



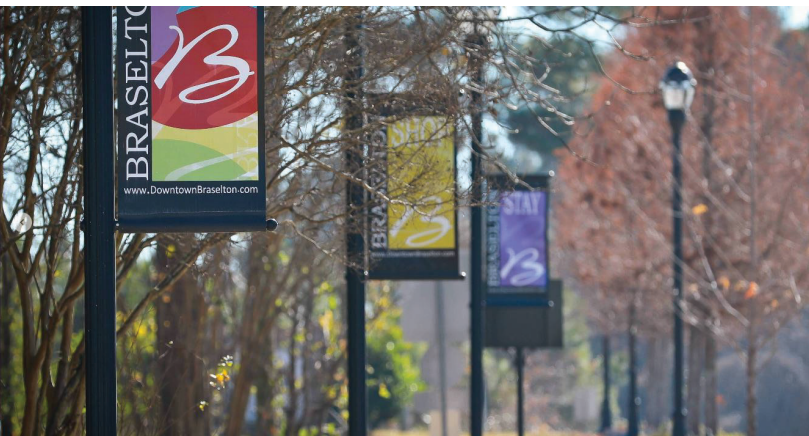
TOWN OF BRASELTON, GEORGIA



TOWN OF —
BRASELTON

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



TOWN OF BRASELTON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

TOWN OF BRASELTON, GEORGIA

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March 19, 2025

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
Town Council of the Town of Braselton, Georgia
Braselton, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Town of Braselton, Georgia** (the "Town") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Hotel / Motel Fund for the year then ended in accordance 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 (GAAS) 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 the Town and to meet our other 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 opinions.

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 the Town'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 GAAS 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 for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment 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 the Town'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 the Town'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 schedule of changes in the Town's net pension liability and related ratios on page 45, schedule of the Town contributions on page 46, and the notes to the required supplementary information on page 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor fund financial statements, budgetary comparison schedule, schedule of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation special sales tax proceeds, the Downtown Development Authority statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are 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 nonmajor fund financial statements, budgetary comparison schedule, schedule of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation special sales tax proceeds, the Downtown Development Authority statements, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

McNair, McLeMore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

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FINANCIAL STATEMENTS

TOWN OF BRASELTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Unit
	Governmental	Business-Type		Downtown
	Activities	Activities	Total	Development
				Authority
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 13,349,088	\$ 18,313,531	\$ 31,662,619	\$ 210,953
Restricted Investments	3,034,004	3,886,899	6,920,903	-
Receivables, Net of Allowance				
Taxes	224,523	-	224,523	-
Accounts	229,445	2,291,342	2,520,787	-
Leases Receivable	65,055	-	65,055	7,934
Due From Other Governments	1,022,166	-	1,022,166	-
Due From Component Unit	182,551	-	182,551	-
Internal Balances	(3,156,641)	3,156,641	-	-
Prepays	150,857	109,680	260,537	-
Noncurrent Assets				
Leases Receivable	138,170	-	138,170	-
Nondepreciable	37,609,113	25,760,495	63,369,608	-
Depreciable, Net	25,061,627	84,797,000	109,858,627	378,349
Total Assets	77,909,958	138,315,588	216,225,546	597,236
Deferred Outflows of Resources				
Pensions	366,500	254,687	621,187	-
Deferred Charges on Refunding	-	650,368	650,368	-
Total Deferred Outflows of Resources	366,500	905,055	1,271,555	-

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2024
(CONTINUED)

	Primary Government			Component Unit
	Governmental	Business-Type		Downtown
	Activities	Activities	Total	Development
				Authority
Liabilities				
Accounts Payable	\$ 1,606,958	\$ 2,530,229	\$ 4,137,187	\$ -
Accrued Liabilities	72,165	7,323	79,488	-
Retainage Payable	193,306	306,418	499,724	-
Accrued Interest	-	193,111	193,111	-
Customer Deposits Payable	-	916,277	916,277	-
Unearned Revenue	604,858	-	604,858	-
Due to Primary Government	-	-	-	182,551
Noncurrent Liabilities				
Due Within One Year				
Notes Payable	-	400,183	400,183	1,527
Bonds Payable	919,657	1,780,000	2,699,657	-
Compensated Absences	80,114	65,822	145,936	-
Due in More Than One Year				
Notes Payable	-	5,682,633	5,682,633	46,756
Bonds Payable	18,309,923	24,986,704	43,296,627	-
Compensated Absences	186,934	-	186,934	-
Net Pension Liability	2,123,131	1,475,397	3,598,528	-
Total Liabilities	24,097,046	38,344,097	62,441,143	230,834
Deferred Inflows of Resources				
Leases	192,390	-	192,390	7,313
Total Deferred Inflows of Resources	192,390	-	192,390	7,313
Net Position				
Net Investment in Capital Assets	46,059,513	81,744,513	127,804,026	330,066
Restricted for				
Capital Outlay	12,955,203	-	12,955,203	-
Debt Service	-	119,838	119,838	-
Loan Program	357,921	-	357,921	-
Law Enforcement	61,769	-	61,769	-
Unrestricted (Deficit)	(5,447,384)	19,012,195	13,564,811	29,023
Total Net Position	\$ 53,987,022	\$ 100,876,546	\$ 154,863,568	\$ 359,089

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 1,177,526	\$ 1,326,920	\$ -	\$ 620,733
Judicial	221,017	-	-	-
Public Safety	2,854,009	754,485	5,000	-
Public Works	840,990	416,304	425,255	3,468,912
Tourism	2,251,861	34,838	-	-
Planning and Development	920,530	-	-	-
Economic and Community Development	1,065,268	-	-	-
Parks and Recreation	30,618	-	-	-
Libraries	747,327	1,656	-	-
Interest Expense	609,685	-	-	-
Total Governmental Activities	10,718,831	2,534,203	430,255	4,089,645
Business-Type Activities				
Water and Sewer	10,239,140	20,007,602	-	8,958,386
Stormwater Utility	365,260	776,073	-	-
Civic Center	949,311	266,405	-	85,942
Total Business-Type Activities	11,553,711	21,050,080	-	9,044,328
Total Primary Government	\$ 22,272,542	\$ 23,584,283	\$ 430,255	\$ 13,133,973
Component Unit				
Downtown Development Authority	\$ 88,484	\$ 23,751	\$ 101,938	\$ -
Total Component Unit	\$ 88,484	\$ 23,751	\$ 101,938	\$ -

General Revenues

Sales Tax
Franchise Tax
Insurance Premium Tax
Hotel / Motel Occupancy Tax
Other Tax
Investment Earnings
Miscellaneous
Gain on Sale of Asset

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
\$ 770,127	\$ -	\$ 770,127	\$ -
(221,017)	-	(221,017)	-
(2,094,524)	-	(2,094,524)	-
3,469,481	-	3,469,481	-
(2,217,023)	-	(2,217,023)	-
(920,530)	-	(920,530)	-
(1,065,268)	-	(1,065,268)	-
(30,618)	-	(30,618)	-
(745,671)	-	(745,671)	-
(609,685)	-	(609,685)	-
(3,664,728)	-	(3,664,728)	-
-	18,726,848	18,726,848	-
-	410,813	410,813	-
-	(596,964)	(596,964)	-
-	18,540,697	18,540,697	-
(3,664,728)	18,540,697	14,875,969	-
			37,205
			37,205
3,633,335	-	3,633,335	-
1,330,744	-	1,330,744	-
1,216,524	-	1,216,524	-
2,716,968	-	2,716,968	-
1,015,462	-	1,015,462	-
176,249	247,594	423,843	1,378
152,216	107,931	260,147	875
11,000	23,400	34,400	-
10,252,498	378,925	10,631,423	2,253
(243,600)	243,600	-	-
10,008,898	622,525	10,631,423	-
6,344,170	19,163,222	25,507,392	39,458
47,642,852	81,713,324	129,356,176	319,631
\$ 53,987,022	\$ 100,876,546	\$ 154,863,568	\$ 359,089

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

		Formerly Major Fund						
	General Fund	American Rescue Plan Act Fund	Hotel/Motel Fund	SPLOST Fund	URA Fund	Nonmajor Governmental Funds	Total Governmental Funds	
Assets								
Cash and Cash Equivalents	\$ 2,940,090	\$ -	\$ 81,559	\$ 9,882,422	\$ 420,127	\$ 24,890	\$ 13,349,088	
Restricted Investments	-	-	-	-	3,034,004	-	3,034,004	
Receivables, Net of Allowance								
Taxes	-	-	224,523	-	-	-	224,523	
Accounts	229,445	-	-	-	-	-	229,445	
Leases Receivable	-	-	-	-	203,225	-	203,225	
Due From Other Governments	453,565	-	-	515,570	-	53,031	1,022,166	
Due From Component Unit	182,551	-	-	-	-	-	182,551	
Due From Other Funds	1,328,834	-	103,167	-	73	351,122	1,783,196	
Prepays	148,427	-	2,430	-	-	-	150,857	
Total Assets	\$ 5,282,912	\$ -	\$ 411,679	\$10,397,992	\$ 3,657,429	\$ 429,043	\$ 20,179,055	
Liabilities								
Accounts Payable	\$ 1,272,807	\$ -	\$ 333,071	\$ -	\$ 1,080	\$ -	\$ 1,606,958	
Accrued Liabilities	72,165	-	-	-	-	-	72,165	
Retainage Payable	-	-	175,028	-	18,278	-	193,306	
Unearned Revenues	256,554	-	-	-	-	348,304	604,858	
Due To Other Funds	3,984,281	-	-	-	955,556	-	4,939,837	
Total Liabilities	5,585,807	-	508,099	-	974,914	348,304	7,417,124	
Deferred Inflows of Resources								
Leases	-	-	-	-	192,390	-	192,390	
Total Deferred Inflows of Resources	-	-	-	-	192,390	-	192,390	
Fund Balances								
Nonspendable	148,427	-	2,430	-	10,835	-	161,692	
Restricted	419,690	-	-	10,397,992	2,479,290	77,921	13,374,893	
Assigned	-	-	-	-	-	2,818	2,818	
Unassigned (Deficit)	(871,012)	-	(98,850)	-	-	-	(969,862)	
Total Fund Balances (Deficit)	(302,895)	-	(96,420)	10,397,992	2,490,125	80,739	12,569,541	
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 5,282,912	\$ -	\$ 411,679	\$10,397,992	\$ 3,657,429	\$ 429,043	\$ 20,179,055	

See accompanying notes which are an integral part of these financial statements

**TOWN OF BRASELTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Fund Balances - Governmental Funds	\$ 12,569,541
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital Assets

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

Cost of the Assets	75,726,208
Accumulated Depreciation	(13,055,468)

Deferred Outflows of Resources

Pensions	366,500
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Long-Term Liabilities

Long-term liabilities are not due and payable in the current period, and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:

Compensated Absences	(267,048)
Net Pension Liability	(2,123,131)
Bonds Payable	<u>(19,229,580)</u>

Net Position of Governmental Activities	<u>\$ 53,987,022</u>
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See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		Formerly Major Fund American						
	General Fund	Rescue Plan Act Fund	Hotel/Motel Fund	SPLOST Fund	URA Fund	Nonmajor Governmental Funds	Total Governmental Funds	
Revenues								
Taxes	\$ 7,196,065	\$ -	\$ 2,716,968	\$ -	\$ -	\$ -	\$ 9,913,033	
License and Permits	882,643	-	-	-	-	-	882,643	
Intergovernmental	430,255	-	-	2,984,983	-	1,083,501	4,498,739	
Fines and Forfeitures	754,485	-	-	-	-	-	754,485	
Charges for Services	475,670	-	34,838	-	386,567	-	897,075	
Investment Earnings	11,114	-	2,323	21,157	162,352	464	197,410	
Other Revenues	110,669	-	8,688	-	-	-	119,357	
Total Revenues	9,860,901	-	2,762,817	3,006,140	548,919	1,083,965	17,262,742	
Expenditures								
Current								
General Government	906,670	-	-	-	253	169	907,092	
Judicial	221,017	-	-	-	-	-	221,017	
Public Safety	3,354,786	-	-	-	-	-	3,354,786	
Streets and Sanitation	2,419,926	-	-	90,158	-	-	2,510,084	
Tourism	-	-	2,184,791	-	-	-	2,184,791	
Planning and Development	920,530	-	-	-	-	-	920,530	
Economic and Community Development	683,047	-	-	-	364,009	-	1,047,056	
Parks and Recreation	29,237	-	-	-	-	-	29,237	
Libraries	1,050,460	-	-	-	-	-	1,050,460	
Capital Outlay	-	-	2,607,274	-	-	1,005,414	3,612,688	
Debt Service								
Principal	-	-	-	-	920,351	-	920,351	
Interest	-	-	-	-	711,284	-	711,284	
Total Expenditures	9,585,673	-	4,792,065	90,158	1,995,897	1,005,583	17,469,376	
Excess (Deficiency) of Revenues Over (Under) Expenditures	275,228	-	(2,029,248)	2,915,982	(1,446,978)	78,382	(206,634)	
Other Financing Sources (Uses)								
Transfers From Other Funds	1,037,201	-	275,000	-	1,397,146	-	2,709,347	
Transfers To Other Funds	(1,922,146)	-	(990,801)	-	(40,000)	-	(2,952,947)	
Insurance Recoveries	32,859	-	-	-	-	-	32,859	
Proceeds From Sale of Assets	11,000	-	-	-	-	-	11,000	
Total Other Financing Sources (Uses)	(841,086)	-	(715,801)	-	1,357,146	-	(199,741)	
Net Change in Fund Balances	(565,858)	-	(2,745,049)	2,915,982	(89,832)	78,382	(406,375)	
Fund Balance, 06/30/23, as Previously Presented	262,963	2,357	2,648,629	7,482,010	2,579,957	-	12,975,916	
Change Within Financial Reporting Entity (Major to Nonmajor Fund)	-	(2,357)	-	-	-	2,357	-	
Fund Balances, 06/30/23, as Adjusted	262,963	-	2,648,629	7,482,010	2,579,957	2,357	12,975,916	
Fund Balances (Deficit) - End of Year	\$ (302,895)	\$ -	\$ (96,420)	\$ 10,397,992	\$ 2,490,125	\$ 80,739	\$ 12,569,541	

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (406,375)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Total Capital Outlays	6,851,219
Total Depreciation	(1,133,879)

Deferred Outflows of Resources

Deferred outflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.

Change in Deferred Outflows of Resources Related to Pensions	129,517
--	---------

Long-Term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Bonds Payable	920,351
Compensated Absences	22,369
Net Pension Liability	(140,631)
Amortization of Loss on Refunding	(2,367)
Amortization on Bond Premium	106,991
Amortization on Bond Discount	(3,025)

Change in Net Position of Governmental Activities	<u>\$ 6,344,170</u>
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See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Sales Taxes	\$ 3,470,828	\$ 3,470,828	\$ 3,633,335	\$ 162,507
Franchise Taxes	1,307,000	1,307,000	1,330,744	23,744
Insurance Premium Taxes	1,210,000	1,210,000	1,216,524	6,524
Business Taxes	1,055,600	1,055,600	996,016	(59,584)
Other Taxes	19,500	19,500	19,446	(54)
Licenses and Permits	767,500	767,500	882,643	115,143
Intergovernmental	130,000	130,000	430,255	300,255
Fines and Forfeitures	840,000	840,000	754,485	(85,515)
Charges for Services	327,700	327,700	475,670	147,970
Investment Earnings	500	500	11,114	10,614
Miscellaneous	107,900	107,900	110,669	2,769
Total Revenue	<u>9,236,528</u>	<u>9,236,528</u>	<u>9,860,901</u>	<u>624,373</u>
Expenditures				
Current				
General Government	1,136,367	1,168,640	906,670	261,970
Judicial	258,350	258,350	221,017	37,333
Public Safety	2,698,075	2,698,075	3,354,786	(656,711)
Streets and Sanitation	537,095	537,095	2,419,926	(1,882,831)
Planning and Development	821,003	821,003	920,530	(99,527)
Economic and Community Development	868,004	732,564	683,047	49,517
Parks and Recreation	10,500	10,500	29,237	(18,737)
Libraries	398,900	401,039	1,050,460	(649,421)
Total Expenditures	<u>6,728,294</u>	<u>6,627,266</u>	<u>9,585,673</u>	<u>(2,958,407)</u>
Excess Revenue Over (Under) Expenditures	<u>2,508,234</u>	<u>2,609,262</u>	<u>275,228</u>	<u>(2,334,034)</u>

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Transfer From Other Funds	\$ 1,312,500	\$ 1,312,500	\$ 1,037,201	\$ (275,299)
Transfer To Other Funds	(387,500)	(525,000)	(1,922,146)	(1,397,146)
Insurance Recoveries	-	-	32,859	32,859
Proceeds Sale of Assets	-	-	11,000	11,000
Total Other Financing Sources (Uses)	<u>925,000</u>	<u>787,500</u>	<u>(841,086)</u>	<u>(1,628,586)</u>
Net Change in Fund Balance	3,433,234	3,396,762	(565,858)	(3,962,620)
Fund Balance - Beginning of Year	<u>262,963</u>	<u>262,963</u>	<u>262,963</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ 3,696,197</u>	<u>\$ 3,659,725</u>	<u>\$ (302,895)</u>	<u>\$ (3,962,620)</u>

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - HOTEL / MOTEL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Hotel / Motel Occupancy Taxes	\$ 3,000,000	\$ 3,000,000	\$ 2,716,968	\$ (283,032)
Rental Income	21,000	51,000	34,838	(16,162)
Interest Income	100	100	2,323	2,223
Miscellaneous	34,300	4,300	8,688	4,388
Total Revenue	3,055,400	3,055,400	2,762,817	(292,583)
Expenditures				
Current				
Tourism	1,742,900	1,747,055	2,184,791	(437,736)
Capital Outlay	-	-	2,607,274	(2,607,274)
Total Expenditures	1,742,900	1,747,055	4,792,065	(3,045,010)
Excess Revenue Over (Under)				
Expenditures	1,312,500	1,308,345	(2,029,248)	(3,337,593)
Other Financing Sources (Uses)				
Transfers From Other Funds	-	-	275,000	275,000
Transfer To Other Funds	(1,312,500)	(1,312,500)	(990,801)	321,699
Total Other Financing Sources (Uses)	(1,312,500)	(1,312,500)	(715,801)	596,699
Net Change in Fund Balance	-	(4,155)	(2,745,049)	(2,740,894)
Fund Balance - Beginning of Year	2,648,629	2,648,629	2,648,629	-
Fund Balance (Deficit) - End of Year	\$ 2,648,629	\$ 2,644,474	\$ (96,420)	\$ (2,740,894)

See accompanying notes which are an integral part of these financial statements.

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TOWN OF BRASELTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Water and Sewer Fund	Civic Center Fund	<u>Nonmajor</u> Stormwater Utility Fund	Totals
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 16,769,588	\$ 179,759	\$ 1,364,184	\$ 18,313,531
Restricted Investments	3,886,899	-	-	3,886,899
Accounts Receivable, Net	2,218,010	-	73,332	2,291,342
Due From Other Funds	3,515,611	14,308	-	3,529,919
Prepaid Items	68,378	40,700	602	109,680
Total Current Assets	26,458,486	234,767	1,438,118	28,131,371
Noncurrent Assets				
Capital Assets				
Nondepreciable	25,525,718	234,777	-	25,760,495
Depreciable, Net	67,967,568	16,829,432	-	84,797,000
Total Noncurrent Assets	93,493,286	17,064,209	-	110,557,495
Total Assets	119,951,772	17,298,976	1,438,118	138,688,866
Deferred Outflow of Resources				
Deferred Charges on Refunding	650,368	-	-	650,368
Pensions	223,627	18,636	12,424	254,687
Total Deferred Outflows of Resources	873,995	18,636	12,424	905,055

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
(CONTINUED)

	Water and Sewer Fund	Civic Center Fund	<u>Nonmajor</u> Stormwater Utility Fund	Totals
Liabilities				
Current Liabilities				
Accounts Payable	\$ 2,522,409	\$ 240	\$ 7,580	\$ 2,530,229
Accrued Liabilities	-	6,399	924	7,323
Retainage Payable	306,418	-	-	306,418
Due to Other Funds	-	-	373,278	373,278
Accrued Interest	193,111	-	-	193,111
Compensated Absences Payable	65,822	-	-	65,822
Customer Deposits Payable	916,277	-	-	916,277
Notes Payable	400,183	-	-	400,183
Bonds Payable	1,780,000	-	-	1,780,000
Total Current Liabilities	6,184,220	6,639	381,782	6,572,641
Noncurrent Liabilities				
Notes Payable	5,682,633	-	-	5,682,633
Bonds Payable	24,986,704	-	-	24,986,704
Net Pension Liability	1,295,470	107,956	71,971	1,475,397
Total Noncurrent Liabilities	31,964,807	107,956	71,971	32,144,734
Total Liabilities	38,149,027	114,595	453,753	38,717,375
Net Position				
Net Investment in Capital Assets	64,680,304	17,064,209	-	81,744,513
Restricted for Debt Service	119,838	-	-	119,838
Unrestricted	17,876,598	138,808	996,789	19,012,195
Total Net Position	\$ 82,676,740	\$ 17,203,017	\$ 996,789	\$ 100,876,546

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Water and Sewer Fund	Civic Center Fund	Nonmajor Stormwater Utility Fund	Totals
Operating Revenues				
Charges and Fees	\$ 20,007,602	\$ 266,405	\$ 776,073	\$ 21,050,080
Miscellaneous Revenue	107,931	-	-	107,931
Total Operating Revenues	20,115,533	266,405	776,073	21,158,011
Operating Expenses				
Personnel Services and Benefits	2,110,591	240,716	132,201	2,483,508
Purchased and Contracted Services	2,422,826	54,360	125,796	2,602,982
Supplies and Equipment	1,294,668	4,426	17,235	1,316,329
Depreciation	2,501,174	435,403	-	2,936,577
Miscellaneous	1,125,942	214,406	90,028	1,430,376
Total Operating Expenses	9,455,201	949,311	365,260	10,769,772
Operating Income (Loss)	10,660,332	(682,906)	410,813	10,388,239
Nonoperating Revenues (Expenses)				
Investment Earnings	244,566	370	2,658	247,594
Gain on Sale of Asset	23,400	-	-	23,400
Interest Expense	(783,939)	-	-	(783,939)
Total Nonoperating Revenues (Expenses)	(515,973)	370	2,658	(512,945)
Net Income (Loss) Before Contributed Capital and Transfers	10,144,359	(682,536)	413,471	9,875,294
Contributed Capital	8,958,386	85,942	-	9,044,328
Transfer From Other Funds	-	250,000	-	250,000
Transfer To Other Funds	(6,400)	-	-	(6,400)
Change in Net Position	19,096,345	(346,594)	413,471	19,163,222
Total Net Position - Beginning of Year	63,580,395	17,549,611	583,318	81,713,324
Total Net Position - End of Year	\$ 82,676,740	\$ 17,203,017	\$ 996,789	\$ 100,876,546

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Water and Sewer Fund	Civic Center Fund	<u>Nonmajor</u> Stormwater Utility Fund	Totals
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 20,188,959	\$ 266,405	\$ 782,923	\$ 21,238,287
Cash Paid to Employees	(2,178,099)	(240,151)	(130,905)	(2,549,155)
Cash Paid to Suppliers for Goods and Services	(2,854,593)	(284,022)	(218,868)	(3,357,483)
Net Cash Flows Provided by (Used for) Operating Activities	15,156,267	(257,768)	433,150	15,331,649
Cash Flows from Noncapital Financing Activities				
Transfers To General Fund	(6,400)	-	-	(6,400)
Transfers From General Fund	-	250,000	-	250,000
Net Cash Provided by (Used For) Noncapital Financing Activities	(6,400)	250,000	-	243,600
Cash Flows from Capital and Related Financing Activities				
Proceeds on Notes Payable	705,829	-	-	705,829
Gain on Sale of Asset	23,400	-	-	23,400
Purchases of Capital Assets	(9,912,362)	-	-	(9,912,362)
Principal Paid on Notes Payable	(397,808)	-	-	(397,808)
Interest Paid on Notes Payable	(39,185)	-	-	(39,185)
Principal Paid on Bonds Payable	(1,765,000)	-	-	(1,765,000)
Interest Paid on Bonds Payable	(703,040)	-	-	(703,040)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(12,088,166)	-	-	(12,088,166)
Cash Flows from Investing Activities				
Restricted Investment - Bonds	(199,771)	-	-	(199,771)
Interest Income	244,566	370	2,658	247,594
Net Cash Flows Provided by (Used for) Investing Activities	44,795	370	2,658	47,823
Net Increase (Decrease) in Cash and Cash Equivalents	3,106,496	(7,398)	435,808	3,534,906
Cash and Cash Equivalents - Beginning of Year	13,663,092	187,157	928,376	14,778,625
Cash and Cash Equivalents - End of Year	\$ 16,769,588	\$ 179,759	\$ 1,364,184	\$ 18,313,531

See accompanying notes which are an integral part of these financial statements.

TOWN OF BRASELTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

	Water and Sewer Fund	Civic Center Fund	<u>Nonmajor</u> Stormwater Utility Fund	Totals
Cash Flows From Operating Activities				
Operating Income	\$ 10,660,332	\$ (682,906)	\$ 410,813	\$ 10,388,239
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	2,501,174	435,403	-	2,936,577
<i>Changes in Assets and Liabilities</i>				
(Increase) Decrease in Accounts Receivable	73,426	-	6,850	80,276
(Increase) Decrease in Due From Other Funds	(706,861)	(5,835)	-	(712,696)
(Increase) Decrease in Prepaid Items	8,037	(4,847)	-	3,190
(Increase) Decrease in Deferred Outflows - Pensions	(79,027)	(6,586)	(4,391)	(90,004)
Increase (Decrease) in Accounts Payable	2,302,466	(6,543)	(2,875)	2,293,048
Increase (Decrease) in Accrued Interest Payable	(17,127)	-	-	(17,127)
Increase (Decrease) in Accrued Liabilities	-	6,395	(404)	5,991
Increase (Decrease) in Retainage Payable	306,418	-	-	306,418
Increase (Decrease) in Due To Other Funds	-	-	18,389	18,389
Increase (Decrease) in Compensated Absences	(74,290)	-	-	(74,290)
Increase (Decrease) in Net Pension Liability	85,809	7,151	4,768	97,728
Increase (Decrease) in Customer Deposits Payable	95,910	-	-	95,910
Total Adjustments	4,495,935	425,138	22,337	4,943,410
Net Cash Provided by (Used for) Operating Activities	\$ 15,156,267	\$ (257,768)	\$ 433,150	\$ 15,331,649
Noncash Capital Financing Activities				
Contributions of Capital Assets	\$ 8,958,386	\$ 85,942	\$ -	\$ 9,044,328

See accompanying notes which are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF BRASELTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The Town of Braselton, Georgia (the Town) was incorporated, under the laws of the State of Georgia, in 1916 and operates under an elected Mayor-Council form of government. The Mayor and four Council members are elected with each Council member serving one district within the Town. The Town provides such services as police protection, parks and recreation amenities, planning and building inspection, municipal court services, public works, water and sewer services, library services, and general and administrative services.

The financial statements of the Town 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 accounting policies of the Town are described below.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Town (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the Town's reporting entity because of the significance of their operational and financial relationships with the Town. In conformity with generally accepted accounting principles, as set forth in GASB No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34*, the Town's relationships with other governments and agencies have been examined. The financial statements of the component units are either presented as a discretely presented component unit (shown separately in the government-wide financial statements) or a blended component unit (shown as if it were a fund of the Town).

The Town of Braselton Downtown Development Authority (the DDA) is the discretely presented component unit of the Town. The seven members of the Board of Directors of the DDA are appointed by the Town Council. The Town also has the ability to impose its will on the DDA as the Town Council can remove appointed members of the Board of Directors at will and has the ability to hire and dismiss the personnel responsible for the daily operations of the DDA. The Town of Braselton Downtown Development Authority's financial information is maintained by the Town's Finance Department. However, separate financial statements are not prepared.

The Town of Braselton Urban Redevelopment Authority (the URA) is a blended component unit of the Town. The three members of the Board of Directors of the URA are appointed by the Town Council. The Town also has the ability to impose its will on the URA as the Town Council can remove appointed members of the Board of Directors at will and has the ability to hire and dismiss the personnel responsible for the daily operations of the URA. The Urban Redevelopment Authority provides a means to issue revenue bonds for development within the Town. Although it is legally separate from the Town, the URA is reported as if it were a part of the primary government because all of the URA's debt is expected to be repaid by the Town. The URA's financial information is maintained by the Town's Finance Department. However, separate financial statements are not prepared.

(1) Summary of Significant Accounting Policies (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized predominately when the underlying transaction occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's public utilities and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under 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 Town 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 the obligations are expected to be liquidated with expendable available financial resources.

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Sales taxes, franchise taxes, insurance premium taxes, hotel/motel occupancy taxes, other taxes, licenses, 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 Town.

In accordance with *GASB Statement No. 33, Accounting and Financial Reporting for Non-Exchange Transactions*, the corresponding assets (receivables) in non-exchange 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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expense, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Town reports the following major governmental funds:

The **General Fund** is the Town'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 **Hotel / Motel Fund** accounts for the occupancy tax collected by the Town from hotels and motels and are distributed based upon statute, including a requirement for a portion to be spent on tourism.

The **SPLOST Fund** accounts for the acquisition and construction of capital expenditures which are financed by the special purpose local option sales tax program of the Town, in agreement with Barrow County, Gwinnett County, Hall County, and Jackson County.

The **URA Fund** accounts for the activity (predominately capital outlay in spending proceeds of URA bonds and debt service on those bonds which is paid by the Town) of the Town's blended component unit.

The Town reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the operation of the water and sewerage system including all revenues from sources applicable to the system's operations and all expenses of the operations.

The **Civic Center Fund** accounts for the operation of the civic center including all revenues from sources applicable to the center's operations and all expenses of the operations.

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Additionally, the Town reports the following fund types:

The **Special Revenue Funds** account for revenues that are legally restricted to expenditures for specific purposes.

The **Capital Project Funds** account for the acquisition and construction of major capital outlays.

The **Nonmajor Proprietary Fund** accounts for the nonmajor enterprise fund's operating income, changes in net position, financial position, and cash flows for funds which a fee is charged to external users for goods or services.

Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the capital projects funds and the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis for the governmental funds. All appropriations lapse at year end. Project-length budgets are adopted for the capital project funds. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the Town.

Deposits and Investments

Georgia statutes authorize the Town 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. Investments are reported at fair value.

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. The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit with original maturities of three months or less from the date of acquisition.

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."

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditure recognition occurs during the benefiting period.

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, buildings and improvements, 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 are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

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.

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

<u>Assets</u>	<u>Years</u>
Machinery and Equipment	5 – 25
Vehicles	5 – 10
Utility Plant and Infrastructure	10 – 40
Infrastructure	20 – 50
Buildings and Improvements	15 – 25

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused paid time off benefits. The Town permits an accumulation of sick leave at the rate of three days per year with no limit to number of days accumulated. Sick leave is payable to those employees who have resigned. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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. Bond premiums and discounts are amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issue.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are expenditures in the year of issue.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

(1) Summary of Significant Accounting Policies (Continued)

Leases

The Town has implemented GASB Statement 87, *Leases*, effective July 1, 2021. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Town is a lessor of buildings and land. The Town recognizes leases receivable and deferred inflows of resources at both the fund level and government-wide level of reporting.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a systematically and rationally basis.

Key estimates and judgments related to leases receivable include how the Town determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and the lease payments:

- The Town uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the Town uses its estimated incremental leasing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the Town over the term of the lease and residual value guarantee payments that are fixed in substance.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflows of resources.

Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council through adoption of a resolution. Only the Town Council may modify or rescind the commitment through a subsequent resolution.

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

- Assigned - amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Town Council has authorized the Town Manager to assign fund balances through a written memorandum, in addition to the Town Council being able to assign fund balance through a motion at a public meeting.
- Unassigned - amounts that have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The Town does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of June 30, 2024:

	General Fund	Hotel / Motel Fund	SPLOST Fund	URA Fund	Nonmajor Governmental Fund	Total
Fund Balances						
<i>Nonspendable</i>						
Prepays	\$ 148,427	\$ 2,430	\$ -	\$ -	\$ -	\$ 150,857
Leases	-	-	-	10,835	-	10,835
<i>Restricted</i>						
Capital Outlay	-	-	10,397,992	2,479,290	77,921	12,955,203
Law Enforcement	61,769	-	-	-	-	61,769
Loan Program	357,921	-	-	-	-	357,921
<i>Assigned</i>						
Capital Outlay	-	-	-	-	2,818	2,818
<i>Unassigned (Deficit)</i>	(871,012)	(98,850)	-	-	-	(969,862)
Total Fund Balances	\$ (302,895)	\$ (96,420)	\$ 10,397,992	\$ 2,490,125	\$ 80,739	\$ 12,569,541

Fund Balance Deficit

At June 30, 2024 the General Fund and Hotel / Motel Fund had deficit fund balances of \$302,895 and \$96,420, respectively. These deficits will be funded with subsequent taxes, and intergovernmental collections.

(1) Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources / Deferred Inflows of Resources

In addition to assets, the statement of net position may 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 that time.

In addition to liabilities, the statement of net position reports 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.

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.

(2) Legal Compliance - Budgets

Budget Process

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the courtroom of the police/court building to obtain taxpayer comments.
3. Prior to July 1, the Council approves the budget.
4. The Town Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department must be approved by the Town Council.

Expenditures may not legally exceed budgeted appropriations at the departmental level in the general fund or the fund level in the major special revenue fund.

(2) Legal Compliance – Budgets (Continued)

Excess of Expenditures over Appropriations

The following General Fund departments and Special Revenue Funds had excess expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2024.

General Fund	
Public Safety	\$ 656,711
Streets and Sanitation	1,882,831
Planning and Development	99,527
Parks and Recreation	18,737
Libraries	649,421
Special Revenue Fund	
Hotel / Motel	3,045,010
ARPA Fund	1,005,448

The Town did not approve a budget for the American Rescue Plan Act Fund for 2024.

(3) Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and Town policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance; obligations of the U.S. Government; or bonds of public authorities, counties, or municipalities. As of June 30, 2024, the Town had no bank balances that were exposed to custodial credit risk.

Investments

As of June 30, 2024, the Town had amounts in money market mutual funds with U.S. Bank, to pay future debt obligations and to be used for construction projects. The Town classifies these amounts as investments.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Town has not formally adopted an investment policy to address interest risk.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Georgia Law and the Town's Investment Policy allow investments in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2024, the Town's investment in each of the money market mutual funds listed below were rated AAAm.

Investments	WAM	Fair Value
First American Treasury Obligation Mutual Fund	40 Days	\$ 5,639,677
Fidelity Money Mkt Treasury Mutual Fund - Class II	35 Days	19,130
Fidelity Money Mkt Treasury Select Mutual Fund	35 Days	1,262,096
		<u>\$ 6,920,903</u>

(3) Deposits and Investments (Continued)

Investments (Continued)

Fair Value Measurements - The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair values of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs. The Town has the following recurring fair value measurements as of June 30, 2024:

Investments	Level 1	Level 2	Level 3	Fair Value
First American Treasury Obligation Mutual Fund	\$ 5,639,677	\$ -	\$ -	\$ 5,639,677
Fidelity Money Mkt Treasury Mutual Fund - Class II	19,130	-	-	19,130
Fidelity Money Mkt Treasury Select Mutual Fund	1,262,096	-	-	1,262,096
	<u>\$ 6,920,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,920,903</u>

The mutual funds classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. The State of Georgia requires financial institutions to pledge securities at 110 percent of a local government's deposits.

(4) Receivables

The Town does not levy a millage rate on its citizens. The Town receives Special Purpose Local Option Sales Tax (SPLOST) remittances from Barrow, Gwinnett, Hall, and Jackson Counties. Additionally, the Town receives hotel/motel tax remittances from various hotels (primarily Chateau Elan) within the Town's limits. These remittances are on a one-month lag time from the date of collection by the counties and hotels and the Town records receivables accordingly.

Receivables at June 30, 2024 for the Town's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts (if any) are as follows:

	General Fund	Hotel / Motel Fund	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Nonmajor Proprietary Funds	Total
Receivables							
Taxes	\$ -	\$ 224,523	\$ -	\$ -	\$ -	\$ -	\$ 224,523
Accounts	229,445	-	-	-	2,535,640	201,241	2,966,326
Intergovernmental	453,565	-	515,570	53,031	-	-	1,022,166
Gross Total Receivables	<u>683,010</u>	<u>224,523</u>	<u>515,570</u>	<u>53,031</u>	<u>2,535,640</u>	<u>201,241</u>	<u>4,213,015</u>
Less Allowance for							
Uncollectible	-	-	-	-	(317,630)	(127,909)	(445,539)
Net Total Receivables	<u>\$ 683,010</u>	<u>\$ 224,523</u>	<u>\$ 515,570</u>	<u>\$ 53,031</u>	<u>\$ 2,218,010</u>	<u>\$ 73,332</u>	<u>\$ 3,767,476</u>

(4) Receivables (Continued)

Intergovernmental receivables consist of the SPLOST amounts due from the respective counties and LOST due from the State of Georgia.

The Town is a lessor of buildings and land. The Town receives monthly payments that include both principal and interest components of the lease arrangements. As the leases do not contain a specified interest rate, the Town has used the incremental borrowing rate of 4.00 percent.

For Fiscal Year 2024, the Town recognized \$166,897, and \$23,751 in lease revenues and \$10,703, and \$923 in interest revenues for the URA Fund and Civic Center Fund, respectively. The Town reports a deferred inflow of resources associated with the leases that will be recognized on a systematic and rational manner over the lease terms. The deferred inflow of resources has a balance of \$192,390 as of June 30, 2024. The Town’s receivable for lease payments is \$203,225 as of June 30, 2024.

Leases receivable principal and interest payments to maturity are as follows:

Governmental Activities		Principal	Interest	Total
Fiscal Year Ending June 30,				
	2025	\$ 65,055	\$ 6,945	\$ 72,000
	2026	67,706	4,294	72,000
	2027	70,464	1,536	72,000
		<u>\$ 203,225</u>	<u>\$ 12,775</u>	<u>\$ 216,000</u>

(5) Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land and Improvements	\$ 18,230,677	\$ 1,356,709	\$ -	\$ 19,587,386
Construction in Progress	14,113,782	3,907,945	-	18,021,727
Total Capital Assets Not Being Depreciated	32,344,459	5,264,654	-	37,609,113
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	17,450,397	811,970	-	18,262,367
Infrastructure and Improvements	15,389,767	-	-	15,389,767
Vehicles	1,517,253	429,479	(99,397)	1,847,335
Machinery and Equipment	2,272,510	345,116	-	2,617,626
Total	36,629,927	1,586,565	(99,397)	38,117,095
Less Accumulated Depreciation for				
Buildings and Improvements	(5,584,217)	(488,905)	-	(6,073,122)
Infrastructure and Improvements	(3,694,364)	(358,431)	-	(4,052,795)
Vehicles	(1,202,372)	(179,788)	99,397	(1,282,763)
Machinery and Equipment	(1,540,033)	(106,755)	-	(1,646,788)
Total Accumulated Depreciation	(12,020,986)	(1,133,879)	99,397	(13,055,468)
Total Capital Assets, Being Depreciated, Net	24,608,941	452,686	-	25,061,627
Governmental Activities Capital Assets, Net	\$ 56,953,400	\$ 5,717,340	\$ -	62,670,740
				Less Related Long-Term Debt Outstanding (19,299,580)
				Other (Non-Debt) Capital Related Liabilities (344,762)
				Unspent Bond Proceeds 3,033,115
				Net Investment in Capital Assets \$ 46,059,513

(5) Capital Assets (Continued)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Not Being Depreciated					
Land and Improvements	\$ 2,162,899	\$ 2,963,781	\$ -	\$ -	\$ 5,126,680
Construction in Progress	25,711,457	6,287,385	-	(11,365,027)	20,633,815
Total Capital Assets Not Being Depreciated	27,874,356	9,251,166	-	(11,365,027)	25,760,495
Capital Assets, Being Depreciated					
Buildings and Improvements	9,416,693	88,333	-	11,365,027	20,870,053
Plant and Infrastructure	85,193,285	9,306,705	-	-	94,499,990
Machinery and Equipment	1,814,897	310,487	(85,688)	-	2,039,696
Total	96,424,875	9,705,525	(85,688)	11,365,027	117,409,739
Less Accumulated Depreciation for					
Buildings and Improvements	(1,237,209)	(538,434)	-	-	(1,775,643)
Plant and Infrastructure	(27,091,245)	(2,243,981)	-	-	(29,335,226)
Machinery and Equipment	(1,433,396)	(154,162)	85,688	-	(1,501,870)
Total	(29,761,850)	(2,936,577)	85,688	-	(32,612,739)
Total Capital Assets, Being Depreciated, Net	66,663,025	6,768,948	-	11,365,027	84,797,000
Business-Type Activities Capital Assets, Net	\$ 94,537,381	\$ 16,020,114	\$ -	\$ -	110,557,495
					Less Related Long-Term Debt Outstanding (32,849,250)
					Less Nondebt Capital Related Liabilities (370,673)
					Unspent Bond Proceeds 3,756,573
					Deferred Amounts from Refundings 650,368
					Net Investments in Capital Assets \$ 81,744,513

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

Governmental Activities	
General Government	\$ 482,739
Public Safety	220,030
Public Works	380,989
Tourism	30,528
Economic and Community Development	18,212
Culture and Recreation	1,381
Total Depreciation Expense - Governmental Activities	<u>\$ 1,133,879</u>
Business-Type Activities	
Water and Sewer	\$ 2,501,174
Civic Center	435,403
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,936,577</u>

(5) Capital Assets (Continued)***Downtown Development Authority – Component Unit***

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated				
Buildings	\$ 423,797	\$ -	\$ -	\$ 423,797
Site Improvements	20,460	-	-	20,460
Total	<u>444,257</u>	<u>-</u>	<u>-</u>	<u>444,257</u>
Less Accumulated Depreciation for				
Buildings	(49,516)	(10,595)	-	(60,111)
Site Improvements	(4,774)	(1,023)	-	(5,797)
Total	<u>(54,290)</u>	<u>(11,618)</u>	<u>-</u>	<u>(65,908)</u>
Total Capital Assets, Being Depreciated, Net	<u>389,967</u>	<u>(11,618)</u>	<u>-</u>	<u>378,349</u>
Downtown Development Authority Capital Assets, Net	<u>\$ 389,967</u>	<u>\$ (11,618)</u>	<u>\$ -</u>	378,349
Less Related Long-Term Debt Outstanding				<u>(48,283)</u>
Net Investments in Capital Assets				<u>\$ 330,066</u>

Downtown Development Authority Total Depreciation Expense	<u>\$ 11,618</u>
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(6) Long-Term Debt***Primary Government***

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balances	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue Bonds					
2005 Bonds	\$ 470,008	\$ -	\$ (265,351)	\$ 204,657	\$ 204,657
2005 Discount on Bonds	(5,808)	-	3,025	(2,783)	-
2016 Bonds	8,305,000	-	(70,000)	8,235,000	105,000
2016 Premium on Bonds	467,993	-	(33,428)	434,565	-
2017 Bonds	2,360,000	-	(255,000)	2,105,000	265,000
2017 Premium on Bonds	205,329	-	(25,666)	179,663	-
2019 Bonds	7,685,000	-	(330,000)	7,355,000	345,000
2019 Premium on Bonds	766,375	-	(47,897)	718,478	-
Compensated Absences	289,417	-	(22,369)	267,048	80,114
Net Pension Liability	<u>1,982,500</u>	<u>140,631</u>	<u>-</u>	<u>2,123,131</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 22,525,814</u>	<u>\$ 140,631</u>	<u>\$ (1,046,686)</u>	<u>\$ 21,619,759</u>	<u>\$ 999,771</u>

(6) Long-Term Debt (Continued)**Primary Government (Continued)**

	Beginning Balances	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Revenue Bonds					
2015 Bonds	\$ 9,075,000	\$ -	\$ (35,000)	\$ 9,040,000	\$ 25,000
2015 Premium on Bonds	312,540	-	(20,836)	291,704	-
2020 Bonds	19,165,000	-	(1,730,000)	17,435,000	1,755,000
Notes Payable	5,774,795	705,829	(397,808)	6,082,816	400,183
Compensated Absences	140,112	-	(74,290)	65,822	65,822
Net Pension Liability	1,377,669	97,728	-	1,475,397	-
Business-Type Activity					
Long-Term Liabilities	<u>\$ 35,845,116</u>	<u>\$ 803,557</u>	<u>\$ (2,257,934)</u>	<u>\$ 34,390,739</u>	<u>\$ 2,246,005</u>

For governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund.

Governmental Activities*Series 2005 Revenue Bonds*

The Town, on June 15, 2005, issued \$5,500,000 in revenue bonds through the Urban Development Agency (URA) of the Town of Braselton to finance the cost of a new law enforcement center and library. The bonds, maturing in June 2025, have an interest rate of 3.67 percent and the amount of revenue bonds outstanding at June 30, 2024 is \$204,657.

Annual debt service requirements to maturity for the 2005 revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 204,657</u>	<u>\$ 4,596</u>	<u>\$ 209,253</u>
Total	<u><u>\$ 204,657</u></u>	<u><u>\$ 4,596</u></u>	<u><u>\$ 209,253</u></u>

(6) Long-Term Debt (Continued)

Governmental Activities (Continued)

Series 2016 Revenue Bonds

The Town, on December 1, 2016, issued \$8,440,000 in revenue bonds through the Urban Development Agency of the Town of Braselton to finance the cost of the acquisition, construction, development, and equipping of a public parking structure and related facilities. The bonds, maturing on July 1, 2037, have an interest rate of 4.00 percent and the amount of revenue bonds outstanding at June 30, 2024 is \$8,235,000.

Annual debt service requirements to maturity for the 2016 revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 105,000	\$ 326,381	\$ 431,381
2026	380,000	317,600	697,600
2027	400,000	302,000	702,000
2028	415,000	285,700	700,700
2029	430,000	268,800	698,800
2030-2034	3,545,000	999,500	4,544,500
2035-2037	2,960,000	180,600	3,140,600
Total	\$ 8,235,000	\$ 2,680,581	\$ 10,915,581

Series 2017 Revenue Bonds

On February 1, 2017, the Town issued Series 2017 Refunding Revenue Bonds in the amount of \$3,280,000. Interest rate on the 2017 bonds is 4.00 percent with annual maturities through fiscal year 2031. As of June 30, 2024, the outstanding principal on the Series 2017 Revenue Bonds is \$2,105,000.

Annual debt service requirements to maturity for the 2017 revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 265,000	\$ 78,900	\$ 343,900
2026	275,000	68,100	343,100
2027	290,000	56,800	346,800
2028	300,000	45,000	345,000
2029	310,000	32,800	342,800
2030-2031	665,000	26,900	691,900
Total	\$ 2,105,000	\$ 308,500	\$ 2,413,500

(6) Long-Term Debt (Continued)

Governmental Activities (Continued)

Series 2019 Revenue Bonds

On November 1, 2019, the Town issued Series 2019 Urban Redevelopment Agency of the Town of Braselton revenue bonds in the amount of \$8,295,000. The interest rate on the 2019 bonds is 5.00 percent with annual maturities through fiscal year 2039. The bonds were issued for the purpose of providing funds to pay for the cost of the acquisition, construction, development and equipment of a civic center and related facilities. As of June 30, 2024, the outstanding principal on the Series 2019 Revenue Bonds is \$7,355,000.

Annual debt service requirements to maturity for the 2019 revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 345,000	\$ 270,288	\$ 615,288
2026	360,000	253,038	613,038
2027	375,000	242,238	617,238
2028	385,000	230,988	615,988
2029	405,000	211,738	616,738
2030-2034	2,265,000	813,131	3,078,131
2035-2038	2,630,000	442,000	3,072,000
2039	590,000	23,600	613,600
Total	<u>\$ 7,355,000</u>	<u>\$ 2,487,021</u>	<u>\$ 9,842,021</u>

Business-Type Activities

Series 2015 Water and Sewer Revenue Bonds

On June 4, 2015, the Town issued Series 2015A Water and Sewer Revenue bonds in the amount of \$9,515,000. Interest rates on the 2015A bonds range from 3.50 percent to 4.00 percent with annual maturities through fiscal year 2038. The bonds were issued for the purpose of refunding \$3,930,000 in outstanding Series 2012B Water and Sewer Revenue bonds, refunding \$1,669,351 of principal and accrued interest outstanding on certain Georgia Environmental Finance Authority (GEFA) Loans, to finance certain improvements to the Town's water and sewerage system, and to fund the required debt service reserve fund.

Annual debt service requirements, as of June 30, 2024, for the Series 2015A Bonds, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 25,000	\$ 348,413	\$ 373,413
2026	55,000	347,413	402,413
2027	100,000	345,475	445,475
2028	510,000	335,300	845,300
2029	435,000	317,675	752,675
2030-2034	2,445,000	1,308,175	3,753,175
2035-2038	5,470,000	544,200	6,014,200
Total	<u>\$ 9,040,000</u>	<u>\$ 3,546,651</u>	<u>\$ 12,586,651</u>

(6) Long-Term Debt (Continued)

Business-Type Activities (Continued)

Series 2020 Water and Sewer Revenue Bonds

On April 7, 2020, the Town issued Series 2020 Water and Sewerage Refunding Revenue bonds in the amount of \$23,785,000. Interest rates on the 2020 bonds is 1.980 percent with annual maturities through fiscal year 2035. The bonds were issued for the purpose of refunding \$10,523,688 in outstanding Series 2009 Water and Sewer Revenue bonds, refunding \$9,708,944 in outstanding Series 2012A Water and Sewer Revenue bonds, refunding \$4,345,807 of principal outstanding on certain Georgia Environmental Finance Authority (GEFA) Loans, to purchase the reserve fund surety, and to pay all or a portion of the costs of issuance of the Series 2020 bonds.

Annual debt service requirements to maturity for the 2020 Water and Sewer revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,755,000	\$ 336,551	\$ 2,091,551
2026	1,755,000	301,703	2,056,703
2027	1,565,000	267,003	1,832,003
2028	1,425,000	237,996	1,662,996
2029	1,515,000	209,088	1,724,088
2030-2034	7,450,000	586,872	8,036,872
2035	1,970,000	32,621	2,002,621
Total	\$ 17,435,000	\$ 1,971,834	\$ 19,406,834

Notes Payable

The Town's Water and Sewer Fund has several Georgia Environmental Finance Authority (GEFA) loans for the construction of various water and sewer system projects. Notes payable outstanding as of June 30, 2024, are as follows:

Loan	Interest Rate %	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2013-L32-WS	0.70%	10/01/25	\$ 37,382	\$ -	\$ (15,946)	\$ 21,436
2013-L25-WS	0.70%	07/01/25	186,519	-	(89,189)	97,330
CWSRF 14-010	1.03%	07/01/38	1,343,524	-	(88,544)	1,254,980
CW2016030	0.50%	09/01/30	477,105	-	(64,784)	412,321
CW2018013	1.25%	01/01/42	1,609,294	-	(77,417)	1,531,877
CW2019021	0.50%	08/01/31	514,918	-	(61,928)	452,990
*DWDRA20001			1,606,053	-	-	1,606,053
*CW2022011			-	705,829	-	705,829
Total GEFA Notes Payable			\$ 5,774,795	\$ 705,829	\$ (397,808)	\$ 6,082,816

* GEFA Loan DWDRA20001 and CW2022011 are still in the construction phase as of June 30, 2024.

(6) Long-Term Debt (Continued)***Business-Type Activities (Continued)******Notes Payable (Continued)***

Annual debt service requirements, as of June 30, 2024, for notes payable are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 400,183	\$ 36,566	\$ 436,749
2026	309,740	33,545	343,285
2027	299,415	30,967	330,382
2028	302,004	28,376	330,380
2029	304,622	25,760	330,382
2030-2034	1,126,007	92,209	1,218,216
2035-2039	782,274	38,828	821,102
2040-2042	246,689	4,132	250,821
Total	\$ 3,770,934	\$ 290,383	\$ 4,061,317

Component Unit

Long-term liability activity for the year ended June 30, 2024, for the Downtown Development Authority was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Discretely Presented Component Unit					
Notes Payable	\$ 50,000	\$ -	\$ (1,717)	\$ 48,283	\$ 1,527
Discretely Presented Component Unit					
Long-Term Liabilities	\$ 50,000	\$ -	\$ (1,717)	\$ 48,283	\$ 1,527

Notes Payable

In July 2014, the DDA entered into a note payable in the amount of \$160,000 with a bank to assist with the purchase of property. In June 2023, the DDA renewed the note payable in the amount of \$50,000. The loan matures on May 16, 2028, and carries an interest rate of 8.750 percent. Activity of the notes payable for the year ended June 30, 2024, was as follows:

The Downtown Development Authority's debt service requirements to maturity are as follows:

Year Ending June 30th	Principal	Interest	Total
2025	\$ 1,527	\$ 4,183	\$ 5,710
2026	1,666	4,043	5,709
2027	1,818	3,892	5,710
2028	43,272	3,787	47,059
Total	\$ 48,283	\$ 15,905	\$ 64,188

(7) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To / From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	URA Fund	\$ 955,556
	Nonmajor Proprietary Fund	373,278
Hotel / Motel Fund	General Fund	103,167
URA Fund	General Fund	73
Nonmajor Governmental Funds	General Fund	351,122
Water and Sewer Fund	General Fund	3,515,611
Civic Center	General Fund	14,308
		<u>\$ 5,313,115</u>

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Town expects to repay all interfund balances within one year.

Interfund Transfers:

	<u>Transfer In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Hotel Motel Fund</u>	<u>URA Fund</u>	<u>Civic Center Fund</u>	
Transfer Out					
General Fund	\$ -	\$ 275,000	\$ 1,397,146	\$ 250,000	\$ 1,922,146
Hotel Motel Fund	990,801	-	-	-	990,801
URA Fund	40,000	-	-	-	40,000
Water and Sewer Fund	6,400	-	-	-	6,400
Total	<u>\$ 1,037,201</u>	<u>\$ 275,000</u>	<u>\$ 1,397,146</u>	<u>\$ 250,000</u>	<u>\$ 2,959,347</u>

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

(8) Retirement Benefits

Plan Description

The Town, as authorized by the Mayor and Council, has established a defined benefit pension plan (The Town of Braselton Retirement Plan) covering all full-time employees. The Town's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the Town are commingled with contributions made by other members of GMEBS for investment purposes. The Town does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. 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, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

(8) Retirement Benefits

Plan Description (Continued)

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by Town Mayor and Council, the plan provides pension benefits and death and disability benefits for all full-time employees. Regular, full-time employees who work at least 30 hours per week are enrolled in the plan. Elected officials are not eligible. Benefits vest after 10 years of service. Town employees who retire at age 65 with five (5) years of service are entitled to a monthly retirement benefit based upon average earnings and years credited service. Early retirement is permitted provided the participant is at least 55 years of age and has completed ten (10) years of service.

Plan Membership

As of January 1, 2024, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	2
Terminated vested participants not yet receiving benefits	-
Active vested employees	24
Active nonvested employees	<u>40</u>
Total	<u><u>66</u></u>

Contributions

The plan members are not required to contribute to the plan. The Town is required to contribute at an actuarially determined rate; the current rate is 10.52 percent of annual covered payroll. The contribution requirements of the Town are established and may be amended by the GMEBS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Town reported a net pension liability. The net pension liability was measured as of September 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2024.

For the year ended June 30, 2024, the Town recognized pension expense relative to GMEBS in the amount of \$407,862.

Town contributions subsequent to the measurement date of September 30, 2023, was \$291,769 and is reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 302,265	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	27,153	-
Employer Contributions Subsequent to the Measurement Date	291,769	-
	<u><u>\$ 621,187</u></u>	<u><u>\$ -</u></u>

(8) Retirement Benefits (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Town contributions made after the measurement date of the net pension liability but before the end of the Town's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the years ended June 30 are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 48,616
2026	48,616
2027	48,616
2028	36,925
2029	38,905
2030 Thereafter	107,740

Actuarial Assumptions - The total pension liability as of June 30, 2024, was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%	
Salary Increase	2.25%	
Investment Rate of Return	7.375%,	On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates:

- Healthy Retirees and Beneficiaries: Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- Disabled Participants: Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- Active Participants, Terminated Vested Participants, and Deferred Beneficiaries: Sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Plan Termination Basis (All Lives): 1994 Group Annuity Reserving Unisex Table.

(8) Retirement Benefits (Continued)

Net Pension Liability

The mortality tables (other than the one used for the plan termination basis) are projected generationally from 2012 to future years using 60 percent of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

The Town's net pension liability is recorded in the government-wide statement of net position for the Town's governmental and business-type activities in the amounts of \$2,123,131 and \$1,475,397, respectively.

Changes in the Net Pension Liability	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2022	\$ 3,670,370	\$ 310,201	\$ 3,360,169
Changes for the Year			
Service Cost	110,821	-	110,821
Interest	277,349	-	277,349
Difference Between Expected and Actual Experience	269,371	-	269,371
Contributions - Employer	-	380,359	(380,359)
Contributions - Employee	-	-	-
Net Investment Income	-	45,057	(45,057)
Benefit Payments	(41,051)	(41,051)	-
Administrative Expense	-	(6,234)	6,234
Other	-	-	-
Net Changes	616,490	378,131	238,359
Balance at September 30, 2023	\$ 4,286,860	\$ 688,332	\$ 3,598,528

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. 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, 2023, is summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic Equity	45%	6.55%
International Equity	20%	7.30%
Domestic Fixed Income	20%	0.40%
Real Estate	10%	3.65%
Global Fixed Income	5%	0.50%
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 employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(8) Retirement Benefits (Continued)

Net Pension Liability (Continued)

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

	1% Decrease (6.375%)	Current discount rate (7.375%)	1% Increase (8.375%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 4,244,883	\$ 3,598,528	\$ 3,062,121

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publicly available at www.gmanet.com.

(9) Joint-Venture

Under Georgia law, the Town, in conjunction with other cities and counties is a member of a regional commission. Jackson County pays, on behalf of the Town, annual dues to the Northeast Georgia Regional Commission. Additionally, the Town, in conjunction with other Cities and Counties, is a member of the Atlanta Regional Commission and the Georgia Mountains Regional Commission, although no dues are assessed to the Town from those organizations. Town membership in the RC and ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for their organization structure. Braselton is a member of three by virtue of the Town's limits being located in four Counties. RC and ARC Board membership includes the chief elected official of 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 the RC. Separate financial statements may be obtained from the Northeast Georgia Regional Commission at 305 Research Drive, Athens, Georgia 30605. Separate statements may be obtained from the Georgia Mountains Regional Commission at P.O. Box 1720, Gainesville, Georgia 30503. Separate financial statements may be obtained from the Atlanta Regional Commission at 40 Courtland Street NE, Atlanta, GA 30303.

(10) Risk Management

The Town is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has joined together with other municipalities in the state as part of the Georgia Inter-local Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance program for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the Town is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 or loss.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws 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. Settlements have not exceeded insurance coverage in the last three years.

(11) Commitments and Contingencies

Litigation

The Town is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of Town operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the Town.

Grant Contingencies

The Town 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 Town believes such disallowances, if any, will not be significant.

(12) Hotel / Motel Occupancy Tax

The Town imposes a hotel/motel tax on lodging facilities within the Town. The tax is assessed at 8 percent and, in accordance with O.C.G.A. 48-13-51, the Town is required to spend at least 40 percent of this for promoting tourism, conventions, and trade shows. Revenues were \$2,716,968 for the year ended June 30, 2024. Of this amount 60 percent was used to promote tourism.

(13) Adjustments and Restatements to Beginning Balances

Change Within the Reporting Entity

During the fiscal year ended June 30, 2024, the City re-evaluated its fund classifications and determined that a fund previously reported as a major fund should be reported as a nonmajor fund. The City determined that the ARPA Fund previously reported as a major fund should be reported as a nonmajor fund. This reclassification was made to better reflect the financial activities and significance of these funds in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*.

	Reporting Units Affected by Adjustments to and Restatement of Beginning Balances		
	Fund Statements		Government-Wide
	ARPA Fund	Nonmajor Governmental	Governmental Activities
06/30/23, As Previously Reported	\$ 2,357	\$ -	\$ 2,357
Change From Major Fund to Nonmajor	(2,357)	2,357	-
06/30/23, As Restated	\$ -	\$ 2,357	\$ 2,357

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF BRASELTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY
AND RELATED RATIOS**

	2024	2023	2022
Total Pension Liability			
Service Cost	\$ 110,821	\$ 100,462	\$ -
Interest on Total Pension Liability	277,349	246,965	-
Difference Between Expected and Actual Experience	269,371	80,778	-
Benefit Payments, Including Refunds of Other	(41,051)	(12,092)	-
	-	-	3,254,257
Net Change in Total Pension Liability	616,490	416,113	3,254,257
Total Pension Liability - Beginning	3,670,370	3,254,257	-
Total Pension Liability - Ending	\$ 4,286,860	\$ 3,670,370	\$ 3,254,257
Plan Fiduciary Net Position			
Contributions - Employer	\$ 380,359	\$ 374,742	\$ -
Net Investment Income	45,058	(45,344)	-
Benefit Payments, Including Refunds of Member Contributions	(41,051)	(12,092)	-
Administrative Expenses	(6,234)	(7,106)	-
Net Change in Plan Fiduciary Net Position	378,132	310,200	-
Plan Fiduciary Net Position - Beginning	310,200	-	-
Plan Fiduciary Net Position - Ending	\$ 688,332	\$ 310,200	\$ -
Town's Net Pension Liability (Asset) - Ending	\$ 3,598,528	\$ 3,360,170	\$ 3,254,257
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	16.06%	8.45%	0.00%
Covered-Employee Payroll	3,941,137	3,658,549	3,228,609
Net Pension Liability As a Percentage of Covered-Employee Payroll	91.31%	91.84%	100.79%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**TOWN OF BRASELTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SCHEDULE OF TOWN CONTRIBUTIONS

	2024	2023	2022
Actuarially Determined Contributions	\$ 389,025	\$ 377,470	\$ -
Contributions in Relation to the Actuarially Determined Contribution	389,025	377,470	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	\$ 3,697,956	\$ 3,658,549	\$ -
Contributions as a Percentage of Covered-Employee Payroll	10.52%	10.32%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

TOWN OF BRASELTON, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Significant Issues

- There were no changes in plan provisions in this valuation.
- There were no changes in methods or assumptions in this valuation.

Valuation date	The actuarially determined contribution rate was determined as of January 1, 2024, 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, 2025.
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Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost method:	Entry age normal
Amortization Method:	Closed level dollar for the remaining unfunded liability
Remaining Amortization Period:	Remaining amortization period varies for the bases, with a net effective amortization period of 26 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 percent of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20 percent of market value.
Net Investment Rate of Return:	7.375 percent
Projected Salary Increases:	2.25 percent plus service based merit increases
Cost of Living Adjustments:	N/A
Retirement Age:	Ages 55-59 rate of 10 percent, age 60 rate of 20 percent, age 61 rate of 25 percent, age 62 rate of 35 percent, age 63 rate of 40 percent, age 64 rate of 45 percent, ages 65-69 rate of 50 percent and age 70 and over rate of 100 percent
Mortality	Healthy retirees and beneficiaries – Sex-distinct Pri-2012 head count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 Disabled participants – Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 Active participants, terminated vested participants, and deferred beneficiaries – Sex-distinct Pri-2012 head-count weighted Employee Mortality Table Plan termination basis (all lives) – 1994 Group Annuity Reserving Unisex Table The mortality tables (other than the one used for the plan termination basis) are projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

American Rescue Plan Act (ARPA) Fund - This fund accounts for the receipts of Federal ARPA funds in response to the COVID-19 pandemic, and subsequent economic conditions.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TSPLOST Fund - This fund is used to account for the proceeds and various projects associated with the TSPLOST.

TOWN OF BRASELTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Fund	Capital Project Fund	Total Nonmajor Governmental Funds
	<i>Formerly Major Fund ARPA Fund</i>	TSPLOST Fund	
Assets			
Cash and Cash Equivalents	\$ -	\$ 24,890	\$ 24,890
Due from Other Funds	351,122	-	351,122
Due from Other Governments	-	53,031	53,031
Total Assets	\$ 351,122	\$ 77,921	\$ 429,043
Liabilities			
Unearned Revenue	\$ 348,304	\$ -	\$ 348,304
Total Liabilities	348,304	-	348,304
Fund Balances			
Restricted	-	77,921	77,921
Assigned	2,818	-	2,818
Total Fund Balances	2,818	77,921	80,739
Total Liabilities and Fund Balances	\$ 351,122	\$ 77,921	\$ 429,043

TOWN OF BRASELTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Fund	Capital Project Fund	Total Nonmajor Governmental Funds
	<i>Formerly Major Fund ARPA Fund</i>	TSPLOST Fund	
Revenues			
Intergovernmental	\$ 1,005,449	\$ 78,052	\$ 1,083,501
Investment Earnings	460	4	464
Total Revenues	<u>1,005,909</u>	<u>78,056</u>	<u>1,083,965</u>
Expenditures			
Current			
General Government	34	135	169
Capital Outlay	1,005,414	-	1,005,414
Total Expenditures	<u>1,005,448</u>	<u>135</u>	<u>1,005,583</u>
Net Change in Fund Balances	461	77,921	78,382
Fund Balances, 06/30/23, as Previously Presented	<u>-</u>	<u>-</u>	<u>-</u>
Change Within Financial Reporting Entity (Major to Nonmajor Fund)	2,357	-	2,357
Fund Balances, 06/30/23, as Adjusted	<u>2,357</u>	<u>-</u>	<u>2,357</u>
Fund Balances - End of Year	<u><u>\$ 2,818</u></u>	<u><u>\$ 77,921</u></u>	<u><u>\$ 80,739</u></u>

TOWN OF BRASELTON, GEORGIA
ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ -	\$ 1,005,449	\$ 1,005,449
Investment Earnings	-	460	460
Total Revenues	-	1,005,909	1,005,909
Expenditures			
Current			
General Government	-	34	(34)
Capital Outlay	-	1,005,414	(1,005,414)
Total Expenditures	-	1,005,448	(1,005,448)
Net Change in Fund Balance	-	461	461
Fund Balance - Beginning of Year	2,357	2,357	-
Fund Balance - End of Year	\$ 2,357	\$ 2,818	\$ 461

TOWN OF BRASELTON, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Amended Budget	Expenditures		Total
			Prior Years	Current Year	
Jackson County (2009)					
Roads, Streets, and Bridges	\$ 563,345	\$ 697,213	\$ 658,724	\$ -	\$ 658,724
Parks and Recreation	563,345	697,213	658,756	-	658,756
<i>*SPLOST was closed during 2024.</i>	1,126,690	1,394,426	1,317,480	-	1,317,480
Jackson County (2017)					
Multipurpose Civic Center with Parking Deck	1,365,300	1,365,300	2,379,210	89,524	2,468,734
	1,365,300	1,365,300	2,379,210	89,524	2,468,734
Jackson County (2022)					
Roads, Streets, and Bridges	3,818,348	3,818,348	-	148	148
Community Center Upgrades	184,759	184,759	-	148	148
Multipurpose Civic Center with Parking Deck Debt Payments	2,155,519	2,155,519	-	112	112
	6,158,626	6,158,626	-	408	408
Gwinnett County (2017)					
Roads, Streets, and Bridges	3,500,000	3,500,000	326,637	-	326,637
	3,500,000	3,500,000	326,637	-	326,637
Gwinnett County (2014)					
Water and Sewer Capital Outlay	1,168,163	1,168,163	990,558	-	990,558
Transportation	389,388	389,388	361,343	-	361,343
<i>*SPLOST was closed during 2024.</i>	1,557,551	1,557,551	1,351,901	-	1,351,901
Gwinnett County (2009)					
Roads, Streets, and Bridges	230,899	780,656	1,318,512	-	1,318,512
<i>*SPLOST was closed during 2024.</i>	230,899	780,656	1,318,512	-	1,318,512

TOWN OF BRASELTON, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

	<u>Expenditures</u>				
	Original Budget	Amended Budget	Prior Years	Current Year	Total
Gwinnett County (2022)					
Roads, Streets, and Bridges	3,826,863	3,826,863	-	113	113
Parks and Recreation	1,884,873	1,884,873	-	113	113
	5,711,736	5,711,736	-	226	226
Hall County (2015)					
Streets, Sidewalks, and Stormwater	1,270,589	1,270,589	1,149,901	-	1,149,901
<i>*SPLOST was closed during 2024.</i>	1,270,589	1,270,589	1,149,901	-	1,149,901
Barrow County (2006)					
Sewer Capital Outlays	263,766	263,766	-	-	-
Roads, Streets, and Bridges	263,766	263,766	245,440	-	245,440
Recreation, Streetscapes	351,688	351,688	-	-	-
<i>*SPLOST was closed during 2024.</i>	879,220	879,220	245,440	-	245,440
Barrow County (2012)					
Roads, Streets, and Bridges	233,688	233,688	211,899	-	211,899
Parks and Recreation	233,688	233,688	128,252	-	128,252
	467,376	467,376	340,151	-	340,151
Barrow County (2022)					
Parks and Recreation	1,760,000	1,760,000	96	-	96
	1,760,000	1,760,000	96	-	96
	<u>\$ 24,027,987</u>	<u>\$ 24,845,480</u>	<u>\$ 8,429,328</u>	<u>\$ 90,158</u>	<u>\$ 8,519,486</u>

TOWN OF BRASELTON, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH TRANSPORTATION
SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Amended Budget	Expenditures		Total
			Prior Years	Current Year	
Barrow County					
Construction of Roads, Bridges, Sidewalks, Multiuse Paths, Intersection Improvements, Traffic Safety Enhancement, Stormwater Projects, Resurfacing Road Projects, Culvert Repair, Traffic Markers, Patching and Shoulder Preparation.	\$ 2,041,000	\$ 2,041,000	\$ -	\$ 135	\$ 135
	2,041,000	2,041,000	-	135	135
	\$ 2,041,000	\$ 2,041,000	\$ -	\$ 135	\$ 135

**TOWN OF BRASELTON, GEORGIA
BALANCE SHEET
DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
JUNE 30, 2024**

Assets

Cash and Cash Equivalents	\$ 210,953
Lease Receivable	7,934
	<hr/>

Total Assets	\$ 218,887
	<hr/> <hr/>

Liabilities

Due To Primary Government	\$ 182,551
	<hr/>

Total Liabilities	182,551
	<hr/>

Deferred Inflows of Resources

Lease	7,313
	<hr/>

Total Deferred Inflows of Resources	7,313
	<hr/>

Fund Balance

Nonspendable	621
Unassigned	28,402
	<hr/>

Total Fund Balance	29,023
	<hr/>

Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 218,887
	<hr/> <hr/>

Total Fund Balances - Governmental Funds	\$ 29,023
---	------------------

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

Capital Assets

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

Cost of the Assets	444,257
Accumulated Depreciation	(65,908)

Long-Term Liabilities

Long-term liabilities are not due and payable in the current period, and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:

Notes Payable	(48,283)
	<hr/>

Net Position of Governmental Activities	\$ 359,089
	<hr/> <hr/>

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenues

Intergovernmental	\$ 25,000
Rental Income	23,751
Interest Earnings	1,378
Donations	76,938
Other Miscellaneous Revenues	875
	<hr/>

Total Revenues	<hr/> 127,942 <hr/>
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Expenditures

Current	
General Government	72,350
Debt Service	
Principal	1,717
Interest	4,516
	<hr/>

Total Expenditures	<hr/> 78,583 <hr/>
---------------------------	--------------------

Net Change in Fund Balance	49,359
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Fund Balance (Deficit) - Beginning of Year	<hr/> (20,336) <hr/>
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Fund Balance - End of Year	<hr/> \$ 29,023 <hr/>
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**TOWN OF BRASELTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 49,359
---	------------------

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

Capital Assets

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Total Depreciation	(11,618)
--------------------	----------

Long-Term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Notes Payable	<div style="border-top: 1px solid black; display: inline-block;">1,717</div>
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Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 39,458</div>
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COMPLIANCE SECTION

TOWN OF BRASELTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Justice				
Direct Programs				
Federal Forfeiture Program	16.922		\$ -	\$ 155,713
Total Direct Programs			-	155,713
Total U.S. Department of Justice			-	155,713
U.S. Department of Treasury				
Direct Programs				
Coronavirus Relief Fund	21.019		-	1,005,449
Total Direct Programs			-	1,005,449
Total U.S. Department of Treasury			-	1,005,449
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation				
Transportation Facility Improvements	20.205	PI #0015391	-	109,473
Total Highway Planning and Construction Cluster Pass-Through Programs			-	109,473
Total U.S. Department of Transportation			-	109,473
U.S. Department of Natural Resources				
Passed through the Georgia Environmental Finance Authority				
Clean Water State Revolving Fund	66.458	CW2022011	-	705,829
Total Pass-Through Programs			-	705,829
Total U.S. Department of Natural Resources			-	705,829
Total Expenditures of Federal Awards			\$ -	\$ 1,976,464

See accompanying notes to schedule of expenditures of federal awards.

TOWN OF BRASELTON, GEORGIA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Braselton, Georgia under programs of the federal government for the fiscal year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Braselton, Georgia, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Braselton, Georgia.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

Town of Braselton, Georgia has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Loan Programs

The Clean Water State Revolving Loan Program CW2022011 is administered by the Town of Braselton, Georgia and the balances and transactions relating to this program is included in the Town of Braselton, Georgia's basic financial statements. The loan outstanding at the beginning of the year and the loan made during the year is included in the federal expenditures presented in the Schedule. The balance of the loan outstanding at June 30, 2024 consists of:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2024
66.458	Clean Water State Revolving Fund - CW2022011	\$ 705,829

March 19, 2025

**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
Town Council of the Town of Braselton, Georgia
Braselton, Georgia

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Town of Braselton, Georgia** (the "Town"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004, and 2024-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2024-005.

Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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 the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLeMORE, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

March 19, 2025

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Mayor and Members
Town Council of the Town of Braselton, Georgia
Braselton, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Town of Braselton, Georgia's** (the "Town") 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 the Town's major federal programs for the year ended June 30, 2024. The Town'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, the Town complied, in all material respects, with the 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, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Town 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 the Town'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 the Town'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 the Town'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 GAAS, *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 the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Town'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 the Town'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 the Town'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 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.

McNair, McLeMORE, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

TOWN OF BRASELTON, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	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 2 CFR 200.516(a)?	No
Identification of Major Programs:	
<u>ALN Numbers</u>	<u>Name of Federal Program</u>
21.019	Coronavirus Relief Fund
Dollar threshold used to distinguish between Type A and Type B program?	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

Findings noted on the 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*:

2024-001 *Accounts Payable / Retainage Payable and Expenditures / Expenses*

Criteria

In accordance with generally accepted accounting principles, expenditures / expenses are recognized as soon as a liability is incurred. Year-end procedures are necessary to ensure that expenditures / expenses, accounts payable, and retainage payables are recorded in the appropriate period.

Condition

Various expenditures / expenses were not recorded in the proper fiscal period for 2024. Material audit adjustments were required to fairly state and classify expenditures / expenses, accounts payable, and retainage payables for the fiscal year ending June 30, 2024. The material adjustments are summarized as follows by fund:

- General Fund
 - A material audit adjustment of \$181,528 was required to record year-end accounts payable. In addition, a material audit adjustment of \$297,913 was required to reverse out prior year accounts payable.
 - A material audit adjustment of \$508,464 was required to reverse prior year retainage payable.
- Hotel/Motel Fund
 - A material audit adjustment of \$333,071 was required to record year-end accounts payable. In addition, a material audit adjustment of \$111,574 was required to reverse out prior year accounts payable.
- Water and Sewer Fund
 - Multiple audit adjustments totaling \$2,306,433 were required to record and properly state current year accounts payable.

Effect

The Town's accounting records contained material errors which were identified and adjusted during the annual audit process.

Cause

The Town does not have adequate accounting procedures to ensure that expenditure / expenses, accounts payable, and retainage payable are recorded and properly classified when a liability is incurred.

Recommendation

We recommend that the Town establish policies and procedures to ensure expenditures / expenses are accrued when a liability is incurred.

Views of Responsible Officials and Planned Corrective Actions

Management concurs with the finding and will ensure expenditures are recorded in the proper year. Additional reviews will also be conducted.

Section II - Financial Statement Findings (Continued)

2024-002 *Capital Assets – Governmental Activities*

Criteria

Generally accepted accounting principles require that governmental funds use the modified accrual basis of accounting and report capital asset additions as capital outlay expenditures at the fund level. Further, subsidiary ledgers should be maintained timely and in agreement with the Town's financial statements.

Condition

The Town's subsidiary schedule for governmental activities capital assets contained errors in the beginning balances. The Town's subsidiary schedule also included current year additions for items that should not have been capitalized as well as omissions of items that should have been capitalized.

Context

Material adjustments were required to the Town's subsidiary schedule for governmental activities capital assets as follows:

- Removing Civic Center Fund capital assets that were transferred in the prior year
- Removing noncapital items
- Adding current year capital asset additions omitted

The activity above resulted in a net change of (\$11,650,543) in total governmental activities capital assets.

Effect

The Town's accounting records contained material errors which were identified and adjusted during the annual audit process.

Cause

The Town's internal controls did not identify errors contained in the subsidiary schedule for governmental activity capital assets.

Recommendation

The Town should enhance internal controls to ensure the proper and complete recording of governmental activity capital assets, including rolling forward capital asset schedules from the prior year to ensure beginning balances agree to the prior year ending balances, considering expenditures in each fund when determining capital asset additions, and keeping a detailed listing for each project under construction.

Views of Responsible Officials and Planned Corrective Action

Management concurs with the finding and will utilize additional resources and staff in the pre-audit process.

Section II - Financial Statement Findings (Continued)

2024-003 Capital Assets – Business-Type Activities

Criteria

In accordance with generally accepted accounting principles, donated capital assets should be reported at their estimated fair value at the time of acquisition. Generally accepted accounting principles also require that capital assets be accounted for and, if applicable, depreciated on a systematic basis.

Condition

The Town did not record current year contributions of capital assets from private sources in the Water and Sewer Fund and the Town did not record civic center capital assets in the Civic Center Fund. The Town also recorded capital outlay expense in the Water and Sewer Fund rather than capital asset additions. Further, the Town did not record current year depreciation expense in the Water and Sewer Fund and the Civic Center Fund.

Context

Material adjustments in the Water and Sewer Fund and the Civic Center Fund were required to properly state the capital asset additions, depreciation expense, and balances at year-end as follows:

- Water and Sewer Fund
 - Increase Capital Assets by \$5,007,148.
 - Increase Contributions from Private Sources by \$8,933,386.
 - Increase depreciation expense and accumulated depreciation by \$2,501,174.
- Civic Center Fund
 - Increase depreciation expense and accumulated depreciation by \$435,403.

Effect

The Town's accounting records contained material errors which were identified and adjusted during the annual audit process.

Cause

Internal controls did not detect misstatements in the recording and reporting of the Town's business-type capital assets.

Recommendation

The Town should enhance internal controls to ensure the proper recording and reporting of depreciation, capital asset contributions, and capital asset additions for business-type activities.

Views of Responsible Officials and Planned Corrective Action

Management concurs with the finding and will ensure future year records are reviewed more carefully for accuracy and that capital outlay expenses are recorded properly.

Section II - Financial Statement Findings (Continued)

2024-004 Investment Accounts

Criteria

An effective system of internal controls includes the requirement that all investment accounts are reconciled with the general ledger on a monthly basis and the reconciliations are reviewed by management or another responsible official.

Condition

The Town did not record all investment activity in the URA Fund and the Water and Sewer Fund.

Context

Audit adjusting entries were needed to correct the reporting of the investment accounts within the URA Fund and Water and Sewer Fund as follows:

- URA Fund
 - A material audit adjustment of \$136,197 was required to properly report the US Bank investment account balance at year-end.
 - A material audit adjustment of \$118,626 was required to properly report the US Bank investment income for fiscal year 2024.
- Water and Sewer Fund
 - An audit adjustment of \$136,197 was required to properly report the US Bank investment account balance at year-end and the investment income for fiscal year 2024.

Effect

The failure to properly reconcile the investment accounts resulted in incomplete or inaccurate recording of transactions in the Town's financial records during fiscal year 2024.

Cause

The Town did not have adequate accounting procedures in place to ensure the proper recording of investment account activity for fiscal year 2024.

Recommendation

The Town should enhance internal controls to ensure the proper recording of all investment account activity throughout the fiscal year.

Views of Responsible Officials and Planned Corrective Action

Management concurs with the finding and will provide additional resources to ensure investment activity is properly recorded.

Section II - Financial Statement Findings (Continued)

Compliance Findings

2024-005 Expenditures in Excess of Appropriations

Criteria

The Official Code of Georgia (O.C.G.A.) Section 36-81-3 requires the governing authority to adopt and operate under an annual balanced budget for the General Fund and each special revenue fund in use by the local government.

Condition

For fiscal year 2024, certain General Fund and Hotel/Motel Fund expenditures exceeded appropriations at the legal level of control and the Town did not adopt a budget for the ARPA Fund.

The following General Fund expenditures exceeded approved budgets.

Public Safety	\$ 656,711
Streets and Sanitation	1,882,831
Planning and Development	99,527
Parks and Recreation	18,737
Libraries	649,421

The following Special Revenue Funds expenditures exceeded approved budgets.

Hotel / Motel Fund	3,045,010
ARPA Fund	1,005,448

Effect

The Town is in violation of O.C.G.A. Section 36-81-3.

Cause

The Town's internal controls did not identify expenditures exceeding approved budgets.

Recommendation

The Town should enhance internal controls to ensure that expenditures are monitored to ensure compliance with budgetary requirements.

Views of Responsible Officials and Planned Corrective Actions

Management concurs with the finding and will better monitor the activity of all funds and make any required budget adjustments in future years.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.



MAYOR
Kurt Ward
COUNCIL MEMBERS
District 1
Becky Richardson
District 2
Richard Harper
District 3
Tom Logan
District 4
James Murphy

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

2023-001	<u>Accounts Receivable / Revenue</u>
Status:	Corrective action was taken during FY 24.
2023-002	<u>Accounts Payable / Retainage Payable and Expenditures / Expenses</u>
Status:	Unresolved. See CY Finding 2024-001.
2023-003	<u>Prior Period Adjustment – General Fund and SPLOST Fund</u>
Status:	Corrective action was taken during FY 24.
2023-004	<u>Management of Internal Balances</u>
Status:	Corrective action was taken during FY 24.
2023-005	<u>Capital Assets – Governmental Activities</u>
Status:	Unresolved. See CY Finding 2024-002.
2023-006	<u>Capital Assets – Business-Type Activities</u>
Status:	Unresolved. See CY Finding 2024-003.
2023-007	<u>Investment Accounts</u>
Status:	Unresolved. See CY Finding 2024-004.
2023-008	<u>Long-term Debt</u>
Status:	Corrective action was taken during FY 24.
2023-009	<u>Expenditures in Excess of Appropriations</u>
Status:	Unresolved. See CY Finding 2024-005.



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FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported



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March 19, 2025

CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Town of Braselton, Georgia respectfully submits the following corrective action plan for the fiscal year ended June 30, 2024.

FINANCIAL STATEMENT FINDINGS

2024-001 Accounts Payable / Retainage Payable and Expenditure / Expenses

Name of Contact Person: Jennifer Scott, Town Manager

Recommendation: We recommend that the Town establish policies and procedures to ensure expenditures / expenses are accrued when a liability is incurred.

Corrective Action: Management concurs with the finding and will ensure expenditures are recorded in the proper year. Additional reviews will also be conducted.

Anticipated Completion Date: March 31, 2025

2024-002 Capital Assets – Governmental Activities

Name of Contact Person: Jennifer Scott, Town Manager

Recommendation: We recommend that the Town enhance internal controls to ensure the proper and complete recording of governmental activity capital assets, including rolling forward capital asset schedules from the prior year to ensure beginning balances agree to the prior year ending balances, considering expenditures in each fund when determining capital asset additions, and keeping a detailed listing for each project under construction.

Corrective Action: Management concurs with the finding and will utilize additional resources and staff in the pre-audit process.

Anticipated Completion Date: March 31, 2025



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2024-003 Capital Assets – Business-Type Activities

Name of Contact Person: Jennifer Scott, Town Manager

Recommendation: We recommend that the Town enhance internal controls to ensure the proper recording and reporting of depreciation, capital asset contributions, and capital asset additions for business-type activities.

Corrective Action: Management concurs with the finding and will ensure future year records are reviewed more carefully for accuracy and that capital outlay expenses are recorded properly.

Anticipated Completion Date: March 31, 2025

2024-004 Investment Accounts

Name of Contact Person: Jennifer Scott, Town Manager

Recommendation: We recommend that the Town enhance internal controls to ensure the proper recording of all investment account activity throughout the fiscal year.

Corrective Action: Management concurs with the finding and will provide additional resources to ensure investment activity is properly recorded.

Anticipated Completion Date: March 31, 2025

2024-005 Expenditures in Excess of Appropriations

Name of Contact Person: Jennifer Scott, Town Manager

Recommendation: We recommend that the Town enhance internal controls to ensure that expenditures are monitored to ensure compliance with budgetary requirements.

Corrective Action: Management concurs with the finding and will better monitor the activity of all funds and make any required budget adjustments in future years.

Anticipated Completion Date: March 31, 2025

FEDERAL AWARDS FINDINGS

None Reported