	2,442	2,662	1,694	N/A	N/A	N/A
Street signs replaced	86	80	95	50	N/A	N/A	N/A	N/A	N/A	N/A
Meters replaced or installed	305	139	59	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streets (miles)	82	38	38	38	N/A	N/A	N/A	N/A	N/A	N/A
Culture and Recreation										
Parks acres maintained	5,917	5,917	5,917	5,917	5,706	5,706	5,706	5,706	5,706	5,706
Community Development										
Residential Building Permits issued	496	391	259	245	347	228	201	171	119	71
Building inspections completed	2,362	329	1,345	1,113	1,293	941	599	531	427	271
Soil & erosion inspections completed	9,538	4,146	1,939	2,744	2,434	535	78	126	281	458
Code enforcement	193	195	132	35	42	13	6	32	36	41
New business license inspections	62	46	49	51	61	28	23	12	16	12
Certificate of occupancies issued	493	278	484	216	240	168	118	139	77	59
Water/Wastewater (4)										
New water lines installed (in linear feet)*	6,412	4,457	9,786	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water cutoffs*	290	482	455	244	233	245	250	234	169	190
Drinking water distributed (million gallons)	103	89	87	81	85	79	87	83	83	97
Average daily consumption (gallons)	284,777	241,061	239,000	285,385	261,578	N/A	N/A	N/A	N/A	N/A
Maximum daily consumption (thousand galls)	480,000	433,910	430,200	513,693	470,840	N/A	N/A	N/A	N/A	N/A
Wastewater treated (million gallons)	234	210	211	208	176	172	166	165	157	142
Average daily treatment (gallons)	641,897	574,132	579,000	562,000	569,000	458,000	472,000	456,000	453,000	430,000
Residential water customers	1,492	1,492	1,391	1,590	1,583	1,459	1,464	1,404	1,335	1,326
Commercial water customers	92	92	77	84	81	75	72	80	73	72
Water mains (miles)*	20	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.

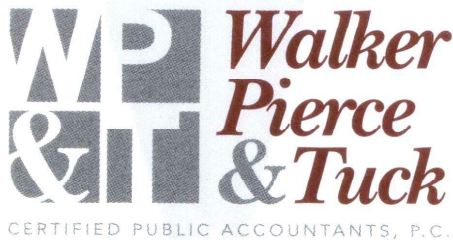
(2) Public Safety data is not available prior to 2014.

(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.



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 aggregate fund information of the City of Flowery Branch, Georgia, as of and for the year ended June 30, 2021, 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 9, 2021.

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

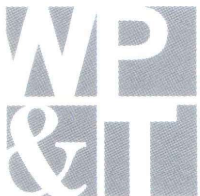
As part of obtaining reasonable assurance about whether the City of Flowery Branch, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 9, 2021



CITY OF FLOWERY BRANCH, GEORGIA

Schedule of Special Purpose Local Option Sales Tax

Estimated Cost and Expenditure Summary

For the Year Ended June 30, 2021

<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	\$ 1,238,645	\$ 61,491	\$ 1,300,136
Police vehicles and equipment	231,000	231,000	515,893	-	515,893
Roads and sidewalks	1,113,935	1,113,935	628,488	3,445	631,933
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>\$ 9,023,335</u>	<u>\$ 64,936</u>	<u>\$ 9,088,271</u>
SPLOST VIII					
Roads, streets, bridges, sidewalks	\$ 5,718,230	\$ 5,718,230	-\$	-\$	-
Parks and leisure facilities, land, and equipment	415,000	415,000	-	-	-
Public safety vehicles and equipment	276,000	276,000	-	41,305	41,305
Public works facilities, land, vehicles, and equipment	383,384	383,384	-	-	-
Total:	<u>\$ 6,792,614</u>	<u>\$ 6,792,614</u>	<u>\$ -</u>	<u>\$ 41,305</u>	<u>\$ 41,305</u>

SPLOST VII and VIII Current Year Expenditures:

Funds from SPLOST revenue sources	<u>\$ 106,241</u>
Total SPLOST Expenditures reported at June 30, 2021	<u>\$ 106,241</u>