OFFICIAL STATEMENT

RATING:
Moody's: "Aa2"

NEW ISSUE
Book-Entry Only

(See "MISCELLANEOUS - Rating" herein)

In the opinion of Bond Counsel, under current law and subject to conditions described under the caption "LEGAL MATTERS – Opinion of Bond Counsel," interest on the Series 2024 Bonds, including original issue discount, (1) is excluded from gross income for Federal income tax purposes and (2) interest on the Bonds is not a specific "item of tax preference" for purposes of the federal alternative minimum tax; provided however that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations, as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), for the purpose of computing alternative minimum tax imposed on corporations. A holder may be subject to other Federal tax consequences as described in the Section herein entitled "LEGAL MATTERS – Opinion of Bond Counsel." In the opinion of Bond Counsel, under current law and subject to conditions described under the caption "LEGAL MATTERS – Opinion of Bond Counsel," interest on the Series 2024 Bonds is exempt from present State of Georgia income taxation.

$25,000,000
Gainesville and Hall County Development Authority Revenue Bonds
(City of Flowery Branch Project), Series 2024

Dated: Date of Delivery

Due: June 1, as shown on inside front cover

The Gainesville and Hall County Development Authority (the "Issuer") will issue its Revenue Bonds (City of Flowery Branch Project), Series 2024 (the "Series 2024 Bonds" or the "Bonds") as fully registered, book-entry only bonds in denominations of $5,000 principal amounts or any integral multiple thereof pursuant to a Trust Indenture dated as of July 1, 2024 (the "Indenture") between the Issuer and Regions Bank, Atlanta, Georgia, as trustee (the "Trustee"). Interest on the Series 2024 Bonds will be payable commencing on December 1, 2024, and semi-annually on each June 1 and December 1 thereafter. The Series 2024 Bonds will bear interest at the rates and will mature on the dates set forth on the inside front cover page herein.

Upon delivery, ownership of the Series 2024 Bonds will be registered in the registry books of the Issuer kept by the Trustee in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") of New York, New York, under a book-entry only system. Purchasers of the Series 2024 Bonds (the "Beneficial Owners") will not receive certificates representing their interests in the Series 2024 Bonds. Principal of and interest on the Series 2024 Bonds will be payable at the principal corporate trust office of the Trustee only to or upon the order of the nominee or DTC, which will remit such principal and interest to its DTC Participants (as defined herein), which in turn will remit such principal and interest to the Beneficial Owners of the Series 2024 Bonds. See "DESCRIPTION OF THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds will be subject to optional and mandatory redemption at the times, under the conditions and at the prices set forth in "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions" herein.

The Series 2024 Bonds are being issued by the Issuer for the purpose of paying the costs of (i) the acquisition of the existing wastewater treatment facility located within the City of Flowery Branch, Georgia (the "Facility"); (ii) the construction, renovation, expansion, and equipping of the Facility, including the expansion of treatment capacity to 1,500,000 gallons per day, and the construction of new biological treatment processing, clarification, and filtration systems capable of treating water to near drinking standards prior to discharge (items (i) and (ii) collectively, the "Project"); (iii) payment of a portion of the interest on the Bonds and (iv) paying the costs of issuance of the Series 2024 Bonds.

The Series 2024 Bonds are special limited obligations of the Issuer payable solely from purchase payments to be made by the City of Flowery Branch, Georgia (the "City") to the Issuer pursuant to an Intergovernmental Installment Sale Agreement, to be dated July 1, 2024 (the "Agreement"), by and between the City and the Issuer. The City's obligations to make installment sale agreement payments to the Issuer sufficient in time and amount to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2024 Bonds is absolute and unconditional and will not expire so long as any of the Series 2024 Bonds remain outstanding and unpaid. Under the Agreement, the City has agreed to make provision for the levy of an annual tax on all taxable property located within the boundaries of the City, at such rates as may be necessary to make the purchase payments required by the Agreement. See "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS" herein.

SEE MATURITY, PRINCIPAL AMOUNT, RATE AND YIELD SCHEDULES ON INSIDE FRONT COVER

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2024 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinions of Stewart, Melvin & Frost, LLP, Gainesville, Georgia, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the City by its counsel Pereira, Kirby, Kinsinger & Nguyen, LLP and the Issuer by its counsel, Stewart, Melvin & Frost, LLP, Gainesville, Georgia; and for the Underwriter by Arnall Golden Gregory LLP, Underwriter's Counsel. The Series 2024 Bonds in definitive form are expected to be delivered to DTC in New York, New York, or to its agent in Atlanta, Georgia, on or about July 19, 2024.

STIFEL

Dated: June 20, 2024

$25,000,000
Gainesville and Hall County Development Authority Revenue Bonds
(City of Flowery Branch Project), Series 2024

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

June 1 Maturity	Principal Amount	Interest Rate	Yield	CUSIP Number	June 1 Maturity	Principal Amount	Interest Rate	Yield	CUSIP Number
2027	$380,000	5.000%	3.100%	362754KP7	2034	$180,000	5.000%	3.130%*	362754KW2
2028	135,000	5.000%	3.100%	362754KQ5	2035	190,000	5.000%	3.150%*	362754KX0
2029	140,000	5.000%	3.070%	362754KR3	2036	195,000	5.000%	3.190%*	362754KY8
2030	145,000	5.000%	3.080%	362754KS1	2037	295,000	5.000%	3.290%*	362754KZ5
2031	155,000	5.000%	3.090%	362754KT9	2038	310,000	5.000%	3.360%*	362754LA9
2032	160,000	5.000%	3.100%*	362754KU6	2039	325,000	5.000%	3.430%*	362754LB7
2033	170,000	5.000%	3.110%*	362754KV4					

$ 1,880,000	5.000% Term Bond Due June 1, 2044, Yielding 3.860%,*	CUSIP Number 362754LC5
$ 7,615,000	4.000% Term Bond Due June 1, 2049, Yielding 4.210%,	CUSIP Number 362754LD3
$12,725,000	4.125% Term Bond Due June 1, 2054, Yielding 4.310%,	CUSIP Number 362754LE1

* Yield calculated based upon assumed redemption on June 1, 2031 (first call date) at 100% of par.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been obtained from representatives of the City, public documents, records and other sources considered to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed this Official Statement in accordance with, and as part of, its responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2024 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES AGENCY. THE SERIES 2024 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved. The Series 2024 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Series 2024 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

William Bagwell, *Chairman*
Brian Rochester, *Vice-Chairman*
Glennis Barnes
David Lee
Alex Wayne
Melissa Tymchuk
Philip Wilheit, Jr.
Casey Ryals
Jimmy Adams

CITY OF FLOWERY BRANCH, GEORGIA

Elected Officials

Ed Asbridge, *Mayor*
Chris Mundy, *Council Member*
Oliver McClellan, *Council Member*
Joseph Mezzanottee, *Council Member*
Joe Anglin, *Council Member*
William McDaniel, *Council Member*

Appointed Officials

Tonya Parrish, City Manager
Matthew Hamby, Finance Director

SPECIAL SERVICES

General Counsel for the City

Ted Baggett
Pereira, Kirby, Kinsinger & Nguyen, LLP
Gainesville, Georgia

General Counsel for the Issuer

Stewart, Melvin & Frost, LLP
Gainesville, Georgia

Bond Counsel and Disclosure Counsel

Stewart, Melvin & Frost, LLP
Gainesville, Georgia

Underwriter

Stifel, Nicolaus & Company, Incorporated
Atlanta, Georgia

Underwriter's Counsel

Arnall Golden Gregory LLP
Atlanta, Georgia

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TABLE OF CONTENTS

INTRODUCTION 1

General 1
The Issuer 1
The City 1
Security and Source of Payment for the Series 2024 Bonds 1
Purpose of the Series 2024 Bonds 2
Description of the Series 2024 Bonds 2
Tax Exemption 3
Professionals Involved in the Offering 3
Trustee and Bond Registrar 3
Legal Authority for Issuance 3
Offering and Delivery of the Series 2024 Bonds 3
Continuing Disclosure 4
Other Information 4

PLAN OF FINANCING 5

Estimated Sources and Applications of Funds 5
Capital Project 5

DESCRIPTION OF THE SERIES 2024 BONDS 5

General 5
Authority for Issuance 6
Registration Provisions; Transfer and Exchange 6
Redemption Provisions 6
Book-Entry Only System 8

SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS 10

Indenture 10
Agreement 11
Limited Obligations 11
Enforceability of Remedies 11

PRINCIPAL AND INTEREST REQUIREMENTS 13

THE ISSUER 14

THE CITY 14

Introduction 14
City Government 14
City Services 15
Insurance Coverage 15
Employees 17
Retirement Plans and Other Post-Employment Benefits 17
General Fund History 19
Accounting System and Policies 20
Budgetary Process 20
General Fund Budget 21
Ad Valorem Taxation 22
Tax Collection 23
Historic Property Tax Information 25
Tax Rates – Mills 25
Historical Property Tax Levies and Collections 26
Principal Taxpayers 27
Summary of City Debt by Category and Overlapping Debt 28
Proposed Debt 29
Limitations on City Debt 29

Tax Supported Debt Ratios 30
Population 30
Per Capita Personal Income 31
Largest Employers 31
Labor Force Data 32
Industry Mix 33
Building Permits 33
Banking Deposits 34
Community Information 34

LEGAL MATTERS 34

Pending Litigation 34
Opinion of Bond Counsel 35
Bond Premium 36
Collateral Federal Tax Consequences 37
Validation Proceedings 37
Closing Certificates 37

MISCELLANEOUS 37

Rating 37
Underwriting 38
Additional Information 38

Appendix A Audited Financial Statements of the City for Fiscal Year Ended June 30, 2023
Appendix B Summary of Indenture and Intergovernmental Installment Sale Agreement
Appendix C Form of Continuing Disclosure Certificate
Appendix D Form of Bond Counsel Opinion

Official Statement
of the
Gainesville and Hall County Development Authority
relating to its
$25,000,000 Revenue Bonds
(City of Flowery Branch Project),
Series 2024

INTRODUCTION

General

The purpose of this Official Statement (the "Official Statement"), which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by the Gainesville and Hall County Development Authority (Georgia) (the "Issuer") of $25,000,000 in aggregate principal amount of its Revenue Bonds (City of Flowery Branch Project), Series 2024 (the "Series 2024 Bonds" or the "Bonds"). Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth in **Appendix B** of this Official Statement under the heading "SUMMARY OF INDENTURE AND INTERGOVERNMENTAL INSTALLMENT SALE AGREEMENT."

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices hereto, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement. The offering of the Series 2024 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.

The Issuer

The Issuer is a body corporate and a political subdivision of the State of Georgia, created by and under an Amendment to Article VII, Section V, Paragraph I of the Georgia Constitution of 1945 (Georgia Laws 1964, pp. 866 et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1964, pp. 2282 et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1978, pp. 3579, et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1982, pp. 4300, et seq.) and an Act of the General Assembly of Georgia (Georgia Laws 1986, pp. 4328, et seq), as amended (the "Act'). For more complete information, see "THE ISSUER" herein.

The Series 2024 Bonds will be special limited obligations of the Issuer as described under the caption "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS" herein.

The City

The City of Flowery Branch, Georgia (the "City"), is a municipal corporation of the State of Georgia, created by an Act of the General Assembly of the State of Georgia in 1903. For more complete information, see "THE CITY" herein.

Security and Source of Payment for the Series 2024 Bonds

The Series 2024 Bonds are special limited obligations of the Issuer payable solely from and secured by a lien upon and pledge of the security assigned to the Trustee by the Issuer (the "Trust Estate"), pursuant to a Trust Indenture, dated as of July 1, 2024 (the "Indenture"), between the Issuer and Regions Bank, Atlanta, Georgia, as trustee (the "Trustee").

Pursuant to the Indenture, the Series 2024 Bonds are secured by the Trust Estate, which includes the Issuer's rights, title, interest and remedies in and to an Intergovernmental Installment Sale Agreement (the "Agreement"), dated as of July 1, 2024, between the Issuer and the City. Pursuant to the Agreement, the Issuer will sell the Project (as that term is defined in the Agreement) to the City, and the City will make Installment Sale Agreement Payments (as defined in the Agreement) directly to the Bond Fund (as defined in the Indenture) under the Indenture for the account of the Issuer in amounts sufficient to enable the Issuer to pay in full the principal of and interest on the Series 2024 Bonds as same become due and payable, all as more fully set forth in the Agreement. The Agreement obligates the City to make periodic Installment Sale Agreement Payments (as defined in the Agreement) to the Issuer in the amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, premium, if any, and interest on the Series 2024 Bonds. Under the Agreement, the City has agreed to make provision for the levy of an annual tax on all taxable property located with the boundaries of the City, unlimited as to rate or amount, as may be necessary to make the payments required by the Agreement, provided the City's duty to make provision for the levy of such taxes shall abate to the extent that its revenues from other sources are used to make such payments. **The City's obligation to make the payments required under the Agreement is absolute and unconditional and will not expire so long as any of the Series 2024 Bonds remain outstanding and unpaid.** The City intends to make the purchase payments under the Agreement primarily from water and sewer system revenues.

For more complete information, see "SECURITY AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" herein, "THE CITY – Ad Valorem Taxation" and APPENDIX B – SUMMARY OF THE INDENTURE AND THE INTERGOVERNMENTAL INSTALLMENT SALE AGREEMENT hereto.

Purpose of the Series 2024 Bonds

The Series 2024 Bonds are being issued by the Issuer for the purpose of paying the costs of (i) the acquisition of the existing wastewater treatment facility located within the City of Flowery Branch, Georgia (the "Facility"); (ii) the construction, renovation, expansion, and equipping of the Facility, including the expansion of treatment capacity to 1,500,000 gallons per day, and the construction of new biological treatment processing, clarification, and filtration systems capable of treating water to near drinking standards prior to discharge (items (i) and (ii) collectively, the "Project"); (iii) payment of a portion of the interest on the Bonds, and (iv) paying the costs of issuance of the Series 2024 Bonds. See "PLAN OF FINANCING" herein.

Description of the Series 2024 Bonds

Redemption. The Series 2024 Bonds are subject to optional and mandatory redemption prior to their stated maturity. See "DESCRIPTION OF THE SERIES 2024 BONDS--Redemption Provisions" herein.

Denominations. The Series 2024 Bonds are issuable in denominations of $5,000 or any integral multiple thereof.

Registration, Transfers and Exchanges. The Series 2024 Bonds will be issued in fully registered form. Ownership of Series 2024 Bonds may be transferred upon surrender of such Series 2024 Bond to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative. Subject to the conditions hereinafter described, the Series 2024 Bonds are exchangeable for a like aggregate principal amount of Series 2024 Bonds of the same maturity in denominations of $5,000 or any integral multiple thereof. See "DESCRIPTION OF THE SERIES 2024 BONDS - Registration Provisions; Transfer and Exchange."

Payments. Interest on the Series 2024 Bonds is payable by check or draft mailed by first class mail on the date due to the owners thereof as shown on the books and records of the Bond Registrar on the 1st day of the calendar month next preceding each Interest Payment Date (as defined herein). Interest on the Series 2024 Bonds is payable to any registered owner of more than $500,000 in aggregate principal amount of the Series 2024 Bonds by wire transfer to such registered owner if written notice is given to the Paying Agent at least 30 days prior to an Interest Payment Date. Principal of and premium, if any, on the Series 2024 Bonds are payable upon surrender thereof at the corporate trust office of Regions Bank, Atlanta, Georgia, as Paying Agent and Bond Registrar. See "DESCRIPTION OF THE SERIES 2024 BONDS -- General."

For a more complete description of the Series 2024 Bonds, see "DESCRIPTION OF THE SERIES 2024 BONDS."

Notices. At least thirty and not more than sixty days before the date upon which redemption is to be made, a redemption notice will be mailed by first class mail to all registered owners of Series 2024 Bonds to be redeemed. See "DESCRIPTION OF THE SERIES 2024 BONDS -- Redemption Provisions."

Tax Exemption

In the opinion of Bond Counsel, under existing law, (a) interest on the Series 2024 Bonds, including original issue discount, is excluded from gross income for federal income tax purposes, (b) interest on the Series 2024 Bonds is not a specific "item of tax preference" for purposes of the federal alternative minimum tax; provided however that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations, as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), for the purpose of computing alternative minimum tax imposed on corporations, and (c) interest on the Series 2023 Bonds is exempt from present State of Georgia income taxation, subject to the conditions and limitations described herein. See **Appendix D** for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2024 Bonds. For a more complete discussion of such opinion and certain tax consequences incident to the ownership of the Series 2024 Bonds, including certain exceptions to the tax treatment of interest, see "LEGAL MATTERS-- Opinion of Bond Counsel" herein.

Professionals Involved in the Offering

The Series 2024 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approving opinion of Stewart, Melvin & Frost, LLP, Gainesville, Georgia, Bond Counsel and Disclosure Counsel. Copies of such opinion will be available at the time of delivery of the Bonds, and a copy of the proposed form of such opinion is attached hereto as **Appendix D**. Certain legal matters will be passed on for the City by its general counsel, Pereira, Kirby, Kinsinger & Nguyen, LLP, Gainesville, Georgia, for the Issuer by its counsel, Stewart, Melvin & Frost, LLP, and for the Underwriter by Arnall Golden Gregory LLP, as Underwriter's Counsel.

The financial statements of the City as of June 30, 2023, and for the year then ended attached hereto as **Appendix A** have been audited by Rushton, LLC, independent public accountants, as indicated in its report included therewith. Their report dated October 20, 2023, references management's discussion and analysis and schedules of funding progress which are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. Rushton, LLC did not audit and does not express an opinion on that information. The City has requested and obtained the consent of Rushton, LLC to the inclusion of its audit report dated October 20, 2023, in this Official Statement. Rushton LLC has not evaluated any events related to the above described financial statements occurring after June 30, 2023.

Trustee and Bond Registrar

Regions Bank, Atlanta, Georgia, as trustee under the Indenture, will act as bond registrar and as paying agent for the Series 2024 Bonds.

Legal Authority for Issuance

The Series 2024 Bonds are authorized and issued in accordance with the Constitution of the State of Georgia and pursuant to the provisions of an act of the General Assembly of the State of Georgia (Ga. Laws 1999, page 4330, et seq.), as amended (the "Act'), Official Code of Georgia Annotated Section 36-82-60, et seq., as amended (the "Revenue Bond Law"), and that certain Trust Indenture dated as of July 1, 2024 (the "Indenture") between the Issuer and Regions Bank, Atlanta, Georgia, as trustee. For more complete information, see "DESCRIPTION OF THE SERIES 2024 BONDS—Authority for Issuance" herein.

Offering and Delivery of the Series 2024 Bonds

The Series 2024 Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriter. The Series 2024 Bonds in definitive form are expected to be delivered through The Depository Trust Company in New York, New York, or its agent in Atlanta, Georgia, on or about July 19, 2024.

Continuing Disclosure

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold, or sell the Series 2024 Bonds, and the Issuer will not provide any such information. The City has undertaken all responsibilities for any continuing disclosure to Beneficial Owners of the Series 2024 Bonds, as described below, and the Issuer will have no liability to the Beneficial Owners of the Series 2024 Bonds or any other person with respect to such disclosures.

The City has covenanted for the benefit of the owners of the Bonds in a Continuing Disclosure Certificate (the "Disclosure Certificate") to provide (a) certain financial information and operating data relating to the City (the "Operating and Financial Data") annually to the Municipal Securities Rulemaking Board (the "MSRB"), the present nationally recognized municipal securities information repository, through its Electronic Municipal Market Access system ("EMMA"), and to the state information repository (the "SIR"), if any, and (b) notices of the occurrence of certain events (the "Significant Events Notices"), to the MSRB through EMMA and to the SIR, if any. The form of the Disclosure Certificate containing the City's undertaking to provide Operating and Financial Data and Significant Events Notices is set forth in **Appendix C** hereto. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the "Rule"). As of the date of this Official Statement, there is no SIR in the State of Georgia.

In connection with the issuance of the Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020 (the "Prior Bonds") and pursuant to an undertaking (the "Prior Undertaking") delivered contemporaneously with the issuance of the Prior Bonds, the City covenanted to provide certain operating and financial data and notices of certain enumerated events. The City timely filed its audited financial statements for fiscal years 2020, 2021, 2022, and 2023. Also, the City timely filed the additional portion (the portion other than the audited financial statements) of the Annual Report (as defined in the Undertaking) for fiscal years 2020, 2021, 2022, and 2023. The City also filed in late March, 2021, a material event notice pertaining to a financial obligation incurred in early February, 2021. In order to ensure that the City complies in the future with the Undertaking and any future undertakings (including the Disclosure Certificate), the City has engaged Raymond James & Associates, Inc. as dissemination agent to assist with compliance with the City's continuing disclosure undertakings, and the City's finance director has been given the primary responsibility for such compliance on behalf of the City.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from whose contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the City's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the City, the Series 2024 Bonds, and the security and sources of payment for the Series 2024 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Series 2024 Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. Copies of the Bond Resolution, the Disclosure Certificate, and other documents and information are available, upon request and upon payment to the City of a charge for copying, mailing, and handling, from Matthew Hamby, Finance Director, City of Flowery Branch, 5410 W Pine St, Flowery Branch, GA 30542, telephone: (770) 967-6371. During the period of the offering of the Series 2024 Bonds, copies of such documents are available, upon request and upon payment to the Underwriter of a

charge for copying, mailing, and handling, from Bryan Huskey, Stifel, Nicolaus & Company, Incorporated, 3630 Peachtree Road, NE, Suite 400, Atlanta, Georgia 30326, telephone: (404) 504-2768.

PLAN OF FINANCING

Estimated Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Series 2024 Bonds are estimated below.

Estimated Sources of Funds:	
Series 2024 Bond Par Amount	$25,000,000.00
Net Original Issue Discount	(242,396.80)
Estimated Project Fund Earnings[1]	877,000.00
Total Sources of Funds	$25,634,603.20
Estimated Application of Funds:	
Capital Project	$23,054,258.18
Capitalized Interest	2,233,345.02
Cost of Issuance[2]	347,000.00
Total Application of Funds	$25,634,603.20

[1] Assumes earnings on the General Account of the Project Fund at an average rate of 4.92% per year and an estimated completion date of the Project in July, 2026.

[2] Includes the Underwriter's discount, legal and accounting fees, rating agency fees, initial Trustee's fees and printing costs, validation court costs, and other budgeted costs of issuance.

Capital Project

The Project consists of the acquisition, construction, renovation, expansion, and equipping of the existing wastewater treatment facility located within the City of Flowery Branch, Georgia (the "Facility"), including (i) the expansion of the Facility through the construction of a 1,500,000 gallons per day membrane bioreactor treatment system, (ii) the construction of new screening and grit removal, biological treatment basins, membrane filtration system, capable of treating water to near drinking standards prior to discharge, and ultraviolet disinfection (iii) the replacement of existing systems wherever necessary to meet the growing demand caused by the growth of the City of Flowery Branch, and (iv) other capital improvements to the sewer system that the City deems necessary in connection with the renovation and expansion of the Facility.

The cost of the Project is approximately $45,896,000, plus capitalized interest. The Project is being financed with the proceeds of the Series 2024 Bonds, the earnings thereon, and the remaining proceeds in the amount of $20,995,000 from a loan from Georgia Environmental Finance Authority ("GEFA"), The loan from GEFA is being drawn down by the City as needed to pay costs of the Project. The interest rate on the loan is 1.04% per annum, and the principal repayment will be amortized in monthly payments over 20 years starting after completion of the Project. See Note 10 of the financial statements of the City for fiscal year ended June 30, 2023 included as Appendix A for more information regarding the GEFA loan.

DESCRIPTION OF THE SERIES 2024 BONDS

Genera

The Series 2024 Bonds will be dated as of the date of delivery, and will bear interest from the later of such dated date or the Interest Payment Date (as defined below) next preceding their date of authentication to which interest has been paid, unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, or unless their date of authentication is after a Record Date and prior to the corresponding Interest Payment Date, in which case from such corresponding Interest Payment Date, or unless their date of authentication is prior to the first Interest Payment Date, in which case from the date of issuance thereof, at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of a 360-day year comprised of twelve 30-day

months). The principal of and interest and redemption premium (if any) on the Series 2024 Bonds are payable upon the presentation and surrender of the Series 2024 Bonds at the corporate trust office of Regions Bank, Atlanta, Georgia, as trustee (the "Trustee"). Interest on the Series 2024 Bonds is payable on June 1 and December 1 (each such date, an "Interest Payment Date"), commencing December 1, 2024, by check or draft mailed by first class mail to the registered owner of record as of the May 15 or the November 15 immediately preceding the applicable Interest Payment Date, at such owner's address as it appears on the bond registration books of the Issuer maintained by Regions Bank, Atlanta, Georgia, as bond registrar (the "Bond Registrar"). Interest on the Series 2024 Bonds is payable to any registered owner of more than $500,000 in aggregate principal amount of Series 2024 Bonds by wire transfer to such registered owner if written notice is given to the Trustee at least 30 days prior to an Interest Payment Date. Interest shall continue to be so paid until such wire instructions are revoked in writing.

Authority for Issuance

The Series 2024 Bonds are being issued pursuant to the authority granted by (i) an Amendment to Article VII, Section V, Paragraph I of the Georgia Constitution of 1945 (Georgia Laws 1964, pp. 866 et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1964, pp. 2282 et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1978, pp. 3579, et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1982, pp. 4300, et seq.) and an Act of the General Assembly of Georgia (Georgia Laws 1986, pp. 4328, et seq), as amended (collectively, the "Act') (ii) Article 3 of Chapter 82 of Title 36 of the O.C.G.A. (the "Revenue Bond Law"), (iii) a bond resolution of the Issuer adopted on June 20, 2024 (the "Bond Resolution"), and (iv) the Indenture.

Article IX, Section III, Paragraph I of the Constitution of the State of Georgia of 1983 authorizes any political subdivision of the State of Georgia to contract for any period not exceeding 50 years with any public corporation or public authority for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, if such contract deals with activities, services, or facilities which the contracting parties are authorized by law to undertake to provide.

The execution, delivery, and performance of the Agreement by the City was authorized and approved pursuant to a resolution adopted on June 20, 2024 (the "City Resolution") by the City.

Registration Provisions; Transfer and Exchange

The Series 2024 Bonds will be issued in fully registered form in the denomination of $5,000 each or integral multiples thereof. The Series 2024 Bonds will be registered as to principal and interest on the registration books kept by the Bond Registrar. The registered owner thereof shall be treated as the absolute owner thereof for all purposes, including payment, and payment to the registered owner thereof shall satisfy all liability thereon to the extent of sums so paid.

Ownership of any Series 2024 Bond will be transferable upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney, in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Series 2024 Bond or Series 2024 Bonds registered in the name of the transferee in the authorized denomination in the same aggregate principal amount and interest rate as the Series 2024 Bonds surrendered for such transfer. The Series 2024 Bonds may be exchanged for a like principal amount of Series 2024 Bonds of the same interest rate of other authorized denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration or transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2024 Bonds. The Bond Registrar is not required to transfer or exchange any Series 2024 Bond after notice of redemption has been given or for fifteen days prior to the giving of such notice.

Redemption Provisions

Optional Redemption.

The Series 2024 Bonds maturing on June 1, 2032 and thereafter are redeemable prior to maturity at the option of the City, in whole or in part on any date at any time on or after June 1, 2031, in any order of maturity (less than all of such Series 2024 Bonds of a single maturity to be selected by lot in a manner determined by the Paying Agent) from

any moneys available therefor at par plus accrued interest to the redemption date, all in the manner provided in the Indenture.

If less than all of a maturity of the Series 2024 Bonds is to be redeemed, the particular Series 2024 Bond or portion of the Series 2024 Bonds will be redeemed pro rata within a maturity, rounded to the nearest $5,000.

Official notice of any redemption must be given by the Bond Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2024 Bond or Series 2024 Bonds to be redeemed at the address shown on the books maintained by the Bond Registrar. Failure to mail any such redemption notice or any defect therein will not affect the validity of the proceedings for the redemption of Series 2024 Bonds for which proper notice was given. Neither the Bond Registrar nor the Issuer will have any responsibility whatsoever if any such notice is mailed as described above but is not received by or receipt thereof is refused by the applicable registered owner. No defect in any such notice will in any manner defeat the effectiveness of a call for redemption for which proper notice was given.

Notwithstanding the foregoing, the securities depository for any Series 2024 Bonds held in book-entry form shall select the Series 2024 Bonds for redemption within particular maturities according to its stated procedures, including, but not limited to, its pro rata pass-through distribution procedures, and the Trustee shall have no responsibility for such selection.

Notice of redemption identifying the Series 2024 Bonds to be redeemed shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date to the registered owner of each Bond to be redeemed, in whole or in part, at the address shown on the Bond Register. Failure to give any such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond as to which notice was given as provided herein.

Each notice of redemption shall specify (i) the date fixed for redemption, (ii) the principal amount of the Series 2024 Bonds or portions thereof to be redeemed, (iii) the CUSIP numbers of such Series 2024 Bonds to be redeemed, (iv) the redemption price or prices, (v) the place or places of payment, (vi) that payment will be made upon presentation and surrender of the Series 2024 Bonds to be redeemed, (vii) that interest accrued to the date fixed for redemption will be paid as specified in such notice, (viii) if such redemption is conditional, that such redemption is conditional upon receipt by the Trustee on or prior to the redemption date, of moneys sufficient to effect such redemption, and (ix) that on and after such redemption date interest thereon will cease to accrue unless such redemption is conditional and such condition is not satisfied. If less than all of an outstanding series of the outstanding Series 2024 Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Series 2024 Bonds to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state that on and after the date fixed for redemption, upon surrender of such Series 2024 Bond, a new Series 2024 Bond or Series 2024 Bonds in principal amount equal to the unredeemed portion thereof will be issued without charge therefor; provided that no such statement is required while the Series 2024 Bonds are in book-entry form.

In the event that any such notice of optional redemption is conditional, and the Issuer notifies the Trustee in writing that such condition is not or will not be satisfied, then the Trustee shall not redeem any of the Series 2024 Bonds with respect to which such conditional notice of redemption was mailed, such Series 2024 Bonds shall continue to bear interest at the rate specified thereon, and the Trustee, the Issuer and the owners of the Series 2024 Bonds shall continue as if such conditional notice had not been mailed to the owners of the Series 2024 Bonds. Immediately after learning that any such condition is not or will not be satisfied, the Issuer shall notify the Trustee in writing thereof. As soon as practicable after receipt of such notice from the Issuer, the Trustee shall send a notice by first class mail to the Issuer and to the owners of the Series 2024 Bonds that such condition was not or will not be satisfied and that such redemption will not or did not occur.

On the date designated for redemption, notice having been given, any condition to such redemption having been satisfied, and moneys for payment of the redemption price being on deposit with the Trustee or any paying agents, the Series 2024 Bonds or portions thereof so called for redemption shall cease to bear interest; shall cease to be entitled to any benefit or any security under this Indenture; and the registered owners thereof shall have no rights in respect to such Series 2024 Bonds or such portions thereof so called for redemption except to receive payment of the redemption

price therefor and accrued interest thereon to the redemption date from the moneys deposited with the Trustee or any paying agents.

Mandatory Redemption of Series 2024 Bonds.

The Series 2024 Bonds maturing on June 1, 2044, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 2044 amount to be paid rather than redeemed):

June 1 of the Year	Principal Amount
2040	$340,000
2041	355,000
2042	375,000
2043	395,000
2044	415,000

In addition, the Series 2024 Bonds maturing on June 1, 2049, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 2049 amount to be paid rather than redeemed):

June 1 of the Year	Principal Amount
2045	$ 645,000
2046	775,000
2047	1,775,000
2048	2,165,000
2049	2,255,000

In addition, the Series 2024 Bonds maturing on June 1, 2054, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 2054 amount to be paid rather than redeemed):

June 1 of the Year	Principal Amount
2050	$2,345,000
2051	2,440,000
2052	2,540,000
2053	2,645,000
2054	2,755,000

Book-Entry Only System

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and

pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of Series 2024 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER TO RECEIVE NOTICES (INCLUDING NOTICES OF REDEMPTION) AND OTHER INFORMATION REGARDING SERIES 2024 BONDS THAT MAY BE SO CONVEYED TO DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuer or the Paying Agent, subject to any statutory or regulatory

requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to Series 2024 Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2024 Bonds are required to be printed and delivered.

The Issuer and the City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2024 Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the City believe to be reliable, but the Issuer and the City take no responsibility for the accuracy thereof.

NEITHER THE ISSUER NOR THE CITY NOR THE PAYING AGENT NOR THE UNDERWRITER (OTHER THAN IN THEIR CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE ISSUER NOR THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON SERIES 2024 BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF SERIES 2024 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2024 BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF SERIES 2024 BONDS.

SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS

Indenture

Pursuant to the Indenture, the Series 2024 Bonds are special limited obligations of the Issuer payable solely from and secured by a lien upon and pledge of the security assigned to the Trustee by the Issuer (the "Trust Estate"). The Series 2024 Bonds are secured by the Trust Estate, which includes the Issuer's rights, title and interest and remedies in and to the Agreement. The Agreement obligates the City to make periodic purchase payments to the Issuer in the amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, premium, if any, and interest on the Series 2024 Bonds. The Issuer has covenanted in the Indenture not to create or permit to create any lien, security interest, or charge upon the Trust Estate, other than the pledge and assignment created by the Indenture. See "Summary of Certain Provisions of the Trust Indenture" in **Appendix B** hereto.

The Issuer has not granted any lien on or security interest in any assets of the Issuer or the revenues therefrom (other than Pledged Revenues) to secure the Series 2024 Bonds.

The Issuer may issue other bonds for the purpose of financing unrelated projects, which are not and will not be secured by the Indenture or the Agreement. Such bonds will be secured by instruments separate and apart from the Indenture and the Agreement.

Agreement

Pursuant to the Agreement, the City has agreed to pay to the Issuer purchase payments for the Projects in such amounts and at such times as will be sufficient to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2024 Bonds, as and when the same become due and payable. The absolute and unconditional obligation of the City to make the purchase payments required by the Agreement is an obligation of the City, payable from any unencumbered funds, to which its full faith and credit and taxing power are pledged.

The City has agreed in the Agreement to make provision for the levy of an annual tax on all taxable property located within the boundaries of the City, unlimited as to rate or amount, as may be necessary to make the purchase payments called for by the Agreement and to make available and use for such payments all taxes levied and collected for that purpose together with funds received from any other sources. The City intends to make the purchase payments under the Agreement primarily from water and sewer system revenues.

The City has also agreed in the Agreement that in order to make funds available to make the purchase payments required by the Agreement in each fiscal year, it will, in its general revenue, appropriation, and budgetary measures through which its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy the payments required to be made under the Agreement until all payments required to be made under the Agreement have been made in full. **The City's obligation to make the payments required under the Agreement is absolute and unconditional and will not expire so long as any of the Series 2024 Bonds remain outstanding and unpaid.** See "Summary of Certain Provisions of the Installment Sale Agreement – Obligations of City Absolute and Unconditional" in **Appendix B** hereto.

The obligations of the City under the Agreement will, before the Series 2024 Bonds are issued and delivered, be determined by the Superior Court of Hall County, Georgia to be legal, valid, binding, and enforceable obligations of the City. See "LEGAL MATTERS – Validation Proceedings and Approving Opinions" herein.

Limited Obligations

The Series 2024 Bonds are special limited obligations of the Issuer payable solely from purchase payments to be made by the City to the Issuer pursuant to the Agreement. The Series 2024 Bonds are not payable from and are not secured by a charge, lien, or encumbrance upon any funds or assets of the Issuer other that the Pledged Revenues and the funds created and held under the Indenture.

The Series 2024 Bonds, however, do not constitute direct obligations of the City and are not directly secured by the general faith and credit or the taxing power of the City, the State of Georgia, or any other political subdivision thereof, and the Series 2024 Bonds will not be or be deemed to constitute debt of the State of Georgia, the Issuer, or the City or any other political subdivision of the State of Georgia within the meaning of any constitutional or statutory limitation on indebtedness. The Issuer has no taxing power and has no legal right to receive appropriations from the State of Georgia or the City, except under the Agreement. No owner of any Series 2024 Bonds shall, by virtue of being such owner and without regard to any rights such owner may have under other instruments and agreements, including the Agreement, ever have the right to compel the exercise of the taxing power of the State of Georgia or any political subdivision thereof, including the City, to pay the Series 2024 Bonds or the interest thereon, or to enforce the payment thereof against any property of the Issuer (other than property assigned and pledged under the Indenture), the State of Georgia, or any political subdivision thereof, including the City.

Enforceability of Remedies

The realization of value from the pledge of the Pledged Revenues and the taxing power of the City under the Agreement upon any default will depend upon the exercise of various remedies specified by the Indenture and the Agreement. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Series 2024 Bonds

may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. A court may decide not to order the specific performance of the covenants contained in the Indenture or the Agreement.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no authority or municipality or political subdivision created under the Constitution or the laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, city council, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any authority or municipality or political subdivision created under the Constitution or laws of the State of Georgia of any petition for federal relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

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PRINCIPAL AND INTEREST REQUIREMENTS

Set forth below are the principal and interest requirements for the Series 2024 Bonds. See "THE CITY - Summary of City Debt by Category and Overlapping Debt" herein for a summary of other indebtedness of the City.

Series 2024 Bonds

Bond Year Ending June 1	Principal	Interest	Total
2025	$ --	$ 920,838.76	$ 920,838.76
2026	--	1,062,506.26	1,062,506.26
2027	380,000	1,062,506.26	1,442,506.26
2028	135,000	1,043,506.26	1,178,506.26
2029	140,000	1,036,756.26	1,176,756.26
2030	145,000	1,029,756.26	1,174,756.26
2031	155,000	1,022,506.26	1,177,506.26
2032	160,000	1,014,756.26	1,174,756.26
2033	170,000	1,006,756.26	1,176,756.26
2034	180,000	998,256.26	1,178,256.26
2035	190,000	989,256.26	1,179,256.26
2036	195,000	979,756.26	1,174,756.26
2037	295,000	970,006.26	1,265,006.26
2038	310,000	955,256.26	1,265,256.26
2039	325,000	939,756.26	1,264,756.26
2040	340,000	923,506.26	1,263,506.26
2041	355,000	906,506.26	1,261,506.26
2042	375,000	888,756.26	1,263,756.26
2043	395,000	870,006.26	1,265,006.26
2044	415,000	850,256.26	1,265,256.26
2045	645,000	829,506.26	1,474,506.26
2046	775,000	803,706.26	1,578,706.26
2047	1,775,000	772,706.26	2,547,706.26
2048	2,165,000	701,706.26	2,866,706.26
2049	2,255,000	615,106.26	2,870,106.26
2050	2,345,000	524,906.26	2,869,906.26
2051	2,440,000	428,175.00	2,868,175.00
2052	2,540,000	327,525.00	2,867,525.00
2053	2,645,000	222,750.00	2,867,750.00
2054	2,755,000	113,643.76	2,868,643.76
Total	$25,000.000	$24,810,939.02	$49,810,939.02

THE ISSUER

The Issuer is a public body corporate and a political subdivision of the State of Georgia, created by and under amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq.; Ga. Laws 1986, page 4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended. The Issuer was created for the purpose of promoting and expanding for the public good and welfare industry and trade within the City and Hall County, Georgia (the "County"), and reducing unemployment to the greatest extent possible in the County. The Act specifically empowers the Issuer to issue its revenue obligations, bearing such rate or rates of interest and maturing in the years and in such amounts as determined by the Issuer and otherwise in accordance with the applicable provisions of the Revenue Bond Law of the State of Georgia (O.C.G.A. Section 36-82-60 et seq.), as heretofore or hereafter amended, in furtherance of the public purpose for which it was created.

The Issuer is composed of nine (9) voting members appointed pursuant to the terms of the Act, two ex-officio members, one of whom shall be a member of the City Council of the City of Gainesville, Georgia, and one of whom shall be a Commissioner of Hall County, Georgia, and two honorary members.

The present members and officers of the Issuer are listed below:

Name	Expiration of Term of Office	Occupation
William Bagwell, Member and Chairman	3/31/27	Real estate investment
Brian Rochester, Member and Vice Chairman	3/31/25	Engineer
Glennis Barnes, Member	3/31/27	Electrical utility
David Lee, Member	3/31/25	Electrical utility
Alex Wayne, Member	3/31/26	Real estate investment
Melissa Tymchuk, Member	3/31/26	Healthcare administration
Philip Wilheit, Jr., Member	3/31/27	Manufacture and distribution of shipping, packaging and maintenance products
Casey Ryals, Member	3/31/28	Insurance
Jimmy Adams, Member	3/31/28	Real estate investment
Billy Powell, Ex-Officio Member		Real estate broker; County Commissioner
Sam Couvillon, Ex-Officio Member		Insurance; Mayor
Brett Fowler, Honorary Member		Insurance
Philip Wilheit, Sr., Honorary Member		Manufacture and distribution of shipping, packaging and maintenance products
T. Treadwell Syfan, Secretary**		

** Not a member of the Issuer

THE CITY

Introduction

The City of Flowery Branch (the "City") is located approximately 40 miles Northeast of the City of Atlanta, in Hall County, Georgia. The City was established in 1874. The principal office of the City is currently located at 5410 Pine Street, Flowery Branch, Georgia 30542.

City Government

The City is governed by a mayor and five-member City Council, which is comprised of a mayor (elected at large) and five district council members. The City Council has one regularly scheduled public meeting each month to conduct normal business. Additional meetings are occasionally called for specific purposes. The names and occupations of the current members of the City Council and the expiration of their terms of office are as follows:

Name	Expiration of Term of Office	Occupation
Ed Asbridge, Mayor	12/31/2025	Retired
Chris Mundy	12/31/2027	Insurance
William McDaniel	12/31/2025	Business Owner
Joseph Mezzanotte	12/31/2027	Retired
Joe Anglin	12/31/2025	Educator and Business Owner
Oliver McClellan	12/31/2025	Retired

The City Council members are elected by district by the voters residing in each district to serve four-year terms. The Mayor of the City is elected to serve a four-year term and presides at all meetings of the City Council.

The City employs a Manager who is responsible for the overall operation of the City. Tonya Parrish, who is currently serving as City Manager, has held that post since December of 2021. Ms. Parrish served as the City Manager of the City of Waycross, Georgia prior to accepting the post of City Manager with the City of Flowery Branch. Ms. Parrish obtained her bachelor's degree from Georgia Southern University and her master's degree from Ashford University.

Matthew Hamby currently serves as Finance Director for the City. He has held that position since June of 2022. Mr. Hamby served as Deputy Chief Financial Officer of City of Gainesville, Georgia prior to accepting the position of Finance Director for the City. Mr. Hamby received his bachelor's degree in accounting from University of North Georgia.

City Services

The City provides a full range of local government services including, but not limited to, the following: police protection, storm water drainage, planning, zoning, parks, cultural programs, alcohol and business licenses, building inspection and code enforcement and utility services that include water and wastewater. All the services, except for utility services, are paid primarily by tax revenues. Utility services are paid by user fees. The citizens of the City have not experienced any significant interruptions in those services during the past ten years. The City is responsible for enforcement of City ordinances, the municipal court and maintenance of City facilities and buildings.

Insurance Coverage

Under Georgia law, the defense of sovereign immunity is available to the City, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which automobile liability insurance protection has been provided, but only to the extent of the liability insurance provided. The City, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. §1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the City in the exercise of its delegated powers.

Consequently, the City is exposed to various risks of losses related to torts, thefts, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases private general liability insurance annually from Travelers Indemnity Company. The City purchases worker's compensation insurance through the Georgia Municipal Association Workers' Compensation Self Insurance Fund.

Chapter 9, Article 5 of Title 34 of the Official Code of Georgia Annotated authorized the Georgia Municipal Association Workers' Compensation Self Insurance Fund (the "Fund"). The Fund is required to defend, in the name of and on behalf of its members, any suits or other proceedings which may be instituted against them on account of injuries or death within the scope of the workers' compensation law of Georgia. The liability of the Fund to employees

of any member employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

As a member of the Fund, the City is obligated to pay all contributions and assessments as prescribed by the Fund, to cooperate with the Fund's agents and attorneys, to follow loss reduction procedures established by the Fund, and report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the Fund being required to pay any claim or loss. The City is also obligated to allow the Fund's agents and attorneys to represent the City in investigations, settlement disclosures and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund.

The City carries coverages through the Charter Oak Fire Insurance Company for the types of claims and in amounts that are customary for similar entities for those categories of claims that are not subject to the defense of sovereign immunity. The City also carries property and casualty damage coverages through the Charter Oak Fire Insurance Company and the Travelers Indemnity Company on buildings, automobiles, and other physical assets.

Present coverages are summarized below:

General Liability:	Limit of Liability
Each Occurrence	$1,000,000
Personal & Advertising Injury	$1,000,000
Products/Completed Operations Aggregate	$3,000,000
Damage to Rented Premises	$1,000,000
General Aggregate	$3,000,000
Deductible	$10,000
Employee Benefits	$1,000,000
Employee Benefits Aggregate	$3,000,000
Deductible	$1,000
Automobile Liability:	
Combined Single Occurrence Limit	$1,000,000
Uninsured Motorists Protection	$75,000
Underinsured Motorist Protection	$75,000
Non-Owned Liability	Included
Hired and Borrowed Liability	Included
Medical Payments	$5,000
Deductible	$10,000
Automobile Physical Damage:	
Limit	ACV
Vehicles Covered	65
Comprehensive Deductible	$2,500
Collision Deductible	$2,500
Property:	
Total Insured Values	$35,642,639
Blanket Building & Contents	$35,642,639
Mobile Equipment	$288,753

Computers ("EDP")	$250,000
Equipment Breakdown	$250,000
Flood Limit	$5,000,000
Earthquake Limit	$5,000,000
Theft, Disappearance and Destruction	$1,000,000
Locations Covered	36
Valuation - Building & Contents	Replacement Cost
Valuation - Mobile Equipment	Replacement Cost
Deductible – Buildings & Content (All Perils)	$10,000
Deductible – Mobile Equipment	$1,000
Deductible – Theft, Disappearance and Destruction	$2,500
Cyber Liability:	
General Aggregate	$2,000,000
Deductible	$25,000

The City is self-insured for unemployment compensation insurance through a self-insurance program that is periodically reviewed for actuarial soundness by an actuary. Estimated unemployment compensation claims are budgeted by the City based upon known claims and prior experience. The City requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction related to the City's facilities.

Employees

The City has approximately 65 full-time and no part-time employees. The City provides its employees retirement benefits under a defined benefit pension plan which is administered through the Georgia Municipal Benefit System and which provides retirement and death benefits to plan members and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the City Council. See below for further discussion of the plan.

Retirement Plans and Other Post-Employment Benefits

Defined Benefit Plan. The City provides a non-contributory defined benefit pension plan (the "Pension Plan") for its employees. It is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the city are commingled with contributions made by other members of GMEBS for investment purposes. The City Council has the governing authority to establish and amend from time to time the contribution rate of the City. The Pension Plan provides retirement, disability and death benefits to participants and beneficiaries. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, N.W., Atlanta, Georgia 30303 or by calling (404) 688-0472.

All City employees are eligible to participate in the Pension Plan immediately. Benefits become fully vested after five years of service. Employee benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.00% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 10 years total credited service. Retirement between the ages of 55 and 65 will result in a reduced monthly benefit. To receive full benefits, an employee must be employed until age 65. The benefit is calculated on the last three years' highest averaged earnings.

The City is required to contribute an actuarially determined amount annually to the Pension Plan. A contribution amount is determined using actuarial methods and assumptions provided by the trustees of GMEBS and are intended

to satisfy the minimum contribution requirements as set forth in State of Georgia statutes. The City contributes the entire cost of the Pension Plan. Participants in the Pension Plan are not required to make any contributions. The City contributed $175,172, and $172,802 to the Pension Plan for fiscal years 2022 and 2023, respectively.

At the end of the current year, the City reported a net pension liability of $1,044,025. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. For the current year, the City recognized pension expense of $247,277.

The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2023 were as follows:

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

Based upon an actuarial valuation as of January 1, 2024, the City's net pension liability measured as of September 30, 2023 increased to $1,610,859.

Reference is made to Note 13 of the financial statements of the City for the fiscal year ended June 30, 2023 included as **Appendix A** for a detailed description of the Pension Plan.

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General Fund History

Set forth below is a historical comparative summary of the revenues, expenditures and changes in fund balance of the City's general fund for the last five fiscal years. Information in the table for fiscal years 2019 to 2023 has been extracted from the City's audited financial statements for fiscal years ended June 30, 2019 through 2023. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the City for the fiscal years shown. For more complete information, reference is made to the audited financial statements for fiscal years 2019 through 2023, copies of which are available from the City upon request. In addition, the audited financial statements of the City for fiscal year 2023 are attached hereto as **Appendix A**.

	2019 (audited)	2020 (audited)	2021 (audited)	2022 (audited)	2023 (audited)
Revenues:					
Property Taxes	$1,545,480	$1,776,541	$2,096,793	$2,268,380	$2,922,182
Sales Taxes	1,029,352	1,080,774	1,325,553	1,488,179	2,392,395
Business Taxes	528,040	556,056	579,437	635,442	831,227
Franchise Taxes	479,062	506,496	523,190	680,472	658,716
Excise Taxes	301,186	304,547	341,864	580,009	368,908
Hotel/Motel Taxes	--	--	--	--	--
Other Taxes	--	--	--	--	--
Intergovernmental	15,473	12,822	603	603	2,006
License and permits	301,061	702,939	965,955	508,430	341,499
Fine and forfeitures	478,455	277,354	394,602	292,310	409,437
Charges for services	32,565	40,620	71,296	45,441	33,239
Contributions	44,853	37,357	42,986	40,461	37,969
Interest	7,131	8,905	11,527	14,468	43,070
Miscellaneous	80,644	52,176	63,573	100,045	119,549
Total Revenues:	$4,843,302	$5,356,587	$6,417,379	$6,654,240	$8,160,197
Expenditures:					
Current:					
General government	$1,024,415	$1,051,788	$1,169,541	$1,260,623	$1,107,853
Judicial	175,833	150,292	168,091	162,453	201,248
Public safety	1,260,606	1,101,560	1,347,315	1,593,145	2,046,603
Public works	686,794	639,737	566,601	530,528	566,151
Recreation and culture	125,286	33,665	27,747	176,110	71,512
Housing and development	527,081	704,788	775,605	942,132	1,198,636
Debt Service:					
Interest Expenditure	--	--	--	--	--
Principal Expenditure	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Total Expenditures:	$3,800,065	$3,681,830	$4,054,900	$4,664,991	$5,192,003
Excess (Deficiency) of Revenues Over (Under) Expenditures:	$1,043,237	$1,674,757	$2,362,479	$1,989,249	$2,968,194
Other financing sources (Uses):					
Transfer in	$81,769	$106,176	$77,642	$117,004	$147,272
Transfer out	(946,746)	(961,806)	(1,386,857)	(1,301,206)	(850,000)
Sale of miscellaneous assets	--	--	--	24,600	--
Insurance refunds and recoveries	--	--	13,846	--	--
Proceeds from sale of assets	--	2,571	35,229	--	--
Proceeds from the issuance of long term debt	--	--	--	--	--
Total Other Financing Sources/Uses	$ (864,977)	($853,059)	($1,260,140)	($1,159,602)	($702,728)
Net Change in fund balances	$ 178,260	$821,698	$1,102,339	$829,647	$2,265,466
Fund Balance – Beginning of Year	$ 2,994,707	$3,172,967	$3,994,665	$5,097,004	$5,926,651
Fund Balance – End of Year	$3,172,967	$3,994,665	$5,097,004	$5,926,651	$8,192,117

Accounting System and Policies

The accounting practices and policies of the City conform to generally accepted accounting principles as applied to governments (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

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

The funds of the City are grouped into the category of Governmental Funds, which include the General Fund, the American Rescue Plan Act Special Revenue Fund, the Tax Allocation District ("TAD") Special Revenue Fund, the SPLOST Capital Projects Fund, and the Local Resources Capital Projects Fund. The General Fund is the principal operating fund of the City and is used to account for all activities of the City not otherwise accounted for in a specified fund. The City's General Fund is used to account for most of the administrative aspects of the City's operations. The American Rescue Plan Act Special Revenue Fund accounts for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds. The TAD Fund is a special revenue fund which accounts for the tax allocation district revenue and expenses. The SPLOST Fund accounts for the accumulation Special Option Local Sales Tax receipts and the subsequent disbursement in obtaining or renovating major capital assets, as approved by referendum. The Local Resource Fund is used for capital expenditures as approved by the City Council. In addition to its governmental funds, the City also has a Water and Sewer Fund which accounts for the operations of the City's water and sewer services.

Note 1 of the financial statements of the City included as **Appendix A** contains a detailed discussion of the City's significant accounting policies.

Budgetary Process

The City adopts a balanced operating budget for its funds each year. The operating budget contains proposed expenditures and the means for financing them. The City is required to operate under the adopted balanced budget, but it may amend its budget during the fiscal year to adapt to changing governmental needs. The City uses the modified accrual basis of accounting in its adopted General Fund budget, which is in conformity with generally accepted accounting principles and which is consistent with the basis of accounting used in the City's General Fund financial statements. Annual budgets are also adopted for all the City's other governmental funds, as required by Georgia law.

Prior to June 1 each year, the City's Finance Director submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. After various budget meetings, a proposed budget is adopted by the City Council, and is advertised in the legal organ of Hall County, inviting public comment at the budget meetings of the City Council. Public hearings are scheduled no later than 15 days prior to the beginning of the fiscal year. After consideration of any public comment, the final budget is adopted by the City Council.

General Fund Budget

Set forth below is a summary of the City's adopted budget for its General Fund for the year ending June 30, 2024 and the City's actual revenues and expenditures for its general fund for 10 months of fiscal year 2024, ending April 30, 2024, on an unaudited basis. Also set forth below is a summary of the City's preliminary budget for its General Fund for the year ending June 30, 2025. This annual budget is based upon certain assumptions and estimates of the City regarding future events, transactions, and circumstances. Realization of the results projected in this budget will depend upon implementation by management of the City of policies and procedures consistent with these assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the annual budget set forth below.

	2024 Budget	2024 Actual 10 months (unaudited)	2025 Budget (Preliminary)
Revenues:			
General Property Taxes	$3,362,202	$3,253,639	$3,641,874
General Sales and Use Taxes	$2,330,000	$2,660,559	$3,044,687
Selective Sales and Use Taxes	$337,250	$266,662	$320,000
Business Taxes	$770,000	$892,598	$901,603
License and Permits	$327,900	$421,648	$420,700
Intergovernmental Revenue	$20,000	$138,517	--
Charges for services	$808,049	$679,404	$862,259
Fines and forfeitures	$405,000	$628,658	$517,650
Investment income	$142,000	$179,868	$160,000
Contributions and donations	$8,400	$8,614	--
Miscellaneous Revenue	$119,500	$114,990	$42,720
Transfer In	$125,000	$59,834	$70,000
Fund Balance Reserves	$2,500,000	--	--
Total Revenues:	$11,255,301	$9,304,991	$9,981,493
Expenditures:			
General government	$1,573,506	$1,138,956	$1,774,988
Judicial	$241,258	$200,587	$285,922
Public safety	$2,704,889	$2,098,276	$2,875,785
Public works	$1,528,556	$997,811	$1,612,615
Culture and recreation	$502,273	$357,452	$690,425
Planning and development	$1,048,665	$691,953	$1,119,175
Agency Allocations	$42,500	$37,010	$52,607
Contingency	$254,849	0	$336,461
Transfers Out	$3,358,805	$3,248,474	$1,233,515
Total Expenditures:	$11,255,301	$8,770,519	$9,981,493
Excess of Revenues over expenditures	$ --	$ 534,472	--

Ad Valorem Taxation

An important source of revenue to fund the operations of the City is ad valorem property taxes. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of net assessed property value.

Ad valorem property taxes are levied against real and personal property within the City based upon their assessed valuations. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property and personal effects. In addition, the City allows certain exemptions from ad valorem taxation. See also **"State of Georgia Tax Reform Legislation"** below for a discussion of legislation that gives the City the option to exempt some or all of business inventory from ad valorem taxation.

For purposes of reducing the burden of ad valorem taxation on property owned and occupied by a taxpayer as his or her legal residence, Georgia law grants several types of homestead exemptions. Pursuant to such law, the City allows exemptions from ad valorem taxation for (1) homesteads, or owner-occupied residences, of disabled veterans, not to exceed the greater of $32,500 of assessed value or an amount determined under federal law, (2) homesteads, or owner-occupied residences, of an unremarried surviving spouse of a member of the United States armed forces killed in war or armed conflict, not to exceed the greater of $32,500 of assessed value or an amount determined under federal law, and (3) homesteads, or owner-occupied residences, of an unremarried surviving spouse of a peace officer or firefighter who was killed in the line of duty, for the full value of the homestead.

The assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires taxable tangible property to be assessed, with certain exceptions, at forty percent of its fair market value and to be taxed on a levy made by each respective tax jurisdiction according to forty percent of the property's fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at seventy-five percent of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes and requires certain agricultural, timber, and environmentally sensitive real property and certain single-family real property located in transitional developing areas to be valued at their current uses.

The chief appraiser of Hall County, Georgia, is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within the City to the Hall County Board of Tax Assessors. The Tax Commissioner of Hall County is required to present the tax returns of the City to the Hall County Board of Tax Assessors by April 1 of each year. The Hall County Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year and to forward a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the Hall County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to Hall County which bills these taxes to the utilities. See also **"State of Georgia Tax Reform Legislation"** below for a discussion of legislation that eliminated the ad valorem taxation by local governments of motor vehicles acquired on or after March 1, 2013.

The City determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within its limits, will produce the necessary amount of property tax revenues. The City collects ad valorem property taxes annually.

State of Georgia Tax Reform Legislation

House Bill 386. In the 2012 legislative session, the Georgia General Assembly enacted legislation known as House Bill 386 ("HB 386"). On April 19, 2012, Georgia Governor Nathan Deal signed HB 386 into law. HB 386 provides a number of changes to Georgia's tax laws that will impact local governments in Georgia, including the City. These changes include the following:

- Elimination of the sales tax and ad valorem tax on motor vehicles titled after February 28, 2013, replacing it with a one-time title tax of 6.5% in 2013, 6.75% in 2014, and 7% in 2015 and thereafter when titling a motor vehicle. The title tax will also apply to casual (non-dealer) sales of motor vehicles, whereas current law does not require sales tax to be collected on casual sales of motor vehicles.

- Elimination of the state and local sales tax on the energy used in manufacturing, subject to a four year phase-in of 25% per year until it reaches the full exemption in 2016. The legislation allows for counties and cities to pass an ordinance to collect an excise tax on the energy used in manufacturing to make up for the sales tax revenues lost through the exemption established by the State of Georgia.

- Expansion of the number of out-of-state companies required to collect local and state sales tax on internet transactions that have previously not been taxed because the business did not have a physical presence in the State of Georgia.

- Restoration of sales tax holidays for school supplies and energy-efficient appliances. These holidays were eliminated several years ago as a result of the economic downturn.

The City is uncertain as to the impact that HB 386 will have on the City's revenues in future years.

House Bill 48. The Georgia General Assembly also enacted House Bill 48 ("HB 48") and Governor Deal signed HB 48 into law on April 17, 2012. HB 48 gives cities and counties the option to exempt some or all of business inventory from ad valorem property taxation (the "Inventory Exemption"). The Inventory Exemption has to be approved by the voters of the City in a local referendum before taking effect. If approved in the referendum, the City may exempt 20, 40, 60, 80 or 100% of business inventory from ad valorem taxation.

Tax Collection

The City bills and collects both real and personal property taxes. The Hall County Tax Commissioner bills and collects motor vehicle and mobile home taxes of the City on behalf of the City. Real and personal property taxes, except motor vehicle taxes, are levied on January 1 of each year on the assessed value listed as of January 1. Taxes levied by the City on January 1 are normally billed October 1 and are normally payable on or before December 31. Motor vehicle taxes are levied, due, and collected on a staggered basis throughout the entire calendar year. Interest at the prime rate plus 3% per annum applies to taxes paid after the due date, and a penalty of 5% applies to taxes paid more than 120 days after the due date.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed arising after January 1 in the year in which taxed. The lien normally becomes enforceable on December 20 of each year. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of the realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

At any time after the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after thirty days from giving the notice described in the preceding sentence, the Sheriff may issue an execution for nonpayment of taxes. The Sheriff may then publish a notice of the sale in a local newspaper weekly for four weeks and give the taxpayer ten days written notice by registered or certified mail. A public sale of the property may then be made by the Sheriff at the Hall County Courthouse on the first Tuesday of the month after the required notices are given.

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Historic Property Tax Information

The following table presents the assessed value (40% of fair market value) of taxable property within the City for calendar years 2019 through 2023.

Year	Real and Personal Property[1]	Motor Vehicles[2]	Mobile Homes	Gross Tax Digest	Bond Exemptions[3]	General Obligation Bond Tax Digest[4,5]	Maintenance and Operations Exemptions	Maintenance and Operations Tax Digest[6]	Estimated Actual Value
2023	$1,076,039,836	$2,887,590	$448,212	$1,079,375,548	$ 0	$1,079,375,548	$20,483,751	$1,058,891,797	$2,698,433,870
2022	793,932,698	2,516,100	549,020	797,005,113	0	797,005,113	13,481,662	783,523,451	1,992,512,783
2021	577,245,425	2,562,770	365,455	580,173,650	0	580,173,650	11,366,227	568,807,423	1,450,434,125
2020	501,331,211	2,994,510	371,973	504,697,694	0	504,697,694	11,453,997	493,243,697	1,261,744,235
2019	459,850,392	3,537,650	388,014	463,776,056	0	463,776,056	11,120,002	452,656,054	1,159,440,140

[1] Real and Personal Property includes Utilities and Heavy Equipment.
[2] HB 386 eliminated the ad valorem taxation of motor vehicles purchased on or after March 1,2013.
[3] Not reported because no taxes were levied for payment of general obligation bond debt service.
[4] Total assessed value for purposes of levying tax for City's general obligation bonds.
[5] Not adjusted for exemptions since no taxes were levied for bond debt service and therefore the exemptions were not calculated by the Hall County Tax Commissioner.
[6] Total assessed value, after deducting exemptions, for purposes of levying tax for the maintenance and operation of the City.

Source: Hall County Tax Commissioner; City of Flowery Branch Finance Director.

Tax Rates – Mills

Set forth below is information concerning the rate of levy of property taxes per $1,000 of assessed value (millage rates) of the City for calendar years 2019 through 2023.

Calendar Year	City	Hall County Schools	Hall County Incorporated	Fire District	Total County	State of Georgia	TOTAL
2019	3.264	17.550	5.098	4.080	9.178	0.00	29.992
2020	3.264	17.550	4.853	4.080	8.933	0.00	29.747
2021	3.264	17.550	5.788	4.080	9.868	0.00	30.682
2022	3.264	16.490	5.571	4.080	9.651	0.00	29.400
2023	3.264	15.640	3.440	4.080	7.520	0.00	26.424

Source: Georgia Department of Revenue.

Historical Property Tax Levies and Collections

Set forth below is information concerning property tax levies and collections of the City for the past five digest years. The amounts set forth below are expressed in thousands.

			Collected within the Fiscal Year of the Levy			Total Collections to Date	
Tax Year	Fiscal Period Ended June 30	Total Tax Levy for Fiscal Year[1]	Amount	Percentage of Levy	Collections in Subsequent Years[2]	Amount	Percentage of Levy
2018	2019	$1,310,788[3]	$1,346,163	102.7%	$556	$1,346,719	102.7%
2019	2020	1,477,469[4]	1,452,995	98.3%	22,047	1,475,042	100.1%
2020	2021	1,421,465[5]	1,613,726	113.5%	8,059	1,621,784	100.7%
2021	2022	1,856,586[6]	1,851,264	99.7%	13,568	1,864,832	100.4%
2022	2023	2,557,421[7]	2,544,988	99.5%	10,420	2,555,408	99.92%

[1] The Hall County Tax Commissioner levies and collects tax on mobile homes, motor vehicles and motor vehicle title transfer tax on behalf of the City of Flowery Branch. See **"State of Georgia Tax Reform Legislation"** above for further details on the motor vehicle title transfer tax.

[2] Collections subsequent to calendar year 2023 are not yet available.

[3] Does not include $1,083 of tax on mobile homes, $30,176 of tax on motor vehicles, and $179,408 motor vehicle title transfer tax collected in fiscal year 2019. The City began separating tax on motor vehicles and motor vehicle title transfer tax for reporting purposes in fiscal year 2019.

[4] Does not include $836 of tax on mobile homes, $9,155 of tax on motor vehicles, and $259,599 motor vehicle title transfer tax collected in fiscal year 2020.

[5] Does not include $1,277 of tax on mobile homes, $7,763 of tax on motor vehicles, and $412,813 motor vehicle title transfer tax collected in fiscal year 2021.

[6] Does not include $1,452 of tax on mobile homes, $8,315 of tax on motor vehicles, and $553,166 motor vehicle title transfer tax collected in fiscal year 2022.

[7] Does not include $1,465 of tax on mobile homes, $8,753 of tax on motor vehicles, and $583,793 motor vehicle title transfer tax collected in fiscal year 2023.

Source: Hall County Tax Commissioner; City of Flowery Branch Finance Director.

Delinquent property taxes of the City are written off when the statute of limitations for their collection (7 years) expires or if no property is found to levy upon, if earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

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Principal Taxpayers

The following table sets forth the assessed values of the property of the ten largest taxpayers in the City for calendar year 2022.

Taxpayer	Type of Business	Assessed Valuation	Percentage of City M&O Tax Digest[1]
Gibson Flowery Branch SPE LLC	Residential	$ 86,446,400	11.03%
VR Tree Park LTD Partnership	Residential	69,003,300	8.81%
SKF USA, Inc	Manufacturing	67,233,252	8.58%
Atlanta Falcons Football Club, LLC	Professional Football	37,817,256	4.83%
Makita USA Inc.	Retail	25,757,300	3.29%
Stonebridge Landover TIC LLC	Residential	25,579,300	3.26%
Folksong Acquisition LLC	Residential	21,998,700	2.81%
Publix Super Markets Inc.	Retail	18,627,427	2.38%
Target Corporation	Retail	18,617,759	2.38%
Vulcan Lands Inc.	Retail	16,937,532	2.16%
TOTAL		$388,018,226	49.52%

1 Based on City's 2022 tax digest for maintenance and operations of $783,523,421.

Source: Hall County Tax Commissioner.

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Summary of City Debt by Category and Overlapping Debt

Set forth below is information concerning direct debt of the City assuming the issuance of the Series 2024 Bonds and the estimated overlapping property tax supported debt of certain governmental entities that is attributable to property owners in the City based on the proportion to which the jurisdiction of the City overlaps such entities, as of June 30, 2023. Although the City has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

Category of Debt	Amount of Outstanding Debt	Percentage Applicable[1]	Amount Applicable
DIRECT DEBT OF THE CITY:			
Intergovernmental Contractual Obligations[2]	$33,076,343	100%	$33,076,343
Notes [3]	4,896,729	100%	4,896,729
Total Direct	$37,973,072	100%	$37,973,072
OVERLAPPING:			
Hall County School District			
General Obligation Bonds[4]	$124,135,000	11.52%	$ 14,300,352
Capital Leases[5]	--	11.52%	--
Intergovernmental Contractual Obligations[6]	1,650,827	11.52%	190,175
Total Hall County School District	$125,785,827	11.52%	$ 14,490,527
Hall County			
Direct Debt:			
Capital Leases[5]	$ 9,399,138	7.07%	$664,519
Intergovernmental Contractual Obligations[7]	8,340,397	7.07%	589,666
Notes	14,761,258	7.07%	1,043,621
Total Hall County:	$32,500,793	7.07%	$2,297,806
TOTAL OVERLAPPING:	$158,286,620	--	$ 16,788,333
TOTAL DIRECT AND OVERLAPPING:	$196,259,692	--	$54,761,405

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. The applicable percentage was estimated by dividing the City's total taxable assessed value by the County's or the Hall County School District's (the "School District") total taxable assessed value.

[2] Assumes the Series 2024 Bonds are issued; $25,897,000 of such intergovernmental contract debt is intended to be paid from the revenues of the City's water and sewer system, including the Series 2024 Bonds. Intergovernmental contracts, while not "debt" under Georgia law, are binding general payment obligations of the City to which its faith and credit and taxing power are pledged.

[3] Notes payable to the Georgia Environmental Finance Authority ("GEFA") intended to be paid from the revenues of the City's water and sewer system. Does not include amounts authorized but not drawn on GEFA Notes. See "Proposed Debt below.

[4] General obligation bonds are general obligations of the issuer to which its full faith and credit and taxing powers are pledged. Excludes the Hall County School District (Georgia) (General Obligation Bonds), Series 2023 in an outstanding principal amount of $76,275,000 which were issued and delivered on October 10, 2023.

[5] The financial obligations under capital leases do not constitute general obligations of the County or the School District to which its full faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of general revenues being made by the governing body to pay the lease payments due in each fiscal year under the leases. The obligations under the leases are from year to year only and do not constitute mandatory payment obligations in any fiscal year in which funds are not appropriated by the County or the School District to pay the lease payments due in such fiscal year.

[6] Intergovernmental contracts, while not "debt" under Georgia law, are binding general obligations of the School District to make payments.

[7] Intergovernmental contracts, while not "debt" under Georgia law, are binding general obligations of the County to make payments. Excludes the intergovernmental contracts between (i) the Hospital Authority of Hall County and the City of Gainesville (the "Hospital Authority") and the County, dated as of December 1, 2009 as supplemented as of February 1, 2010, dated as of October 1, 2014, and dated as of December 1, 2016 (the "Hospital Contracts"), pursuant to which the County is secondarily liable for debts of the Hospital Authority in an outstanding principal amount of $374,540,000 as June 30, 2023, the proceeds of which were loaned to Northeast Georgia Health Systems, Inc. ("NGHS"), which debts are intended to be paid by NGHS; (ii) the Gainesville and Hall County Development Authority (the "Authority") and the County, dated as of July 1, 2020 (the "GHCDA Contract"), between the Gainesville and Hall County Development Authority (the "Authority") and the County, pursuant to which the County is secondarily liable for debt of the Authority in an outstanding principal amount of $2,765,000 as of June 30, 2023, which debt is intended to be paid using revenues generated by the project funded by such debt; and (iii) the Chicopee Woods Area Park Commission (the "Commission") and the County, dated September 1, 2016 (the "Chicopee Contract"), pursuant to which the County is secondarily liable for debt of the Commission in the now outstanding principal amount of $2,155,000 which debt is intended to be paid using revenues generated by the project funded by such debt.

Proposed Debt

The City does not anticipate issuing general obligation bonds during the next five years. The City previously incurred a loan from GEFA in the principal amount of $23,300,000 that is being drawn down to pay costs of the Project, as described under the caption "PLAN OF FINANCING" herein. The City also previously incurred another loan from GEFA in the principal amount of $5,710,000 that is being drawn down to pay costs of various improvement projects regarding the City's water system. The interest rate on such water system loan is 0.99% per annum, and the principal repayment will be amortized in monthly payments over 20 years starting after completion of the projects. See Note 10 of the financial statements of the City for fiscal year ended June 30, 2023 included as Appendix A for more information regarding these GEFA loans. The City intends to pay the GEFA loans from revenues of the City's water and sewer system.

Limitations on City Debt

The Constitution of the State of Georgia provides that the City may not incur long-term general obligation debt payable out of general property taxes without the approval of a majority of the qualified voters of the City voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the City may not incur long-term general obligation debt payable out of general property taxes in excess of ten percent of the assessed value of all taxable property within the City.

Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation and intergovernmental obligations are not subject to the legal limitations described above. In addition, refunded obligations cease to count against the City's debt limitations.

As computed in the table below, based upon the 2023 assessed value and after the issuance of the Series 2024 Bonds, the City could incur (upon necessary voter approval) approximately $105,889,180 in additional long-term general obligation debt payable out of general property taxes (i.e. general obligation bonds).

Computation of Legal Debt Margin Table

Assessed Value of Property as of 2023	$1,058,891,797[1]
Debt Limit (10% of Assessed Value)	105,889,180
Amount of Debt Applicable to Debt Limit	0
Legal Debt Margin	$ 105,889,180

[1] The amount shown is the 2023 net digest for maintenance and operations as an estimate of the net bond digest, since the City did not levy ad valorem tax for payment of general obligation bond debt service.

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Tax Supported Debt Ratios

The following table sets forth certain debt ratios as of June 30, 2023 but assuming issuance of the Series 2024 Bonds.

	Direct Tax Supported Debt	Overlapping Tax Supported Debt[5]	Overall Tax Supported Debt[5]
Per Capita Debt[1]	$3,271.57	$1,446.40	$4,717.97
Percentage of Gross Tax Digest[2]	3.52%	1.56%	5.08%
Percentage of Direct Fair Market Value[3]	1.41%	0.62%	2.03%
Per Capita Debt as Percentage of Per Capita Personal Income[4]	7.58%	3.35%	10.93%

[1] Based upon 2023 City of Flowery Branch population estimate 11,607.
[2] Based upon 2023 Gross Tax Digest of $1,079,375,548.
[3] Based on 2023 estimated actual value of $2,698,433,870.
[4] Based upon 2022 per capita personal income figure for the City of Flowery Branch of $43,181. Data for 2022 is the most recent available.
[5] Excludes debt of Hall County which will be paid first from revenues from the related projects, including the Hospital Contracts, the GHCDA Contract, and the Chicopee Contract, pursuant to which the County is secondarily liable. See Overlapping Debt table on immediately preceding page.

Population

Annual estimates of population are produced by the U.S. Census Bureau (the "Bureau") for the nation, its states, counties, cities, and towns. The annual time series of estimates begins with the most recent decennial census data and extends to the vintage year (2023). All estimates set forth below are from vintage year 2023. Data for 2020 is from the 2020 Census.

Year[1]	City of Flowery Branch	Hall County	State of Georgia	United States
2023[3]	11,607	217,267	11,029,227	334,914,895
2022[2]	10,945	212,692	10,912,876	333,287,557
2021	10,172	207,369	10,799,566	331,893,745
2020	9,391	203,136	10,711,908	331,449,281

[1] As of July 1 of the years indicated.
[2] Hall County is one of 159 counties in Georgia. Based on 2022 population estimates, Hall County was the 10th most populous county in the State of Georgia.
[3] 2020 census data reflects an increase in the population of U.S. metro areas compared to a decade ago. 2020 population data for Hall County and the City of Flowery Branch reflect this increase. According to the 2020 census, Hall County's population increased from 179,684 in 2010 to 203,136 in 2020, representing a 13.05% increase. Population in the City of Flowery Branch increased from 5,679 in 2010 to 9,391 in 2020, representing a 65.36% increase.

Source: United States Census Bureau

Per Capita Personal Income

The following table compares per capita personal income ("PCPI") in Hall County with that of the State of Georgia and the United States for the time periods indicated. Hall County's 2022 PCPI was 101.5% of the State average ($56,589) and 87.7% of the national average ($65,470).

Year	Hall County	State of Georgia	United States
2018	$43,701	$46,482	$54,446
2019	45,576	48,236	56,490
2020	49,925	51,987	59,765
2021	53,920	55,786	64,143
2022	57,416[1]	56,589	65,470

[1] Ranked 17th in the state (out of 159).

Source: U.S. Department of Commerce, Bureau of Economic Analysis. Information for 2022 is the latest information available at the county level.

Largest Employers

Set forth below are the ten (10) largest existing employers located in the City of Flowery Branch for fiscal year 2023, the industry or service provided by each, and their approximate number of employees. There can be no assurance that any employers listed below will continue to be located in the City or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the employers listed below.

Employer	Industry or Service	Employees
Atlanta Falcons Football Club	Professional Football	301
SKF USA, Inc.	Manufacturing	272
GXO Logistics Supply Chain	Supply Chain Management	248
The Home Depot	Retail	124
Publix Supermarket	Retail – Groceries	122
Makita U.S.A.	Manufacturing	101
Target	Retail	96
Chick-Fil-A, Inc.	Fast Food Restaurants	67
Contract Lumber, Inc.	Lumber Supplier	42
Chili's	Restaurant	38

Source: The City of Flowery Branch, Georgia

Set forth below are the ten (10) largest existing manufacturing employers located in Hall County for calendar year 2023, the industry or service provided by each, and their approximate number of employees. There can be no assurance that any employers listed below will continue to be located in Hall County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the employers listed below.

Manufacturing Employer	Industry or Service	Employees
Kubota Manufacturing of America (2 locations)	Manufacturing – tractors & RTVs	3,313
Gold Creek Foods (8 locations)	Poultry processing	3,100
Fieldale Farms Corporation (2 locations)	Poultry processing	2,370
Pilgrim's	Poultry processing	1,760
Fox Factory	Manufacturing – motor vehicles, bicycles	1,700
Mar-Jac Poultry, Inc.	Poultry processing	1,300
ZF Gainesville, LLC (3 locations)	Manufacturing – automotive	1,200
Cottrell, Inc.	Manufacturing – auto haulers	1,100
Mars Wrigley Confectionery	Manufacturing – chewing gum	950
King's Hawaiian Bakery East	Commercial bakery	750

Source: Greater Hall Chamber of Commerce.

Set forth below are the five (5) largest non-manufacturing employers for 2023 located in Hall County and their approximate number of employees (excluding government/education).

Employer	Number of Locations	Employees
Northeast Georgia Medical Center	2	9,239
Wal-Mart Super Centers	4	865
Performance Food Service	1	775
The Longstreet Clinic	4	750
Tribe Transportation	1	486

Source: Greater Hall Chamber of Commerce.

Set forth below are the four (4) largest public employers for 2023 located in Hall County and their approximate number of employees.

Employer	Employees
Hall County School System	3,400
Hall County Government	1,752
Gainesville City School System	977
Gainesville City Government	658

Source: Greater Hall Chamber of Commerce, Economic Development Division.

Labor Force Data

The following table reflects the annual information regarding the labor force and unemployment rate in Hall County and the unemployment rate for the State of Georgia and the United States for the years 2019 through 2023, and as of April, 2024.

	2019	2020	2021	2022	2023	2024[2]
Hall County Labor Force[1]	103,130	102,396	104,084	107,053	111,456	114,867
Hall County Unemployment Rate[1]	2.9%	4.7%	2.7%	2.5%	2.4%	2.0%
State Unemployment Rate[1]	3.6%	6.5%	3.9%	3.1%	3.2%	2.9%
United States Unemployment Rate[1]	3.7%	8.1%	5.3%	3.6%	3.6%	3.5%

[1] Not seasonally adjusted.
[2] As of April, 2024.

Source: Georgia Department of Labor

Industry Mix

Set forth below is a list of major industries in Hall County. These industry figures are for the fourth quarter of 2023.

Industry Sector	Establishments	Employees
Manufacturing	316	24,828
Healthcare and social assistance	638	16,522
Retail trade	655	9,805
Accommodation and food services	411	7,719
Educational services	106	7,333
Administrative support, waste management	353	6,810
Wholesale trade	326	5,167
Construction	562	4,848
Transportation and warehousing	197	4,722
Public administration	47	3,346

Source: Georgia Department of Labor, Workforce Statistics & Economic Research, Quarterly Census of Employment and Wages Program.

Building Permits

The following table sets forth privately-owned residential and commercial building permits issued in unincorporated Hall County for the years 2019 through 2023.

Year	Number of Residential Permits[1]	Total Estimated Value	Number of Commercial Permits[2]	Total Estimated Value
2023	466	$428,796,873	87	$417,967,920
2022	794	259,454,245	125	167,767,000
2021	968	263,580,392	127	96,969,600
2020	618	146,004,405	100	172,806,800
2019	557	133,313,550	90	85,845,000

[1] Single-Family residences only; does not include manufactured homes, additions, remodels, apartments, or demolition.
[2] Includes new construction, alterations, and additions.

Source: Hall County Building Inspection Department

The following table sets forth residential and commercial/non-residential building permits issued in the City of Flowery Branch for fiscals years ending June 30, 2021 through June 30, 2023.

Fiscal Year Ending June 30	Number of Residential Permits	Number of Commercial Permits
2023	229	32
2022	390	41
2021	496	35

As of June 6, 2024, the City had issued 27 commercial permits.

Source: City of Flowery Branch Planning Department.

Banking Deposits

Set forth below are total bank deposits within Hall County at June 30 for the past five years.

Total Deposits
Hall County Financial Institutions as of June 30
(in thousands)

Year	Total Deposits
2023	$5,507,071
2022	6,039,755
2021	5,800,763
2020	5,336,338
2019	3,010,940

Source: FDIC.

As of June 30, 2023, there were 15 financial institutions in Hall County with a total of 37 offices.

Community Information

Flowery Branch was established in 1874, one year after the Richmond and Danville Air-Line Railroad Railway System built a rail line through the City connecting Charlotte to Atlanta. Farmers had been living in the area since at least the early 19th century. The town was originally known as Anaguluskee, meaning "flowers on the branch."

The City is actively pursuing the revitalization of its downtown area known as "Old Town." Recent investments in such revitalization include streetscape improvements and improvements to its historic train depot. Many of the original buildings in the historic central business district still exist and have been rehabilitated and repurposed creating a charming quintessential Main Street. By continuing its investments in the development and revitalization of Old Town, the City hopes to ensure that it will become an economically stable district offering a walkable downtown that will attract residents and visitors of all ages.

The City's proximity to Lake Lanier and the mountains of Northeast Georgia makes it a popular location for outdoor recreational enthusiasts. Residents have easy access to several marinas, including Aqualand, the largest inland marina in the United States. The City is located approximately 40 miles from the City of Atlanta, making it an attractive location for those commuting to work in Atlanta. The City is located 12 miles from the City of Gainesville which offers top medical facilities in addition to those in the City of Atlanta.

LEGAL MATTERS

Pending Litigation

The City, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation with its general counsel, Pereira, Kirby, Kinsinger & Nguyen, LLP believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the City.

There is no litigation now pending or, to the knowledge of the Issuer or the City, threatened against the Issuer or the City which restrains or enjoins the issuance or delivery of the Series 2024 Bonds, the provision of the security for the payment of the Series 2024 Bonds, or the use of the proceeds of the Series 2024 Bonds or which questions or contests the validity of the Series 2024 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization, nor existence of the Issuer or the City, nor the title of the present members or other officials of the Issuer or the City to their respective offices, is being contested or questioned. There is no litigation pending or, to the knowledge of the Issuer, threatened which in any manner questions the right of the Issuer to enter

into the Agreement, or to secure the Series 2024 Bonds. No litigation and no proceedings are pending against the City or its officials, or to their knowledge are threatened against them, which would affect the sale of the Series 2024 Bonds, the security therefor, or the ability of the City to enter into and perform its obligations under the Agreement.

Opinion of Bond Counsel

Legal matters incident to the authorization, validity, and issuance of the Series 2024 Bonds are subject to the unqualified approving opinion of Stewart, Melvin & Frost, LLP, Gainesville, Georgia, Bond Counsel, whose opinion will be available at the time of delivery of the Series 2024 Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as **Appendix D.**

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the Series 2024 Bonds. These include restrictions on investments, requirements for periodic payment of arbitrage profits to the United States, requirements regarding the use of Bond proceeds, and other restrictions and requirements. Failure to comply with certain of such requirements and restrictions may cause interest on the Series 2024 Bonds to become subject to federal income taxation, retroactive, in some cases, to the date of issuance of the Series 2024 Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Series 2024 Bonds, including original issue discount, is excluded from gross income for federal income tax purposes. Moreover, in the opinion of Bond Counsel, interest on the Series 2023 Bonds is not a specific "item of tax preference" for purposes of the federal alternative minimum tax; provided however that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing alternative minimum tax imposed on corporations. The foregoing opinions are subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of the interest on the Series 2024 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2024 Bonds.

The Series 2024 Bonds maturing June 1, 2049 and June 1, 2054 have been sold at initial public offering prices which are less than the amount payable at maturity (the "Discount Bonds"). In the opinion of Bond Counsel, under existing law, any original issue discount in the selling price of the Discount Bonds, to the extent allocable to each owner of such bond, is excluded from gross income for federal income tax purposes with respect to such owner. The original issue discount is the excess of the stated redemption price at maturity of such Discount Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Discount Bonds was sold.

Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a constant yield to maturity basis. The amount of the original issue discount that accrues to an owner of a discount bond who acquires such discount bond during any accrual period generally equals (i) the issue price of such discount bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such discount bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such discount bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in a discount bond for the purpose of determining gain or loss upon a subsequent sale, exchange, payment, or redemption. Any gain realized by an owner from a sale, exchange, payment, or redemption of a discount bond would be treated as gain from the sale or exchange of such discount bond.

Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the Series 2024 Bonds.

In the further opinion of Bond Counsel, the interest on the Series 2024 Bonds is exempt from present State of Georgia income taxation. Bond Counsel has not opined as to whether interest on the Series 2024 Bonds is subject to state or local income taxation in jurisdictions other than Georgia; interest on the Series 2024 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws.

Each purchaser of the Series 2024 Bonds should consult its own tax advisor regarding the tax-exempt status of the interest on the Series 2024 Bonds in a particular state or local jurisdiction other than Georgia.

In concluding that interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, Bond Counsel will rely, as to questions of fact material to its opinion, upon certified proceedings and other certifications of public officials furnished to Bond Counsel, without undertaking to verify any of them by independent investigation. If certain of these items are incorrect, interest on the Series 2024 Bonds may become included in gross income for federal income tax purposes retroactive, in some cases, to the date of issuance of the Series 2024 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Series 2024 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2024 Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2024 Bonds or the market value of the Series 2024 Bonds.

Purchasers of the Series 2024 Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and purchasers of the Series 2024 Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2024 Bonds ends with the issuance of the Series 2024 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Series 2024 Bonds or the owners of the Series 2024 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Series 2024 Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Series 2024 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2024 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2024 Bonds.

Bond Premium

Bonds being sold in excess of the principal amount thereof are known as premium bonds. The Series 2024 Bonds maturing June 1, 2027 through June 1, 2039 and maturing June 1, 2044 (the "Premium Bonds") are being sold at prices in excess of the principal amount thereof. Under the Code, the excess of an owner's cost basis of a bond over the principal amount of such bond (other than a bond held as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as "bond premium." For federal income tax purposes, bond premium is amortized over the term of the related bond. An owner will therefore be required to decrease its basis in a Premium Bond by the amount of amortizable bond premium attributable to each taxable year it holds a Premium Bond. The amount of amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes; however, an owner is required to amortize bond premium by offsetting part of the interest allocable to an accrual period with the bond premium allocable to the accrual period. Purchasers of Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption, or other disposition of Premium Bonds.

Collateral Federal Tax Consequences

Ownership of the Series 2024 Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain recipients of Social Security or railroad retirement benefits, foreign corporations operating branches in the United States, Subchapter S corporations, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2024 Bonds.

Prospective purchasers of the Series 2024 Bonds should consult their tax advisors as to the applicability of any such collateral federal tax consequences. In this respect, prospective purchasers of the Series 2024 Bonds should be aware of the following collateral federal tax consequences.

1. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2024 Bonds.

2. Property and casualty insurance companies are required to reduce the amount of their deductible underwriting losses by 15% of their amount of tax-exempt interest, including interest on the Series 2024 Bonds. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income.

3. Certain recipients of Social Security benefits and railroad retirement benefits will be required to include a portion of such benefits within gross income by reason of receipt or accrual of interest on the Series 2024 Bonds.

4. For foreign corporations operating branches in the United States, Section 884 of the Code imposes a branch-level tax on certain earnings and profits. Interest on the Series 2024 Bonds may be included in the determination of such domestic branches' taxable base on which this tax is imposed.

5. Passive investment income, including interest on the Series 2024 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any Subchapter S corporation that has Subchapter C earnings and profits at the close of the taxable year, if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.

Validation Proceedings

The City anticipates that the Series 2024 Bonds will be confirmed and validated by judgment of the Superior Court of Hall County. Under Georgia law, the judgment of validation is forever conclusive with respect to the validity of the Series 2024 Bonds against the City.

Closing Certificates

At closing of the sale of the Series 2024 Bonds by the Underwriter, the City will deliver to the Underwriter a certificate (1) that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Series 2024 Bonds or the levy and collection of an ad valorem tax to pay the Series 2024 Bonds or on the financial condition of the City and (2) that the information contained in this Official Statement does not contain any misstatement of a material fact and does not omit to state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

Rating

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the Series 2024 Bonds.

The ratings reflect only the views of Moody's; and any desired explanation of the significance of the ratings should be obtained from the rating agency at the following addresses: Moody's Investors Service, Inc., 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that the ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating

may have an adverse effect on the liquidity and market price of the Series 2024 Bonds. A securities rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time.

Underwriting

The Series 2024 Bonds will be purchased for re-offering at negotiated sale by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") from the Issuer at an aggregate purchase price of $24,552,103.20 (which is equal to par, less net aggregate original issue discount of $242,396.80 and less Underwriter's discount of $205,500.00 (approximately 98.208413% of the principal amount of the Series 2024 Bonds). The Underwriter will enter into a Bond Purchase Agreement which provides that the Underwriter will purchase all of the Series 2024 Bonds, if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2024 Bonds will be subject to various conditions contained in the Bond Purchase Agreement.

The Underwriter intends to offer the Series 2024 Bonds to the public initially at the offering prices/yields set forth on the cover page of this Official Statement, which offering prices/yields may subsequently be changed from time to time by the Underwriter without any requirement of prior notice. The offering prices/yields set forth on the cover page of this Official Statement average $8.22 per $1,000 face amount of the Series 2024 Bonds in excess of the purchase price to be paid to the Issuer by the Underwriter. The Underwriter will receive no fee (other than the anticipated profits described in the preceding sentence) from the Issuer or the City for underwriting the Series 2024 Bonds. The Underwriter has reserved the right to permit other securities dealers who are members of the National Association of Securities Dealers, Inc. to assist in selling the Series 2024 Bonds. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing Series 2024 Bonds into investment trusts) at prices lower than the public offering prices/yields set forth on the cover page of this Official Statement or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts or commissions that may be received by such dealers in connection with the sale of the Series 2024 Bonds will be deducted from the Underwriter's underwriting profits.

Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Issuer and the City. The contents of this Official Statement are the responsibility of the City, except that the Issuer is responsible for the statements contained under the caption "THE ISSUER" and the information with respect to the Issuer appearing under the caption "LEGAL MATTERS – Pending Litigation" herein, and, with the exception of the foregoing information for which the Issuer is responsible, the Issuer makes no representation as to the accuracy or completeness of any information contained herein.

GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

By: */s/ William Bagwell*
Chairman

CITY OF FLOWERY BRANCH, GEORGIA

By: */s/ Ed Asbridge*
Mayor

4885-4170-8491, v. 2

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2023

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2023

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CITY OF FLOWERY BRANCH,GA

FY2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Flowery Branch

For Fiscal Year

Ending June 30, 2023

5410 Pine St.

Flowery Branch, GA.

30542

Prepared by:

Finance Department

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CITY OF FLOWERY BRANCH, GEORGIA

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2023

Submitted By:
Finance Department

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INTRODUCTORY SECTION

CITY OF FLOWERY BRANCH, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2023

	PAGE
INTRODUCTORY SECTION	
Table of Contents	I1-I3
Certificate of Achievement for Excellence in Financial Reporting	I4
Principal Officials	I5
Organizational Chart	I6
Letter of Transmittal	I7-I11
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15-16
Statement of Activities	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	18-19
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances	21-22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	23
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual	24-25
American Rescue Plan Act Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual	26
Tax Allocation District Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual	27
Proprietary Funds:	
Statement of Net Position	28-29
Statement of Revenues, Expenses, and Changes in Net Position	30
Statement of Cash Flows	31-32
Notes to the Financial Statements	33-67
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios	68
Schedule of Contributions	69
Notes to the Required Supplementary Information	70-71

	PAGE
FINANCIAL SECTION (continued)	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	73
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Confiscated Assets Special Revenue Fund	74
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Grant Special Revenue Fund	75
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Hotel/Motel Tax Special Revenue Fund	76
STATISTICAL SECTION	
Introduction to the Statistical Section	77
Financial Trends	
Net Position by Component	78
Changes in Net Position	79-80
Governmental Activities Tax Revenues by Source	81
Fund Balances of Governmental Funds	82
Changes in Fund Balances of Governmental Funds	83
General Governmental Tax Revenues by Source	84
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	85
Property Tax Rates - Direct and Overlapping Governments	86
Principal Property Taxpayers	87
Property Tax Levies and Collections	88
Water and Sewer Rates	89
Principal Water and Sewer Customers	90
Debt Capacity	
Ratios of Outstanding Debt by Type	91
Direct and Overlapping Governmental Activities Debt	92
Legal Debt Margin	93
Pledged-Revenue Coverage	94
Demographic and Economic Information	
Demographic and Economic Statistics	95
Principal Employers	96
Operating Information	
Full-time Equivalent City Government Employees by Function	97
Capital Asset Statistics by Function	98
Operating Indicators by Function	99

	PAGE
OTHER REPORTING SECTION	
Single Audit Section	
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*	100-101
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	102-104
Schedule of Expenditure of Federal Awards	105
Notes to the Schedule of Expenditure of Federal Awards	106
Schedule of Findings and Questioned Costs	107-108
State Reporting Section	
Schedule of Projects Financed with Special Purpose Local Option Sales Tax	109

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Flowery Branch Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

OFFICIALS OF THE CITY OF FLOWERY BRANCH

LEGISLATIVE BRANCH
CITY COUNCIL

Ed Asbridge	**Mayor**
Chris Mundy	**Council Member**
Ed Asbridge	**Council Member**
Joseph Mezzanottee	**Council Member**
Joe Anglin	**Council Member**
William McDaniel	**Council Member**

OFFICERS OF THE COUNCIL

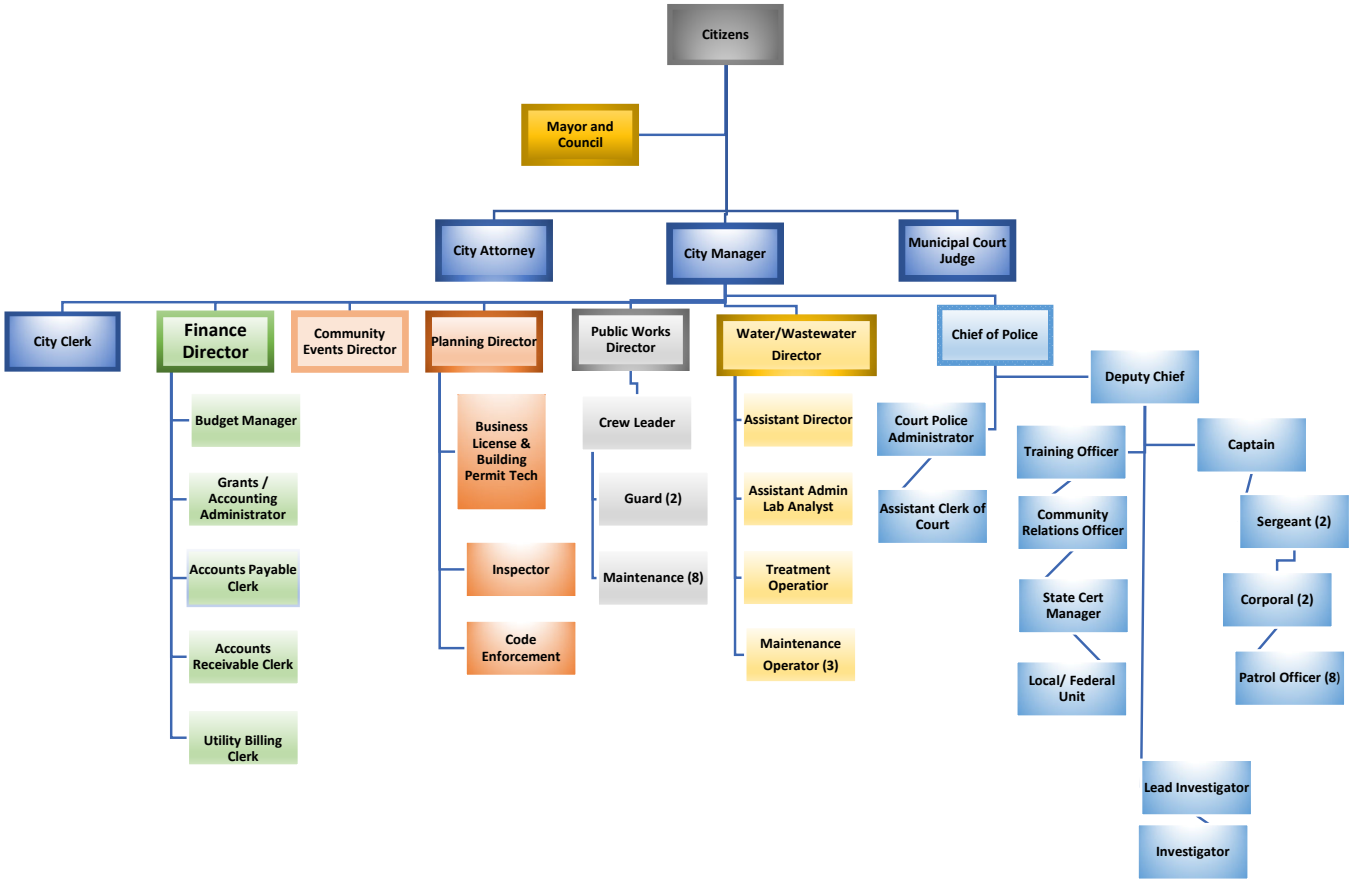
Shelia Cooper	**City Clerk**
Nancy Rodriguez	**Assistant City Clerk**
Karen Thomas	**City Attorney**

JUDICIAL BRANCH

Graham McKinnon	**Municipal Court Judge and Administrative Hearing Officer**
Ann Bishop	**City Solicitor**

EXECUTIVE BRANCH
CITY MANAGER AND DEPARTMENT DIRECTORS

Tonya Parrish	**City Manager**
Matthew Hamby	**Finance Director**
Rich Atkinson	**Planning & Community Development Director**
Chris Hulsey	**Police Chief**
Bill Whidden	**Director of Public Works and Utilities**
Renee Carden	**Community Development Director**


Citizens
Mayor and Council
City Attorney
City Manager
Municipal Court Judge
City Clerk
Finance Director
Community Events Director
Planning Director
Public Works Director
Water/Wastewater Director
Chief of Police
Budget Manager
Grants / Accounting Administrator
Accounts Payable Clerk
Accounts Receivable Clerk
Utility Billing Clerk
Business License & Building Permit Tech
Inspector
Code Enforcement
Crew Leader
Guard (2)
Maintenance (8)
Assistant Director
Assistant Admin Lab Analyst
Treatment Operatior
Maintenance Operator (3)
Court Police Administrator
Assistant Clerk of Court
Deputy Chief
Training Officer
Community Relations Officer
State Cert Manager
Local/ Federal Unit
Captain
Sergeant (2)
Corporal (2)
Patrol Officer (8)
Lead Investigator
Investigator

October 20, 2023

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

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

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

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

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

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

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

Profile of the Government

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

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

Local Economy

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

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

Major Initiatives

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

Aligning with the City's priorities, there are multiple ongoing construction projects in the Downtown area that demonstrate the strategic thinking and reimagining of the Flowery Branch Downtown. These projects will bring additional retail and restaurant opportunities, along with event space, to the Downtown area which align with the City's economic priorities and strategic vision. One of these projects is a mixed-use development on Main Street. It will include retail and restaurant space along with luxury condominiums. Additionally, this development includes an event space known as the Market Pavilion and an amphitheater that seats approximately 1,000 people. This project marks Phase 1 of Downtown Development and was completed in early 2023.

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

An important aspect to any community is enhancing the health and wellbeing of its citizens by creating access to recreation and greenspace. While some of the Downtown development projects will add pieces of greenspace, Downtown Development Phase 2 is anticipated to enhance this area further. Downtown Development Phase 2 will provide connectivity to the Highlands to Islands trail system (a 35-mile multi-use path designed to connect the Rock Creek Greenway and Gainesville Square to the Multi-use pathways along Friendship Road and Lanier Islands Parkway near Flowery Branch) and add additional parks and other greenspace areas. This project is in early planning stages should begin design and construction phases in the coming years.

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

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

Long-term Financial Planning

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

Relevant Financial Policies

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

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

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

Acknowledgements

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

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

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

Respectfully Submitted,

Tonya Duncan Parrish
City Manager

Matthew Hamby
Finance Director

FINANCIAL SECTION

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RUSHTON
ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Flowery Branch, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Flowery Branch, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 14 and 68 through 71, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2023, on our consideration of City of Flowery Branch, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Flowery Branch, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
October 20, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- Flowery Branch's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by $61,294,613 (reported as *net position*). Of this amount, $20,938,453 (reported as *unrestricted net position*) may be used to meet the City's ongoing obligations.

- As of June 30, 2023, Flowery Branch's governmental funds reported combined ending fund balances of $16,552,057. The governmental funds reported a combined ending unassigned fund balance of $7,902,641.

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

  The City of Flowery Branch maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, American Rescue Plan Act Fund, Tax Allocation District Fund, SPLOST Fund, and Local Resources Fund, which are considered major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 72-73 of this report.

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

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

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

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

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

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

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

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

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

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.

- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred inflows of resources on the fund statements.

- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the City's Financial Position and Operations

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

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

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

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

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

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

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

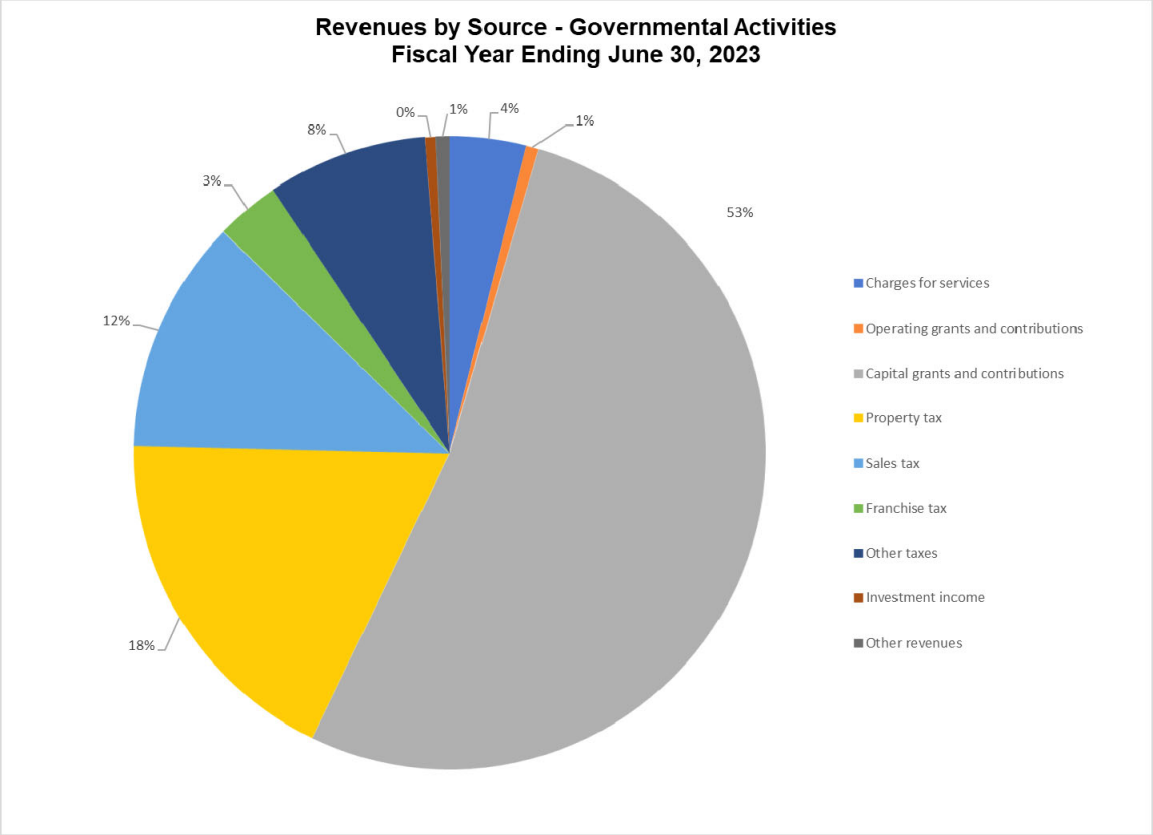
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Flowery Branch's net position changed during the fiscal year.

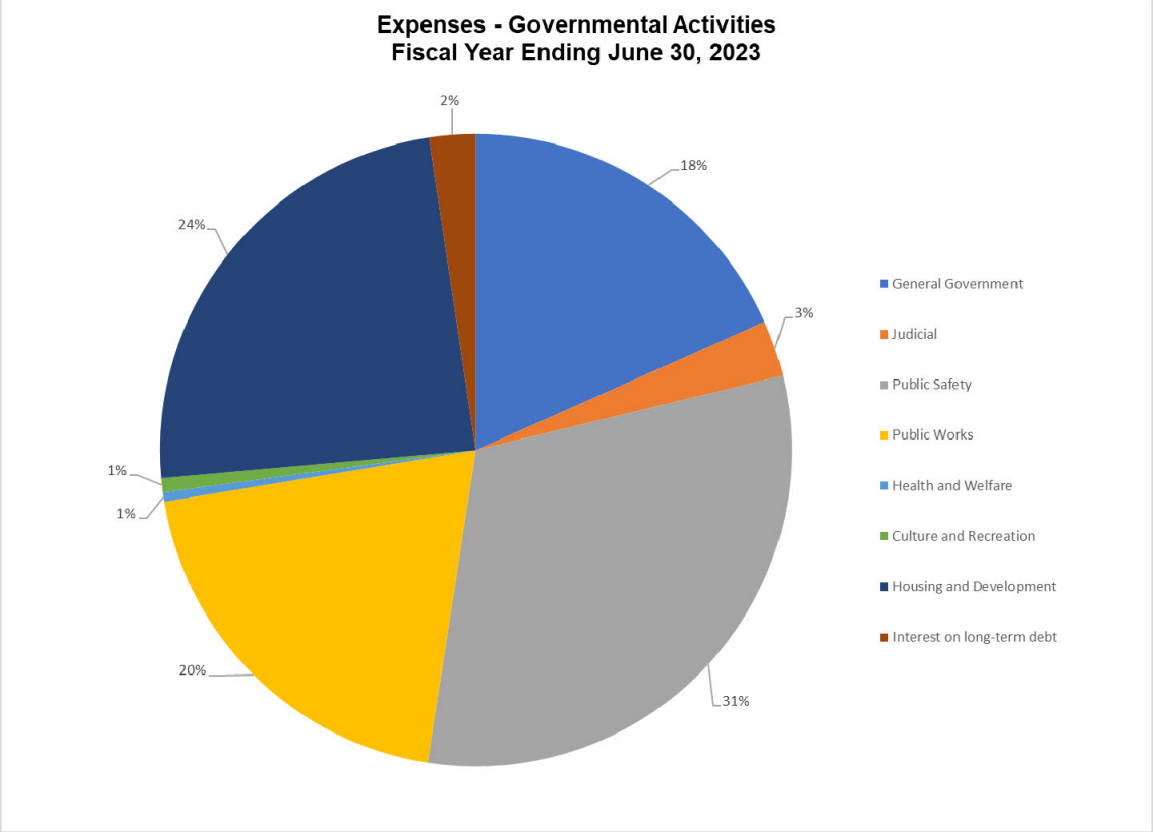
City of Flowery Branch, Georgia
Changes in Net Position
For the Fiscal Years 2023 and 2022

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

Governmental Activities –

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





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

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

Business-Type Activities –

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

Financial Analysis of the City's Funds

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

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

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

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

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

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

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

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

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

General Fund Budget Highlights

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

Fund revenues are meeting estimates for fiscal year 2024 and the fund balance of the General Fund is expected to increase or remain similar.

Proprietary Funds. Flowery Branch's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary fund totaled as follows:

- Water and Sewer $ 22,483,359

The Water and Sewer Fund net position increased by $2,731,003 during the current fiscal year due predominantly to operating income from the water and sewer system. Transfers from other funds for capital projects also contributed to the increase.

Capital Assets and Debt Administration

Capital Assets. Flowery Branch has invested $48,633,386 in capital assets (net of accumulated depreciation). Approximately 63% of this investment is related to governmental activities and includes land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure.

Capital assets held by the City are summarized as follows:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 1,667,364	$ 1,667,364	$ 998,201	$ 553,201	$ 2,665,565	$ 2,220,565
Construction in progress	23,600	2,708,988	5,894,685	1,409,654	5,918,285	4,118,642
Buildings and improvements	5,337,678	5,255,927	3,472,010	3,472,010	8,809,688	8,727,937
Machinery and equipment	1,852,360	1,672,004	6,079,606	6,079,606	7,931,966	7,751,610
Infrastructure	26,796,785	13,763,920	8,859,364	8,537,486	35,656,149	22,301,406
Intangibles	105,440	105,440	21,260	21,260	126,700	126,700
Total	35,783,227	25,173,643	25,325,126	20,073,217	61,108,353	45,246,860
Accumulated depreciation	(5,354,816)	(4,433,928)	(7,120,151)	(6,634,361)	(12,474,967)	(11,068,289)
Net Capital Assets	$ 30,428,411	$ 20,739,715	$ 18,204,975	$ 13,438,856	$ 48,633,386	$ 34,178,571

Major capital asset purchases during the current fiscal year for governmental activities included the following:

- Investments in machinery, equipment, and vehicles, mostly for the Police Department
- Paving and resurfacing of roads
- Contributions of road improvements and building improvements from developers

Major capital asset purchases during the current fiscal year for business-type activities included the following:

- Continued construction for the expansion of the water and sewer system
- Investments in machinery and equipment

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

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

Economic Condition and Outlook

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

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

Contacting the City's Finance Department

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

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

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BASIC FINANCIAL STATEMENTS

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

See accompanying notes to the financial statements.

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

Total fund balance - total governmental funds		$ 16,552,057
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources and, therefore, are not reported in the funds. These are:		
Capital assets	$ 35,783,227	
Accumulated depreciation	(5,354,816)	30,428,411
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable in the funds. These are:		
Unavailable property taxes	$ 66,474	
Unavailable fines and forfeitures	19,113	85,587
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:		
Deferred outflows of resources - pension	$ 378,903	
Deferred inflows of resources - pension	(15,043)	363,860
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Compensated absences payable	$ (110,753)	
Accrued interest payable	(56,999)	
Net pension liability	(842,280)	
Contracts payable	(7,608,629)	(8,618,661)
Net position of the governmental activities		$ 38,811,254

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

See accompanying notes to the financial statements.

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

Net change in fund balances - total governmental funds		$ 1,787,354
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 2,853,898	
Depreciation	(920,888)	1,933,010
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
Cost of assets contributed from developers	$ 7,755,686	
Related accumulated depreciation	0	7,755,686
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.		4,556
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	$ 139,410	
Cost of benefits earned net of employee contributions	(211,814)	(72,404)
The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.		
Debt principal payments	$ 410,035	
Amortization of bond premiums and discounts	27,256	
Net change in interest payable	3,195	440,486
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These include the following:		
Net change in compensated absences		(39,444)
Change in net position of governmental activities		$ 11,809,244

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

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

	Business-Type Activities Water and Sewer
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 1,459,455
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	485,790
(Increase) decrease in accounts receivable	(114,153)
(Increase) decrease in prepaid items	(13,998)
(Increase) decrease in deferred outflows of resources - pension	(40,891)
Increase (decrease) in accounts payable	3,430
Increase (decrease) in accrued salaries and payroll liabilities	(10,411)
Increase (decrease) in compensated absences payable	3,696
Increase (decrease) in customer deposits payable	16,117
Increase (decrease) in net pension liability	81,902
Increase (decrease) in deferred inflows of resources - pension	(38,941)
Total adjustments	372,541
Net cash provided (used) by operating activities	$ 1,831,996
Cash and cash equivalents reconciliation	
Cash and cash equivalents	$ 339,730
Cash and cash equivalents restricted for customer deposits	221,963
Cash and cash equivalents restricted for debt service	551,073
	$ 1,112,766

Noncash investing and capital and related financing activites:

Acquisition of capital assets through payables totaled $1,390,779.

Increase in notes payable through intergovernmental receivable totaled $2,209,269.

See accompanying notes to the financial statements.

1. Summary of Significant Accounting Policies

The financial statements of the City of Flowery Branch, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

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

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

Discretely Presented Component Unit

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

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

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

1. Summary of Significant Accounting Policies (continued)

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Custodial funds use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, fines and forfeitures, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

1. Summary of Significant Accounting Policies (continued)

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

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **American Rescue Plan Act Special Revenue Fund** accounts for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds.

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

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

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

The City reports the following major proprietary fund:

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

The City also reports the following fund types:

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

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

1. Summary of Significant Accounting Policies (continued)

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

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

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

D. Cash and Investments

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

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

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

1. Summary of Significant Accounting Policies (continued)

E. Receivables and Payables

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

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

F. Leases Receivable

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

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

G. Prepaid Items

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

1. Summary of Significant Accounting Policies (continued)

H. Inventories

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

I. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

1. Summary of Significant Accounting Policies (continued)

I. Capital Assets, continued

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

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

J. Deferred Outflows / Inflows of Resources

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

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

1. Summary of Significant Accounting Policies (continued)

K. Compensated Absences

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

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

L. Long-Term Obligations

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

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

1. Summary of Significant Accounting Policies (continued)

M. Fund Equity and Net Position

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

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

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

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

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

1. Summary of Significant Accounting Policies (continued)

M. Fund Equity and Net Position, continued

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

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

N. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

O. Interfund Transactions

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

1. Summary of Significant Accounting Policies (continued)

P. Budgets

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

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

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

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

2. Deposit and Investment Risk

Custodial Credit Risk – Deposits

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

Interest Rate Risk and Concentration of Credit Risk

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

Credit Risk

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

Foreign currency risk

The City has no investments denominated in a foreign currency.

2. Deposit and Investment Risk (continued)

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

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

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

3. Accounts Receivable

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

Primary Government:	
Major Funds	
General Fund	$ 96,525
Water and Sewer Enterprise Fund	815,951
Total primary government	$ 912,476

4. Intergovernmental Receivables

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

Primary Government:	
Major Funds	
General Fund	$ 52,135
SPLOST Capital Projects Fund	326,407
Water and Sewer Enterprise Fund	2,209,269
Total primary government	$ 2,587,811

5. Leases Receivable

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

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

6. Property Taxes

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

7. Interfund Receivables and Payables

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

Receivable Fund	Payable Fund	Amount
General	Tax Allocation District	$ 204,432
	Nonmajor Governmental	45,134
		$ 249,566

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

8. Interfund Transfers

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

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

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

9. Capital Assets

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

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

9. Capital Assets (continued)

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

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

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

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

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

10. Long-Term Debt

Governmental Activities

Contracts Payable

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

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

Contracts payable currently outstanding mature as follows:

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

10. Long-Term Debt (continued)

Business-Type Activities

Revenue Bonds

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

Revenue bonds currently outstanding mature as follows:

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

10. Long-Term Debt (continued)

Business-Type Activities, continued

Notes from Direct Borrowings

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

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

10. Long-Term Debt (continued)

Business-Type Activities, continued

Notes from Direct Borrowings, continued

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

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

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

11. Long-Term Liabilities

Changes in Long-Term Liabilities

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

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

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

12. Net Investment in Capital Assets

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

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

13. Pension Plans

Defined Benefit Pension Plan

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

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

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

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

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

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Contributions. The plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted an actuarial funding policy for the plan which meets the state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan, as adopted by the City Council, is to contribute an amount equal to or greater than the recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by the plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to the plan for the current fiscal year totaled $172,802, or 5.03% of covered payroll. Employees do not contribute to the plan.

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

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

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

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

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

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

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

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

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

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

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

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

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022 are summarized in the following table:

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

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

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

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

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

Other Plans

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

14. Deferred Compensation Plan

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

15. Hotel/Motel Lodging Tax

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

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

16. Joint Venture

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

17. Risk Management

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

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

17. Risk Management (continued)

As part of the risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss.

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

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

The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

18. Commitments and Contingencies

Commitments

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

Contingencies

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

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

19. Changes in Beginning Balances

Business-Type Activities

Water and Sewer Fund

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

20. New Accounting Pronouncements

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

20. New Accounting Pronouncements (continued)

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

See accompanying notes to the required supplementary information.

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

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

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

See accompanying notes to the required supplementary information.

1. Valuation Date

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

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 18 years

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = N/A

Retirement age for inactive vested participants = 65

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

3. Changes in Benefits

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

4. Changes of Assumptions

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

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NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

STATISTICAL SECTION

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

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

Contents **Pages**

Financial Trends……78-83

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……..84-90

These tables/schedules contain information that may assist the reader in assessing the viability of the City's most significant revenue sources.

Debt Capacity……..91-94

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……...95-96

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……..97-99

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)

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

(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)

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

CITY OF FLOWERY BRANCH, GEORGIA

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

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

(1) The Health and Welfare Department was reclassified to the Culture and Recreation function starting in FY 2015.
(2) Hotel/Motel and excise taxes were not reported separately prior to FY 2016.

Note: Amounts rounded in thousands.

Source: Statement of Activities

CITY OF FLOWERY BRANCH, GEORGIA

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

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

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

Note: Amounts rounded in thousands.

Source: Statement of Activities

CITY OF FLOWERY BRANCH, GEORGIA

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

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

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)

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

(1) Hotel/Motel and excise taxes were not reported separately prior to FY 2016.
(2) The Health and Welfare Department was reclassified to the Culture and Recreation function starting in FY 2015.

Note: Amounts rounded in thousands.

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

CITY OF FLOWERY BRANCH, GEORGIA

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

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

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

Note: Amounts rounded in thousands.

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

CITY OF FLOWERY BRANCH, GEORGIA

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

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

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

Note: Amounts rounded in thousands.

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

CITY OF FLOWERY BRANCH, GEORGIA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

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

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

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

CITY OF FLOWERY BRANCH, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

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

Source: Finance Department

CITY OF FLOWERY BRANCH, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

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

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

Source: Finance Department

CITY OF FLOWERY BRANCH, GEORGIA

WATER AND SEWER RATES
2023

Water

Inside City Limits

Residential		Multifamily (per unit)	
Volume (gallons)	**Rate**	**Volume (gallons)**	**Rate**
Base Charge	$8.52 per month	Base Charge	$17.04 per month
0-2,500	$6.82 per 1000 gal	0-2,500	$6.82 per 1000 gal
2,501-4,500	$8.39 per 1000 gal	2,501-4,500	$8.39 per 1000 gal
4,500 and above	$13.64 per 1000 gal	4,500 and above	$13.64 per 1000 gal

Sewer

Inside City Limits

Residential		Multifamily (per unit)	
Base Charge	**All Volume**	**Base Charge**	**All Volume**
$7.21	$10.87 per 1000 gal	$17.04	$8.83 per 1000 gal

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

CITY OF FLOWERY BRANCH, GEORGIA

PRINCIPAL WATER AND SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

WATER

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

SEWER

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

Source: Water and Sewer Department

Note: Information for fiscal year 2014 is not available.

CITY OF FLOWERY BRANCH, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

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

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

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

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

CITY OF FLOWERY BRANCH, GEORGIA

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

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

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

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

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

CITY OF FLOWERY BRANCH, GEORGIA

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	$ 79,700,511	$ 58,017,335	$ 49,671,483	$ 45,116,365	$ 40,158,935	$ 33,488,040	$ 29,065,501	$ 27,546,601	$ 23,977,866	$ 23,176,420
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	$ 79,700,511	$ 58,017,335	$ 49,671,483	$ 45,116,365	$ 40,158,935	$ 33,488,040	$ 29,065,501	$ 27,546,601	$ 23,977,866	$ 23,176,420
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Assessed value	$ 783,523,451
Add back: exempt real property	13,481,662
Total assessed value	$ 797,005,113
Debt limit (10% of total assessed value)	79,700,511
Debt applicable to limit:	
General obligation debt	0
Less: Amount set aside for repayment of general obligation debt	0
Total net debt applicable to limit	0
Legal debt margin	$ 79,700,511

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

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

(2) Total operating expenses exclusive of depreciation

(3) The City refunded Series 2004 bonds wih 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)
2014	5,829	$ 167,549	$ 28,744	33.2	1,700	5.3
2015	6,012	167,506	27,862	33.1	1,787	5.4
2016	6,216	170,878	27,490	34.5	1,897	5.0
2017	6,503	172,999	26,603	34.3	1,859	3.5
2018	6,801	205,635	30,236	35.3	1,928	2.6
2019	7,934	239,892	30,236	35.3	1,928	3.6
2020	7,934	239,892	30,236	35.3	1,928	3.6
2021	8,325	287,229	34,502	35.3	1,928	3.6
2022	10,144	405,283	39,953	38.4	1,859	3.5
2023	10,938	448,469	41,001	38.5	1,859	2.5

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

CITY OF FLOWERY BRANCH, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

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

(1) Source: 2023 individual employer's business license filings.
(2) Source: US Census Bureau QuickFact
(3) Source: 2013 individual employer's business license filings.

CITY OF FLOWERY BRANCH, GEORGIA

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

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

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

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

Source: Annual Financial Audit and various city departments

CITY OF FLOWERY BRANCH, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

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

(1) Municipal data is not available prior to 2014.
(2) Public Safety data is not available prior to 2014.
(3) Some data for Public Works not available. Moving forward this data will be tracked using new maintenance software.
(4) Some data for Water and Wasterwater not available. Moving forward this data will be tracked using new maintenance software.
* Maintained by the Public Works department.

Source: Various City Departments.

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OTHER REPORTING SECTION

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SINGLE AUDIT SECTION

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RUSHTON
ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

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

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

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Flowery Branch, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Flowery Branch, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Flowery Branch, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City of Flowery Branch, Georgia's Response to Finding

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

Purpose of This Report

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

Rushton, LLC

Gainesville, Georgia
October 20, 2023

RUSHTON
ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Flowery Branch, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City of Flowery Branch, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Flowery Branch, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Rushton, LLC

Gainesville, Georgia
October 20, 2023

CITY OF FLOWERY BRANCH, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2023

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

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

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

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

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

3. De Minimis Indirect Cost Rate

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

4. Payments to Subrecipients

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

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

1. Summary of the Auditor's Results

A. Financial Statements

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

B. Federal Awards

Internal control over major programs:	
Material weaknesses identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported

Identification of major programs:

21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Drinking Water State Revolving Fund Cluster

66.468 Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

2023-001

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

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

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

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

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

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

B. Prior Year Audit Findings Follow-Ups

2022-001

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

Corrected

3. Federal Award Findings and Questioned Costs

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

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STATE REPORTING SECTION

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

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

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

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

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APPENDIX B

SUMMARY OF INDENTURE
AND
INTERGOVERNMENTAL INSTALLMENT SALE AGREEMENT

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE AND INTERGOVERNMENTAL INSTALLMENT SALE AGREEMENT

DEFINITIONS OF CERTAIN TERMS

The following is a summary of the definitions of certain terms contained in the Trust Indenture and Intergovernmental Installment Sale Agreement and used in this Official Statement.

"Act" and "Authority Act" mean an Amendment to Article VII, Section V, Paragraph I of the Georgia Constitution of 1945 (Georgia Laws 1964, pp. 866 et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1964, pp. 2282 et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1978, pp. 3579, et seq.), an Act of the General Assembly of Georgia (Georgia Laws 1982, pp. 4300, et seq.) and an Act of the General Assembly of Georgia (Georgia Laws 1986, pp. 4328, et seq), as the same may be amended from time to time.

"Authorized City Representative" means the Finance Director of the City or any other individual designated to the Trustee by a certificate signed by the Mayor of the City to represent the City, which certificate shall set forth the specimen signature of such person or persons.

"Authorized Issuer Representative" means the Chairman or Secretary of the Issuer or any other individual designated to the Trustee by a certificate signed by the Chairman or Vice Chairman of the Issuer to represent the Issuer, and consented to by the City, which certificate shall set forth the specimen signature of such person or persons.

"Authorized Denominations" means $5,000 and any integral multiple of $5,000 in excess thereof.

"Bond Counsel" shall mean an attorney or firm of attorneys, selected by the Issuer, of national recognition experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Bond Fund" means the Gainesville and Hall County Development Authority Bond Fund – City of Flowery Branch Project created pursuant to the Indenture.

"Bond Register" means the bond registration books of the Issuer with respect to the Bonds kept by the Trustee, as Bond Registrar.

"Bond Registrar" means the Trustee.

"Bond Year" means the period commencing on June 2 in each year and ending on June 1 in the following year.

"Business Day" means any day other than (a) a Saturday, Sunday or other day on which commercial banks located in Atlanta, Georgia or New York, New York are authorized by law to close or (b) a day on which the New York Stock Exchange is closed.

"City" means the City of Flowery Branch, Georgia, and its successors or assigns.

"Code" means the Internal Revenue Code of 1986, as amended, and the temporary, proposed or final regulations promulgated thereunder and applicable thereto.

"Completion Date" means the date of completion of the Project, as that date shall be certified to the Trustee as provided in Section 503 of the Indenture.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate executed by the City in connection with the issuance of the Bonds, to be dated the date of issuance of the Bonds.

""Counsel" means an attorney, or firm thereof, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia.

"Debt Service Requirement" means, for any period, the total principal and interest coming due on the Bonds during such period; provided, however interest on any Bonds shall be excluded from the calculation of Debt Service Requirement to the extent such interest is or was provided from the proceeds of the sale of such Bonds.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Defeasance Securities" means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by U.S. government agencies or subsidiary corporations, in either case as to which the full and timely payment of the principal of, premium, if any, and the interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and (c) collateralized repurchase agreements secured by a deposit with an independent custodian of securities described in (a) and (b), provided that:

(i) the repurchase agreement must be between the Trustee, the Issuer or both, on the one hand, and a bank or other financial institution, on the other hand, which is, or whose obligations are unconditionally guaranteed by, an institution rated not less than "A" by each Rating Agency;

(ii) the agreement must be in writing and must provide for the transfer of the collateral to the Trustee, or to an independent third party custodian acting as agent for the Trustee;

(iii) the agreement must provide for the collateral to be valued not less than weekly, at the market value of the market price plus accrued interest, and the value must equal not less than 104 percent; and

(iv) in the event that the market value of the securities held as collateral is less than the required margin percentage, the agreement must provide for the transfer of additional cash or collateral securities to the Trustee or its agent.

"Event of Default" means any of the events specified herein in "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Events of Default and Remedies."

"Indenture" means the Trust Indenture, dated as of July 1, 2024, between the Issuer and the Trustee, and any amendments or indentures supplemental thereto.

"Independent Counsel" means any Counsel not an employee on a full-time basis of the Issuer or of the City (but who or which may be regularly retained by either).

"Installment Sale Agreement" means the Intergovernmental Installment Sale Agreement, dated as of July 1, 2024, between the Issuer and the City.

"Installment Sale Agreement Payments" or "Installment Sale Agreement Payment" means an amount equal to the principal of and the interest on the Series 2024 Bonds coming due on the next succeeding June 1 and an amount equal to the interest on the Series 2024 Bonds coming due on the next succeeding December 1 in each year; provided, however, the City shall receive a credit against any required Installment Sale Agreement Payment to the extent moneys are on deposit in the Bond Fund and available to pay debt service on the Series 2024 Bonds coming due on the next succeeding June 1 or December 1, as the case may be, plus the charges as billed specified in

subparagraphs (vi), (vii) and (viii) of Section 602(c) of the Indenture described herein under "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE - Bond Fund," and any deficit in any preceding Installment Sale Agreement Payment.

"Interest Payment Date" means the 1st day of June and December of each year commencing December 1, 2024.

"Issuer" means the Gainesville and Hall County Development Authority, a public body corporate and politic created and existing pursuant to the Act, and its successors and assigns.

"Outstanding" when used with respect to the Bonds, means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except:

(a) Bonds cancelled because of payment at, or purchase or redemption prior to, maturity;

(b) Bonds for the payment or redemption of which cash funds (or Defeasance Securities to the extent permitted in the Indenture) shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds in lieu of which others have been authenticated under Section 209 of the Indenture, unless proof satisfactory to the Trustee and the Issuer is presented that any such Bond is held by a bona fide holder in due course; and

(d) for purposes of any consent or other action to be taken by the Owners of a specified percentage of outstanding Bonds under the Indenture, all Bonds held by or for the account of the Issuer; provided, however, that only Bonds which the Trustee knows to be so owned shall be disregarded unless all Bonds are owned by the Issuer or any affiliate thereof and/or held by the Trustee for the account of the Issuer and/or an affiliate thereof, in which case such Bonds shall be considered outstanding for the purpose of such determination.

"Owner" or "owner" means the registered owner of any Bond.

"Payment in full of the Bonds" specifically encompasses the situations referred to herein under "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE - Defeasance of Bonds."

"Permitted Investments" shall mean and include any one or more of the following investments:

(a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated;

(b) bonds or obligations of the State or other counties, municipal corporations, and political subdivisions of the State.

(c) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(d) obligations of agencies of the United States government issued by the Federal Home Loan Bank;

(e) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or

contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(f) certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds, provided the portion of the certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or of any county or municipal corporation in the State, obligations of the United States or subsidiary corporations described in (c) above, obligations of the agencies of the United States government described in (d) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (e) above;

(g) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof (including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise) so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations described in paragraph (c) above and repurchase agreements fully collateralized by any such obligations,

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian (without considering subcategories),

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value, and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State; and

(h) any other investments permitted by law.

"Person" or "person" means any natural person, corporation, cooperative, limited liability company, partnership, trust or unincorporated organization, government or governmental body or agency, political subdivision or other legal entity as in the context may be appropriate.

"Pledged Revenues" means and includes:

(a) all payments received or to be received by the Issuer pursuant to the Installment Sale Agreement; and

(b) investment earnings on the foregoing and on any funds and accounts established pursuant to the Indenture.

"Principal Office" when referring to the Trustee, means the office where the Trustee conducts the administration of the trusts created under the Indenture or such other corporate trust office designated by the Trustee in writing to the Issuer, and when referring to any other Person, means the office thereof designated in writing to the Trustee and the Issuer, or such other address as may be provided by the Trustee.

"Project Fund" means the Gainesville and Hall County Development Authority Project Fund created pursuant to Section 502 of the Indenture.

"Project" has the meaning assigned thereto in the preamble to the Installment Sale Agreement.

"Record Date" means the 15th day of the calendar month preceding the calendar month of each Interest Payment Date.

"Revenue Bond Law" means the Revenue Bond Law, Title 36, Chapter 82, Article 3 of the Official Code of Georgia Annotated, as amended, and as same may hereafter be amended from time to time.

"Series 2024 Bonds" or "Bonds" means the $25,000,000 aggregate principal amount Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Project), Series 2024 authorized to be issued pursuant to the terms of the Indenture.

"State" means the State of Georgia.

"Trustee" means Regions Bank, Atlanta, Georgia, and its permitted successors and assigns under the Indenture.

SUMMARIES OF PRINCIPAL LEGAL DOCUMENTS

Following are summaries of certain provisions of the Trust Indenture and the Installment Sale Agreement. These summaries are not complete recitals of the aforementioned documents and reference should be made to such documents for their complete terms. Words and terms used in these summaries and not defined herein shall have the same meanings as in the Trust Indenture and the Installment Sale Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT SALE AGREEMENT

The following, in addition to the information contained in the Official Statement, is a summary of certain provisions of the Installment Sale Agreement. This summary does not purport to be complete and is qualified in its entirety by express reference to the Installment Sale Agreement, copies of which are on file in the offices of the Issuer and the City.

Term

The Installment Sale Agreement is dated as of July 1, 2024 but shall become effective as of the date of the issuance and delivery of the Series 2024 Bonds and, subject to the other provisions of the Installment Sale Agreement (including particularly with respect to Events of Default), shall expire June 1, 2054, or if at said time and on said date all of the Series 2024 Bonds have not been paid in full as to principal, interest and premium, if any, or provisions for the payment thereof shall have been duly provided for then on such date as such payment shall have been made, but in no event in excess of 50 years from the date of the Installment Sale Agreement.

Installment Sale Agreement Payments

On or before three (3) Business Days prior to each date on which a payment is due on the Series 2024 Bonds, commencing on November 27, 2024, the City shall make the Installment Sale Agreement Payments to the Issuer. If such date is prior to any June 1, the City shall pay an amount sufficient to enable the Issuer to pay in full the principal of and interest on the Series 2024 Bonds coming due on June 1, and if such date is prior to any December 1, the City shall pay an amount sufficient to enable the Issuer to pay in full the interest on the Series 2024 Bonds coming due on December 1, and such Installment Sale Agreement Payments shall continue until provision has been made for the payment in full of the Series 2024 Bonds as to principal, interest and premium, if any. The City shall receive a credit against any required Installment Sale Agreement Payment to the extent moneys are on deposit in the Bond Fund and available to pay debt service on the Series 2024 Bonds. The Installment Sale Agreement Payments provided for in the Installment Sale Agreement shall be made by payment directly to the Trustee for deposit into the Bond Fund. In addition, the City shall pay to the Trustee the amounts billed which are specified in subparagraphs (vi), (vii) and (viii) of Section 602(c) of the Indenture and described herein under "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE - Bond Fund), which amounts shall be paid when billed.

Obligations of the City Absolute and Unconditional

The obligations of the City to make the Installment Sale Agreement Payments required and to perform and observe any and all of the other covenants and agreements on its part contained in the Installment Sale Agreement shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim it may otherwise have against the Issuer. Until such time as the principal of and interest on the Series 2024 Bonds outstanding under the Indenture shall have been paid in full or provision for the payment thereof shall have been made in accordance with the Indenture, the City (i) will not suspend, abate, reduce, abrogate, diminish, postpone, modify or discontinue the Installment Sale Agreement Payments provided for in the Installment Sale Agreement, (ii) will perform and observe all of its other agreements contained in the Installment Sale Agreement, and (iii) will not terminate the Term of the Installment Sale Agreement or its obligations thereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances: that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or the use of all or any part of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Georgia or any political subdivision of either, any declaration or finding that any of the Series 2024 Bonds are unenforceable or invalid, the invalidity of any provision of the Installment Sale Agreement, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Installment Sale Agreement or the Indenture. Nothing shall be construed to release the Issuer from the performance of any of the agreements on its part contained in the Installment Sale Agreement or in the Indenture; and if the Issuer should fail to perform any such agreement, the City may institute such action against the Issuer as the City may deem necessary to compel performance or recover its damages for nonperformance as long as such action shall not do violence to or adversely affect the agreements on the part of the City contained in the Installment Sale Agreement and to make the Installment Sale Agreement Payments specified therein. The City may, however, at its own cost and expense and in its own name, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to ensure the renovation, installation and equipping of the Project or to secure or protect its rights under the Installment Sale Agreement, and in such event the Issuer agrees to cooperate to the extent required so long as the Issuer's interests in the Project would not be adversely affected.

Security for Installment Sale Agreement Payments

The obligation of the City to make the Installment Sale Agreement Payments when due, and to perform its other obligations under the Installment Sale Agreement, are absolute and unconditional contractual obligations of the City as therein provided, and the City has pledged its full faith and credit and taxing power to such payment and performance. The Installment Sale Agreement Payments are required to be made first from any lawfully available funds and secondly from moneys derived pursuant to the levy of an ad valorem tax as provided in the Installment Sale Agreement. In the event the amount of funds lawfully available is not sufficient to pay the Installment Sale

Agreement Payments when due in any year, the City is required to make provision for the levy an ad valorem tax on all taxable property located within the boundaries of the City subject to taxation for such purposes, at such rate or rates as may be necessary to produce in each calendar year revenues which shall be sufficient to fulfill the City's obligations under the Installment Sale Agreement, from which revenues there shall be appropriated sums sufficient to pay in full when due the obligations therein contracted to be paid by the City including specifically the obligation to make the Installment Sale Agreement Payments as provided in the Installment Sale Agreement. The City has created a lien on any and all revenues realized by it pursuant to the provisions of the Installment Sale Agreement to enable it to make the Installment Sale Agreement Payments and such lien is superior to any that can hereafter be made.

The City has further covenanted and agreed that in order to make funds available for such purpose, it will, in its general revenue, appropriation and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such Installment Sale Agreement Payments that may be required to be made, whether or not any other sums are included in such measure, until all payments so required to be made shall have been made in full. The obligation of the City to make the Installment Sale Agreement Payments shall constitute an unlimited contractual obligation of the City and a pledge of the full faith and credit of the City to provide the funds required to fulfill such obligation; provided, however, the City may pay the obligations thereunder assumed out of its general funds or from other sources lawfully available to it for such purpose.

Insurance

The City is required to cause to be maintained all necessary insurance with respect to the Project in accordance with its customary insurance practices.

Operation and Maintenance of Project

The City will cause the Project to be operated and maintained in good repair and will be responsible for maintaining and operating the Project. Without limiting the foregoing, the City will maintain the Project in an efficient and economical manner, will at all times maintain the Project in good repair and in sound operating-condition, will make all necessary repairs and replacements to the Project, and will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Project and its operation thereof.

The City may, from time to time, in its sole discretion and at its own expense, make any additions, modifications or improvements to the Project, which it may deem desirable for its business purposes; provided that all such additions, modifications and improvements do not adversely affect the structural integrity of the Project.

Events of Default Defined

The following are "Events of Default"‘ under the Installment Sale Agreement and the terms "Event of Default" or "Default" mean, whenever they are used in the Installment Sale Agreement, any one or more of the following events:

(a) Failure by the City to make the Installment Sale Agreement Payments required pursuant to the Installment Sale Agreement;

(b) Failure by the City or the Issuer to observe and perform any covenant, condition or agreement of the Installment Sale Agreement on its part to be observed or performed, other than as referred to in (a) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the defaulting party by the non-defaulting party, unless the non-defaulting party shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the

defaulting party within the. applicable period and is being diligently pursued until the default is corrected; and

(c) An "event of default" shall have occurred under the Indenture.

Notwithstanding the foregoing, a breach of the City's covenant to comply with its obligations under the Continuing Disclosure Certificate will not be deemed to be an Event of Default under the Installment Sale Agreement, and the sole remedy will be an action to compel performance.

Remedies on Default

Whenever any event of default shall have happened and be subsisting, the Issuer, the Trustee or the Owners as provided in the Indenture, may take any one or more of the following remedial steps:

(a) The Issuer, the Trustee or the Owners may seek the appointment of a receiver for the Project;

(b) The Issuer, the Trustee or the Owners may require the City to furnish copies of all books and records of the City pertaining to the Project;

(c) The Issuer, the Trustee or the Owners may take whatever action at law or in equity may appear necessary or desirable to collect the Installment Sale Agreement Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under the Installment Sale Agreement; and

(d) The Issuer, the Trustee or the Owners may exercise any remedies provided for in the Indenture or under the Revenue Bond Law.

The Trustee, as assignee of the Issuer, may exercise the rights and remedies of the Issuer under the Installment Sale Agreement. Any amounts collected pursuant to actions taken under the above remedies shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if payment in full of the outstanding Bonds has been made (or provision for payment thereof has been made in accordance with the provisions of the Indenture), to the City.

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

Assignment and Security

The Bonds, together with interest thereon, are special, limited obligations of the Issuer as provided in the Indenture. To secure the payment of the Bonds the Issuer has, pursuant to the Indenture, assigned and pledged to the Trustee all the right, title, and interest of the Issuer in and to (1) the Installment Sale Agreement and the Pledged Revenues, (2) all moneys and securities held by the Trustee in any and all of the funds and accounts established under the Indenture, including without limitation the Project Fund and (3) any and all other property from time to time by delivery or by writing conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized to receive any and all such property at any and at times and to hold and apply the same subject to the terms of the Indenture.

Revenues and Funds

Bond Fund

Pursuant to the Indenture the Issuer created and ordered established with the Trustee a trust fund to be designated the Bond Fund (as herein defined) which shall be used as a sinking fund to pay when due the principal of, premium, if any, and interest on the Bonds. The Installment Sale Agreement Payments made by the City

pursuant to the Installment Sale Agreement shall be deposited directly by the City to the Bond Fund, except as described below.

Subject to the terms and conditions set forth in the Indenture, moneys in the Bond Fund shall be disbursed for (i) the payment of the interest on the Bonds secured thereby as such interest becomes due and payable; (ii) the payment of the principal of the Bonds secured thereby as same becomes due and payable at maturity; (iii) the optional redemption of Bonds secured hereby before maturity at the price and under the conditions provided therefor in the Indenture; (iv) the purchase of Bonds in the open market at a price or prices not exceeding the authorized call price; (v) the transfer of excess moneys, if any, in the Bond Fund to the City; (vi) Trustee's fees; (vii) the payment of any charges for investment services; and (viii) any payments required to comply with the arbitrage rebate covenant.

Project Fund

(a) Creation. In the Indenture the Issuer created and ordered established with the Trustee a trust fund to be designated the "Gainesville and Hall County Development Authority Project Fund." The Issuer shall establish within the Project Fund a "General Account" and a "Costs of Issuance Account."

(b) Costs of the Project. Withdrawals from the General Account of the Project Fund may be made only for the purpose of paying of the costs of acquiring, renovating, expanding and equipping the Project. The term "paying" shall include the reimbursing of the Issuer or the City for advances from their other funds to accomplish the purposes hereinafter described. The costs which may be paid from the General Account of the Project Fund include the purchase of such property and equipment as may be useful in connection therewith, and, without intending thereby to limit or to restrict or to extend any proper definition of such cost contained in the Act, as it has been amended and as it may hereafter be amended, shall include:

(i) the cost of indemnity and fidelity bonds either to secure deposits in the General Account of the Project Fund or to ensure the faithful completion of any contract pertaining to the Project;

(ii) any taxes or any charges lawfully levied or assessed against the Project;

(iii) fees and expenses of engineers for engineering studies, surveys and estimates, and the preparation of plans and supervising the acquisition, renovation, installation and equipping of the Project;

(iv) payments made for labor, contractors, builders and material providers in connection with the Project and payment for machinery and equipment and for the restoration of property damaged or destroyed in connection therewith;

(v) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, lands and rights-of-way necessary for the Project and appurtenances in connection therewith, and options and payments thereon, and any easements or rights-of-way or any damages incident to or resulting from the acquisition, construction and equipping of the Project;

(vi) payments required to be made to the United States pursuant to Section 148 of the Code; and

(vii) all other lawful items or expenses not elsewhere specified in this subsection (b) incident to the Project.

Before any disbursements shall be made from the General Account, there shall be filed with the Trustee:

(1) A requisition for such disbursement stating each amount to be paid, the account from which such payment is to be made and the name of the person, firm or corporation to whom payment thereof is due (or in the case of reimbursement of the Issuer or the City for costs paid by

the Issuer or by the City, as agent for the Issuer, respectively, that such amount is due as a reimbursement; and

(2) A certificate executed by an Authorized City Representative attached to the requisition and certifying that an obligation in the stated amount has been incurred or paid by the City and that the same is a proper charge against the General Account of the Project Fund and has not been the subject of a previous requisition from the Project Fund, specifying the purpose and circumstances of such obligation in reasonable detail and to whom such obligation is owed or was paid.

(c) Costs of Issuance Account. All disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee upon written direction of an Authorized City Representative and applied to the payment of costs and expenses incurred by the City in connection with the issuance and delivery of the Series 2024 Bonds.

Moneys Held in Trust

All moneys required to be deposited with or paid to the Trustee for the account of any fund created under any provision of the Indenture shall be held by the Trustee in trust and, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the trust created by the Indenture and any lien, pledge or assignment granted with respect to the Trust Estate. The Trustee covenants that all moneys held in any fund under the Indenture and any collateral securing such funds are a part of the Trust Estate, and that the rights and interests of the Owners in and to such moneys and collateral are and shall be superior to the claims of the creditors and depositors of the Trustee and of any other financial institution in which such moneys are deposited or which has provided or pledged such collateral. All cash funds held by the Trustee in excess of the amount insured by the Federal Deposit Insurance Corporation or a successor federal agency shall be continuously secured, for the benefit of the Issuer and the owners of the Bonds, by a pledge of Defeasance Securities.

Investment of Funds and Accounts

Project Fund Investments. Moneys held in the Project Fund shall be invested and reinvested by the Trustee at the written direction of an Authorized City Representative in Permitted Investments maturing on or before the date on which such moneys are expected to be used. The Trustee may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. Such investments, shall be held by or under the control of the Trustee and shall be deemed at all tunes a part of the Project Fund. The interest earned or other income derived from investments of moneys held in the Project Fund shall be retained in the Project Fund. The Trustee is directed to sell and convert to cash a sufficient amount of such investments whenever the cash held in the Project Fund is insufficient to pay a requisition when presented or to otherwise make a timely disbursement required to be made therefrom. The Trustee may make any and all such investments through its own investment department or that of its affiliates and subsidiaries and may charge its customary fees relating thereto.

Bond Fund Investments. Moneys held in the Bond Fund shall be invested and reinvested by the Trustee at the written direction of an Authorized City Representative in Permitted Investments maturing on or before the date on which such moneys are expected to be used. Such investments shall be held by or under the control of the Trustee and shall be deemed at all tunes a part of the fund or account from which made. The interest earned or other income derived from investments of moneys held in either such fund shall be held for the credit of such fund. The Trustee is directed to sell and convert to cash a sufficient amount of such investments in the Bond Fund whenever the cash held in the Bond Fund is insufficient to provide for the payment of the principal of, the premium, if any, and the interest on, the Bonds as the same become due and payable.

Events of Default and Remedies

Defaults

The Indenture provides that the following constitute "Events of Default":

(a) failure to pay the principal or redemption price of any Bond when the same shall become due and payable, either at maturity or by proceedings for redemption (other than optional redemption which by its terms is conditional in accordance with the Indenture) or otherwise;

(b) failure to pay any installment of interest on any Bond when same shall become due and payable;

(c) failure of the Issuer to duly and punctually perform any other of the covenants, conditions, agreements and provisions on its part contained in the Bonds or in the Indenture, which failure shall continue for 60 days after written notice specifying such failure and requiring the same to be remedied has been given to the Issuer by the Trustee; provided, however, if the failure stated in such notice cannot be corrected within such 60-day period, such failure shall not constitute an Event of Default if it is possible to correct such failure and corrective action is instituted by the Issuer within such 60-day period and is diligently pursued until such failure is corrected; or

(d) an Event of Default shall occur under the Installment Sale Agreement.

If such an Event of Default shall occur, then in each and every such case the Trustee may, and upon the written request of the owners of a majority of the outstanding principal amount of Bonds affected by each Event of Default, the Trustee shall, upon receiving indemnity or security satisfactory to it, proceed to protect and enforce its rights and the rights of the owners of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by Counsel, shall deem most effective to protect and enforce the rights aforesaid.

Any receiver, assignee, or trustee in bankruptcy or reorganization is hereby authorized by each of the Owners to make payments to the Trustee and in the event that the Trustee shall consent to the making of payments directly to the Owners, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys, and counsel and all other expenses and liabilities incurred and all advances made by the Trustee except as a result of its negligence or bad faith.

Remedies

Rights of Owners to Institute Suit and to Direct Proceedings

No owner of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Indenture, or for any other remedy under the Indenture or on the Bonds unless (a) such owner previously shall have given to the Trustee written notice of an Event of Default; (b) the owner, or owners, of not less than a majority of the outstanding principal amount of the Bonds shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its name; (c) there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby; and (d) the Trustee shall have refused or neglected to comply with such request within a reasonable period of tune; and such notification, request, offer of indemnity and refusal or neglect are thereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Indenture or for any other remedy thereunder. The parties hereto intend that no one or more owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right thereunder, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal benefit of all owners of the outstanding Bonds.

No provision of the Indenture shall be deemed to limit or impair the right of any owner of a Bond, which is absolute and unconditional, to enforce the payment of the principal of and interest on such owner's Bonds out of the

moneys provided for such payment, or the obligation of the Issuer to pay the same out of the sources pledged thereto, at the time and place expressed therein.

Anything in Indenture to the contrary notwithstanding, but subject to the last paragraph of Section 901, the owners of a majority of the outstanding principal amount of the Bonds shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee thereunder in respect of the Bonds; provided that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred therein or thereby.

Application of Moneys Upon Default

The Issuer covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all moneys, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of Article IX of the Indenture as follows and in the following order:

(a) Expenses of Trustee—to the payment of the reasonable and proper fees, expenses and liabilities of the Trustee (including collection fees,, attorneys fees and expenses and court costs);

(b) Principal or Redemption Price, and Interest—to the payment of the interest and principal or redemption price then due on the Bonds, as follows:

(i) Unless the principal of all Bonds shall have become due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the redemption premium on and the principal of any Bonds called for redemption pursuant to the provisions of the Indenture.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Whenever moneys are to be applied by the Trustee pursuant to the provisions set forth above, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional

moneys becoming available for such application in the future. The setting aside of such moneys in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Issuer, to any owner of a Bond or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

Remedies Vested in the Trustee

All rights of action under the Indenture or under any of the Bonds enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds, or the production thereof on the trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the ratable benefit of the owners of the Bonds affected by such suit or proceeding, subject to the provisions of the Indenture.

Waivers of Events of Default

The Trustee may in its discretion waive any Event of Default under the Indenture and rescind its consequences and shall waive any Event of Default under the Indenture and its consequences upon the written request of the owners of a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that there shall not be waived any Event of Default resulting from failure to pay principal of or interest on the Bonds (a "Payment Default") unless prior to such waiver or rescission, all arrears of principal, premium, if any, with interest on such overdue amounts (to the extent permitted by law) at the rate borne by the Bonds, and all expenses of the Trustee in connection with such Event of Default, shall have been paid or provided for. In the case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee, and the Owners shall be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon. All waivers under the Indenture shall be in writing.

Notice of Defaults; Opportunity of the Issuer and the City to Cure Defaults

The Trustee shall immediately after the occurrence of an Event of Default specified in paragraph (a) or (b) under "Events of Default and Remedies—Defaults," and immediately after receipt of written notice from the Issuer or the Owners of a majority in aggregate principal amount of all Bonds then Outstanding of any other Event of Default, mail by first class mail, postage prepaid, to the registered owners of the Bonds notice of all events of default known to the Trustee unless such defaults shall have been cured before the giving of such notice; provided that except in the case of default in the payment of principal of (or premium, if any) or interest on any of the Bonds, the Trustee shall be protected in withholding such notice from the owners of the Bonds if and so long as the board of directors, the executive committee or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the best interests of the owners of the Bonds.

Discharge of Indenture

Discharge of Lien

If the Issuer shall pay or cause to be paid the principal of, and the interest on, the Bonds at the times and in the manner stipulated therein and in the Indenture and shall pay or cause to be paid all fees and expenses of the Trustee due or to become due under the Indenture, and if the Issuer shall keep, perform, and observe all and singular

the covenants and promises in the Bonds and the Indenture expressed as to be kept, performed and observed by it or on its part, then the lien, pledge and assignment under the Indenture of the Trust Estate shall cease, terminate and be discharged, in which case the Trustee, shall cancel and discharge the Indenture and the lien, pledge and assignment created thereby, and shall execute and deliver to the Issuer such instruments in writing as shall be required to cancel and discharge the Indenture and to reconvey to the Issuer the Trust Estate, and assign and deliver to the Issuer so much of the Trust Estate as may be in its possession or subject to its control, except for moneys and Defeasance Securities held in a special account in the Bond Fund for the purpose of paying Bonds which have not yet been presented for payment; provided, however, such cancellation and discharge of the Indenture shall not terminate the powers and rights granted to the Trustee with respect to the payment, transfer and exchange of such Bonds.

Notwithstanding the fact that the lien of the Indenture upon the Trust Estate may have been discharged and cancelled in accordance with the preceding paragraph, the Indenture and the rights granted and duties imposed thereby, to the extent not inconsistent with the fact that the lien upon the Trust Estate may have been discharged and cancelled, shall nevertheless continue and subsist until the principal of, and the interest on, all of the Bonds shall have been paid in full or the Trustee shall have returned to the Issuer in accordance with the Indenture all funds theretofore held by the Trustee for payment of any Bonds not theretofore presented for payment.

Defeasance of Bonds

Any Bonds shall be deemed to have been paid and shall cease to be entitled to the lien of the Indenture if the Issuer shall (i) deposit irrevocably with the Trustee or in an irrevocable escrow account either (x) cash in an amount which shall be sufficient, or (y) Defeasance Securities the principal of and interest on which when due, and without any reinvestment thereof, will provide cash which, together with the cash, if any, deposited at the same time, shall be sufficient as confirmed in a report of independent certified public accountants, to pay when due the principal of, redemption premium (if any) and interest on, such Bonds due and to become due on and prior to the redemption date or maturity date thereof and to pay all Trustee's and paying agents' fees and expenses due under the Indenture(unless provision for such payment satisfactory to the Trustee and any paying agents shall have been made); and (ii) shall make adequate provision for any redemption of such Bonds and for the giving at the proper time of the proper notice of any such redemption as provided in the Indenture. Neither the Defeasance Securities nor the cash deposited with the Trustee pursuant to the Indenture nor the principal or interest payments on such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, redemption premium (if any) and interest on, such Bonds; provided that any cash receipts from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (A) to the extent that such cash will not be required at any time for the purpose of paying the principal of, redemption premium (if any) and interest on, such Bonds, shall be paid over to the City as received by the Trustee, free and clear of, any trust, lien or pledge, and (B) to the extent such cash will be required for the payment of such principal, redemption premium (if any) and interest at a later date, shall, to the extent practicable and unless otherwise expressly provided for in the escrow deposit agreement governing any irrevocable escrow account, be reinvested at the written direction of an Authorized Issuer Representative in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal of, and redemption premium (if any) and interest on, such Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and the interest earned from such reinvestment which is not required for such payments shall be paid over to the City as received by the Trustee, free and clear of any trust, lien or pledge.

The deposit required above may be made with respect to any particular Bonds or series of Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), in which case such Bonds shall no longer be deemed to be Outstanding and shall be deemed to be paid, and the owners of such Bonds shall be secured only by such deposit and not by any other part of the Trust Estate; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, adequate provision for giving notice of such redemption shall have been made with respect to such Bonds.

The Trustee

Intervention by the Trustee

In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may intervene on behalf of the owners of the Bonds and, upon receipt of satisfactory indemnification, shall do so if requested in writing by the owners of not less than a majority of the outstanding principal amount of the Bonds. The rights and obligations of the Trustee to intervene in any such judicial proceeding under this paragraph are subject to the approval of a court of competent jurisdiction if approval of such intervention is otherwise required by law.

Successor Trustee

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or any corporation or association resulting from any such conversion, merger, or consolidation, or any corporation succeeding to the corporate trust business of the Trustee, ipso facto, shall be and become successor Trustee under the Indenture and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties thereto, anything in the Indenture to the contrary notwithstanding. If the Trustee is not the successor corporation in any such merger or consolidation, the Trustee shall take such action as may be required to effect a transfer of the Trust Estate to such successor corporation.

Resignation by the Trustee

The Trustee and any successor trustee may at any time resign from the trusts created under the Indenture by executing an instrument in writing resigning such trusts and specifying the date when such resignation shall take effect, and filing the same with the Issuer and the City not less than 45 days before the resignation date specified in such instrument, and by giving notice of such resignation by first class mail, postage prepaid, not less than 20 days prior to such resignation date, to each Owner shown on the registration records with respect to the Bonds, and such resignation shall only take effect at the appointment of a successor trustee pursuant to the Indenture and acceptance by the successor trustee of such trusts.

Removal of the Trustee

The Trustee may be removed at any time by the Issuer, by an instrument in writing delivered to the Trustee, for any breach of the trusts set forth in the Indenture or for failure or refusal to act as trustee, or by an instrument or concurrent instruments in writing delivered to the Trustee, the Issuer, and the City and signed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that no such removal shall be effective until a successor trustee has been appointed and qualified.

Appointment of Successor Trustee: Temporary Trustee

In case the Trustee shall (a) resign or be removed or (b) be dissolved or shall be in the course of dissolution or liquidation, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court or otherwise become incapable of acting under the Indenture, a successor may be appointed by an instrument of the Issuer executed and signed and attested to as provided in the Indenture and by executed by the Mayor of the City. If a successor trustee is not so appointed within ten (10) days after notice of resignation is mailed or an instrument of removal is delivered, or within ten (10) days of the Issuer's knowledge of any of the events specified in (b) above, then the owners of a majority in aggregate principal amount of Bonds then Outstanding, may designate a successor trustee. Until a successor trustee shall be appointed by the Owners in the manner above provided, the Issuer, by resolution and upon written notice to the City, shall appoint a temporary trustee to fill such vacancy, and any such temporary trustee so appointed by the Issuer shall immediately and without further act be superseded by the successor trustee so appointed by the Owners.

In case at any time the Trustee shall give notice of its intent to resign and no appointment of a successor trustee shall be made prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the owner of any Bond or the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor trustee.

Every such trustee as provided above shall be a trust company or a commercial bank having trust powers, in good standing, within or outside the State of Georgia, and having an unimpaired combined capital and surplus of not less than $35,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Owners. The Issuer and the Trustee may, without the consent of, or notice to, any of the Owners, enter into an indenture or indentures supplemental to the Indenture which shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in, or to correct or supplement any defective provision of, the Indenture;

(b) to grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, security or authorities that may lawfully be granted to or conferred upon the Owners or the Trustee or either of them;

(c) to subject to the lien and pledge of the Indenture additional payments, revenues, properties or collateral;

(d) to modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture and supplemental indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state, and, if they so determine, to add thereto or to any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(e) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in the Indenture other covenants, agreements, limitations and restrictions to be observed by the Issuer for the protection of the Owners;

(f) to evidence the appointment of a separate Trustee or a Co-Trustee, or the succession of a new trustee or the appointment of a new or additional paying agent or bond registrar;

(g) to modify, amend or supplement the Indenture in such manner as to assure the continued exclusion from gross income of the Owners thereof for federal income tax purposes of interest on any Bonds;

(h) to reflect a change in applicable law provided that such supplemental indenture does not materially adversely affect the rights of Owners; or

(i) in connection with any other change therein which does not materially adversely affect the Owners or impair the Trust Estate.

Supplemental Indentures Requiring Consent of Owners

Exclusive of supplemental indentures covered in the preceding paragraph and subject to the terms and provisions contained in this paragraph, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds shall have the right, from time to time, anything contained therein to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained therein or in any supplemental indenture; provided, however, that nothing contained in the Indenture shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds, without the consent of every owner of the Bonds affected thereby, or (b) the creation of any lien or security interest prior to or on a parity with the lien of the Indenture, without the consent of the Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (c) a reduction in the aggregate principal amount of Bonds the Owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the Bonds at the time Outstanding, or (d) the modification of the trusts, powers, obligations, remedies, privileges, rights, duties, or immunities of the Trustee, without the written consent of the Trustee, or (e) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (f) the release of or requirements for the release of the Indenture, without the consent of the owners of all the Bonds affected thereby.

If the Issuer shall request the Trustee in writing to enter into any such supplemental indenture for any of the purposes of the preceding paragraph, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause written notice of the proposed execution of such supplemental indenture together with a copy of such proposed supplemental indenture to be given by first class mail, postage prepaid, to the Owners of the Bonds at their addresses shown on the Bond Register. If, within 60 days or such longer period as shall be reasonably prescribed by the Issuer following the mailing of such notice, the Owners of not less than a majority (or such higher percentage as required by the preceding paragraph) in aggregate principal amount of the Bonds shall have consented to and approved the execution of such supplemental indenture, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as provided in this paragraph, the Indenture shall be modified and amended in accordance therewith.

Amendment of Installment Sale Agreement

The Issuer and the City may without the consent of, or notice to, the Owners consent to any amendment, change or modification of the Installment Sale Agreement as may be required (i) by the provisions of the Installment Sale Agreement or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission in the Installment Sale Agreement or (iii) in connection with any other change therein which, in the judgment of the City, is not contrary to or inconsistent with the Installment Sale Agreement and is not to the prejudice of the Owners.

Except for the amendments, changes or modifications as provided in the immediately preceding paragraph, neither the Issuer nor the City will consent to any other amendment, change or modification of the Installment Sale Agreement without the written approval or consent of the holders of not less than a majority in principal amount of the Bonds then Outstanding; provided, however, that nothing will permit, or be construed as permitting, any amendment, change or modification of the City's unconditional obligations to make payments under the Installment Sale Agreement, or the City's covenants with respect to the use of the proceeds of the Bonds.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Flowery Branch, Georgia (the "City") in connection with the issuance of $25,000,000 in original aggregate principal amount Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Project), Series 2024 (the "Series 2024 Bonds" or the "Bonds"). The Bonds are being issued pursuant to a resolution of the Gainesville and Hall County Development Authority (the "Authority") adopted on June 20, 2024, (the "Bond Resolution"). The City is obligated in effect to pay the debt service on the Bonds under the Intergovernmental Installment Sale Agreement, dated as of July 1, 2024, between the Gainesville and Hall County Development Authority and the City, which Intergovernmental Installment Sale Agreement has been pledged and assigned to secure the Bonds. The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the beneficial owners of the Bonds (the "Bondholders") and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution and the Trust Indenture securing the Bonds, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean any Dissemination Agent designated in writing by the City, or any successor Dissemination Agent designated in writing by the City, and that has filed with the City a written acceptance of such designation. Initially, "Dissemination Agent" shall mean Raymond James & Associates, Inc., Atlanta, Georgia.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule as further described in Section 6 hereof.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto. Currently, the MSRB's address is:

MSRB
1300 I Street, N.W.
Suite 1000
Washington, DC 20005
Attention: Disclosure

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. **Currently, the sole National Repository is the MSRB, through the operation of EMMA, as provided in Section 13 hereof.**

"Official Statement" shall mean the Official Statement, dated June 20, 2024, prepared by the Authority and the City for use in connection with the issuance of the Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule l5c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State of Georgia as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than nine (9) calendar months after the end of each Fiscal Year, commencing with Fiscal Year ended June 30, 2024, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report.

(b) If the City is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the City shall send a notice to each Repository in substantially the form attached as Exhibit A hereto. If the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the City irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as **Exhibit A**.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository (currently just the MSRB) and each State Repository, if any; and

(ii) if the Dissemination Agent is other than the City, notify the City that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories (currently just the MSRB) and each State Repository, to which it was provided.

(d) The City shall promptly file a notice of any change in its Fiscal Year with each Repository.

(e) If the audit report specified in clause (1) of Section 4 hereof is not submitted as part of the Annual Report to each Repository pursuant to Section 3(a) hereof, the City shall, or shall cause the Dissemination Agent to, provide to each Repository such audit report, together with the audited general purpose financial statements to which such audit report relates, when they are available to the City.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(1) the City's general purpose financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as applied to government units, as in effect from time to time, with the exception that management's discussion and analysis shall not be required to be included in said general purpose financial statements, and which shall be accompanied by an independent auditor's report, if available at the time of submission of the Annual Report to each Repository pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards. If such audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements, together with the audit report thereon, shall be filed in the same manner as the Annual Report when they become available;

(2) if generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the City, a narrative explanation describing the impact of such changes on the City; and

(3) tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the City set forth in the Official Statement under the headings "THE CITY--General Fund History," "--General Fund Budget", --Historical Property Tax Levies and Collections," "--Historic Property Tax Information," "--Tax Rates - Mills," "--Principal Taxpayers," "--Summary of City Debt by Category and Overlapping Debt," "--Limitations on City Debt," and "--Tax Supported Debt Ratios."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events ("Listed Events") with respect to the Bonds:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the City;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a

Financial Obligation of the City, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) If the City obtains knowledge of the occurrence of a Listed Event, the City shall file, in a timely manner not in excess of ten business days after the occurrence of the event, a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of a Listed Event described in subsection (a)(8) (other than tender offers) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the owners of the affected Bonds pursuant to the Bond Resolution. For the purpose of the event identified in subsection (a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U. S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the asset or business of the City.

(c) For the purposes of the events described in subsection (a)(15) and (a)(16), the term "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

(d) The content of any notice of the occurrence of a Listed Event shall be determined by the City and shall be in substantially the form attached hereto as **Exhibit B.**

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Raymond James & Associates, Inc.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligor on the Bonds, or type of business conducted by such obligor;

(b) such amendment or waiver does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the City or by the approving vote of the Bondholders owning more than two-thirds in aggregate principal amount of the Bonds outstanding at the time of such amendment or waiver; and

(c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

If any provision of Section 4 hereof is amended or waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

If the provisions of Section 4 hereof specifying the accounting principles to be followed in preparing the City's financial statements are amended or waived, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Bondholders to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The City shall file a notice of the change in the accounting principles with each Repository on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure

Certificate shall not be deemed an "event of default" or "default" under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the City has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Annual Report of the City, any audited financial statements of the City, any Listed Events or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the City's failure to report a Listed Event to the Dissemination Agent. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the City at all times.

(b) The City agrees to indemnify and save the Dissemination Agent and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this subsection shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(c) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and the Dissemination Agent shall in no event incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the City.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and the Bondholders, and shall create no rights in any other person or entity.

Section 13. Filing with MSRB. Notwithstanding anything in this Disclosure Certificate to the contrary, any filing required to be made with a National Repository pursuant to this Disclosure Certificate may be made solely by transmitting such filing to the continuing disclosure service portal provided through the MSRB's EMMA as provided at http://www.emma.msrb.org, or any similar system that is acceptable to the United States Securities and Exchange Commission.

Date: July ____, 2024

CITY OF FLOWERY BRANCH, GEORGIA

By: _____
Mayor

Attest: _____
City Clerk

(SEAL)

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

Name of Bond Issue: $25,000,000 GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY REVENUE BONDS (CITY OF FLOWERY BRANCH PROJECT), SERIES 2024

Date of Issuance: JULY ____, 2024

CUSIP Numbers:[1] _____

NOTICE IS HEREBY GIVEN that the City of Flowery Branch has not provided a complete Annual Report with respect to the above-named Bonds as required by a resolution of the City adopted on June 20, 2024 (the "City Resolution"). The City anticipates that the information to complete the Annual Report will be filed by _____.

Dated: _____

CITY OF FLOWERY BRANCH

[1] No representation is made as to the correctness of the CUSIP numbers either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

Relating to
$25,000,000 GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY REVENUE BONDS (CITY OF FLOWERY BRANCH PROJECT), SERIES 2024

CUSIP Numbers:[1] _____

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5 shall include the following:

The Issuer hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The Issuer hereby covenants not to exercise any optional or extraordinary redemption provisions under the Trust Indenture, however, the sinking fund provision will survive the defeasance.

AND

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the Issuer or the Trustee as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

CITY OF FLOWERY BRANCH

1 No representation is made as to the correctness of the CUSIP numbers either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

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[Letterhead of Stewart, Melvin & Frost, LLP]

_____, 2024

Gainesville and Hall County Development Authority
Gainesville, Georgia

City of Flowery Branch, Georgia
Flowery Branch, Georgia

Stifel Nicolaus & Company, Incorporated
Atlanta, Georgia

Regions Bank, as Trustee
Atlanta, Georgia

Re: $25,000,000 Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Project), Series 2024, dated _____, 2024 (the "Series 2024 Bonds" or the "Bonds")

To the Addressees:

We have acted as Bond Counsel in connection with the issuance by Gainesville and Hall County Development Authority, a public body corporate and politic created and existing under the laws of the State of Georgia (the "Issuer"), of the above-captioned Bonds. We have examined the law and such proceedings, a resolution of the Issuer adopted on June 20, 2024 (the "Bond Resolution"), the Trust Indenture, dated as of July 1, 2024 (the "Indenture"), between the Issuer and Regions Bank, Atlanta, Georgia, as Trustee, the Intergovernmental Installment Sale Agreement, dated as of July 1, 2024 (the "Agreement"), between the Issuer and the City of Flowery Branch, Georgia (hereinafter referred to as the "City"), a resolution of the City adopted on June 20, 2024 (the "City Resolution") and other documents as deemed necessary to render this opinion.

The Bonds are subject to redemption prior to their respective maturities as stated in the text of the Bonds and in the manner and upon the terms set forth in the Indenture.

Pursuant to the Installment Sale Agreement, the Issuer will acquire, construct, renovate, expand, and equip the existing wastewater treatment facility located within the City of Flowery ranch, Georgia, including the expansion of treatment capacity to 1,500,000 gallons per day, and the construction of new biological treatment processing, clarification, and filtration systems capable of treating water to near drinking standards prior to discharge (the "Project") for the benefit of the citizens of the City. The Series 2024 Bonds will be issued for the purpose of paying (i) the costs of the acquisition, construction, renovation, expansion, and equipping of the Project and (ii) the costs of issuance of the Series 2024 Bonds. The Bonds are being issued pursuant to the Bond Resolution and the Indenture.

The Project (as defined in the Agreement) will be sold by the Issuer to the City under the terms of the Agreement. The City has agreed under the terms of the Agreement to make purchase payments to the Issuer, which payments equal or exceed the debt service requirements on the Bonds and will be pledged to the payment of (and which will be sufficient to pay) the principal of, premium, if any, and the interest on, the Bonds as the same become due.

The Issuer has assigned to the Trustee under the Indenture and pledged to the payment of the Bonds: all right, title and interest of the Issuer in the Agreement, including the payments to be made by the City pursuant to Section 402 of the Agreement; all right, title and interest of the Issuer in and to all amounts on deposit from time to time in the Bond Fund under the terms of the Indenture; and any and all other property rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind given, granted, pledged, assigned, conveyed, mortgaged or transferred, or otherwise subjected to the Indenture, by the Issuer or any other person with Issuer's written consent. The Bonds are payable from amounts payable by the City under the Agreement.

The Bonds are not a debt of the State of Georgia or the City nor a pledge of the faith and credit of said State or District, nor will said State or District be subject to any pecuniary liability thereon. The issuance of the Bonds does not directly, indirectly or contingently obligate said State or District to levy or to pledge any form of taxation whatever therefor or to make any appropriation for the payment thereof except to the extent the City is obligated to make the purchase payments as more specifically provided in the Agreement. The Issuer does not have the power of taxation.

In our capacity as Bond Counsel, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or any other offering material relating to the Bonds and we express no opinion herein relating thereto or as to compliance by the Issuer or the Underwriter with any federal or state securities laws, rules or regulations relating to the sale of the Bonds except as expressly set forth herein.

As to questions of fact material to our opinion, we have relied upon (a) representations of the Issuer and the City; (b) certified proceedings and other certifications of public officials furnished to us; and (c) certifications by officials of the Issuer, Stifel Nicolaus & Company, Incorporated (the "Underwriter"), and the City (including certifications as to the use and investment of the proceeds of the Series 2024 Bonds which are material to paragraph (6) below),

without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based upon our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

(1) The Issuer is a duly created and validly existing public body corporate and politic of the State of Georgia with the corporate power to enter into and perform the Agreement and the Indenture and to issue the Bonds.

(2) The Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and are valid and binding obligations of the Issuer enforceable upon the Issuer. The Indenture creates a valid lien on the payments and revenues to be received by the Issuer under the Agreement.

(3) The Bonds have been duly authorized, executed and delivered by the Issuer, and are the valid and binding limited obligations of the Issuer, payable from the payments and revenues to be received by the Issuer under the Agreement.

(4) The Agreement has been duly authorized, executed and delivered by the City, and is a valid and binding obligation of the City enforceable upon the City.

(5) As of the date hereof, interest on the Series 2024 Bonds, including original issue discount, is (a) excluded from gross income for federal income tax purposes and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax; provided however that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended), for the purpose of computing alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to continuing compliance by the City with the covenants regarding federal tax law in the Agreement. Failure to comply with such covenants could cause interest on the Series 2024 Bonds to be included in the bondholders' gross income retroactive to the date of issuance of the Series 2024 Bonds.

(6) Under existing statutes, regulations, rulings and court decisions, the interest payable on the Series 2024 Bonds is exempt from all present Georgia income taxes.

(7) The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

It is to be understood that the rights of the holder of the Bonds and the enforceability of the Bonds, the Agreement, and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

STEWART, MELVIN & FROST, LLP

By:_____
Partner