

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKLET, GEORGIA
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 16,327	\$ 18,485	\$ 18,660	\$ 11,733	\$ 2,277	\$ 6,179
Interest on total pension liability	20,605	20,806	25,208	22,766	21,468	26,026
Difference between expected and actual experience	23,780	(19,622)	(90,390)	21,693	16,257	(67,099)
Changes of assumptions	(6,287)	-	3,328	-	-	-
Benefit payments, including refund of employee contributions	(20,191)	(20,192)	(26,086)	(23,262)	(23,263)	(22,154)
Other	-	-	-	-	-	(1,210)
Net change in total pension liability	34,234	(523)	(69,280)	32,930	16,739	(58,258)
Total pension liability - beginning	268,507	269,030	338,310	305,380	288,641	346,899
Total pension liability - ending (a)	<u>\$ 302,741</u>	<u>\$ 268,507</u>	<u>\$ 269,030</u>	<u>\$ 338,310</u>	<u>\$ 305,380</u>	<u>\$ 288,641</u>
Plan fiduciary net position						
Contributions - employer	\$ 18,318	\$ 18,323	\$ 13,447	\$ 6,226	\$ 13,182	\$ 22,507
Net investment income	10,514	32,219	43,628	31,118	3,755	30,375
Benefit payments, including refunds of member contributions	(20,191)	(20,192)	(26,086)	(23,262)	(23,263)	(22,154)
Administrative expenses	(3,254)	(3,629)	(3,830)	(1,884)	(1,996)	(1,641)
Net change in plan fiduciary net position	5,387	26,721	27,159	12,198	(8,322)	29,087
Plan fiduciary net position - beginning	353,351	326,630	299,471	287,273	295,595	266,508
Plan fiduciary net position - ending (b)	<u>\$ 358,738</u>	<u>\$ 353,351</u>	<u>\$ 326,630</u>	<u>\$ 299,471</u>	<u>\$ 287,273</u>	<u>\$ 295,595</u>
City's net pension liability - ending (a)-(b)	<u>\$ (55,997)</u>	<u>\$ (84,844)</u>	<u>\$ (57,600)</u>	<u>\$ 38,839</u>	<u>\$ 18,107</u>	<u>\$ (6,954)</u>
Plan fiduciary net position as a percentage of the total pension liability	118.50	131.60 %	121.41 %	88.52 %	94.07 %	102.41 %
Covered-employee payroll	\$ 389,459	\$ 329,085	\$ 336,360	\$ 403,375	\$ 285,587	\$ 176,624
Net pension liability as a % of covered-employee payroll	(14.38)%	(25.78)%	(17.12)%	9.63 %	6.34 %	(3.94)%

Notes to the schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF BROOKLET, GEORGIA
Required Supplementary Information
Schedule of City Contributions

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	-- 1 \$	20,380	\$ 17,637	\$ 12,050	\$ 4,284	\$ 16,148
Contributions in relation to the actuarially determined contribution	-- 1	20,380 ²	16,633	13,054	4,284	17,995
Contribution deficiency (excess)	-- 1 \$	Nil	\$ 1,004	\$ (1,004)	Nil	Nil
Covered-employee payroll	-- 1 \$	329,085 ³	\$ 336,360	\$ 403,375	\$ 285,587	\$ 176,624
Contributions as a percentage of covered-employee payroll	-- 1	6.19 %	4.94 %	3.24 %	1.50 %	10.19 %

¹ 2020 information will be determined after fiscal year end and will be included in the 2021 valuation report.

² Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in the receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

³ 2019 covered payroll is based on data collected as of September 30, 2018 for the 2019 actuarial valuation.

Notes to Schedule of Contributions:

Valuation Date: The actuarially determined contribution rate was determined as of January 1, 2020, 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, 2021.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	N/A
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Normal retirement age is 65 with 5 years of service; early retirement age is 55 with 10 years of service
Actuarial Valuation History for Notes to Schedules:	This exhibit describes assumption and benefit changes reflected in the last two fiscal years. For earlier changes, please see prior valuation reports.

Changes of Assumptions:

- Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:
- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

CITY OF BROOKLET, GEORGIA
Required Supplementary Information
Schedule of City Contributions

Notes to Schedule of Contributions: (Continued)

Actuarial Assumptions: (Continued)

Actuarial Valuation History for Notes to Schedules: (Continued)

Changes of Assumptions: (Continued)

- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously, future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

Benefit Changes

There were no changes in benefit provisions in the last two fiscal years.

The schedule will present 10 years of information once it is accumulated.

For information regarding assumptions and amortization methods, see Note 3.G.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF BROOKLET, GEORGIA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Taxes:					
Property taxes	\$ 316,537	\$ 338,100	\$ 338,486	\$ 386	\$ 317,685
Motor vehicle taxes	37,255	48,600	49,010	410	38,099
Mobile home taxes	3,000	2,000	2,136	136	2,240
Franchise taxes	93,813	97,000	97,639	639	93,811
Alcoholic beverage taxes	24,108	26,000	26,067	67	24,169
Business and occupation taxes	22,093	31,500	20,557	(10,943)	15,093
Insurance premium taxes	100,050	105,000	105,371	371	99,198
Financial institution taxes	6,528	800	11,011	10,211	7,378
Other taxes	5,076	6,500	6,768	268	4,950
Licenses and permits	71,876	51,250	52,862	1,612	21,164
Intergovernmental revenues	27,500	29,900	29,911	11	5,573
Charges for services	21,331	30,400	30,747	347	20,891
Fees, fines and forfeitures	98,350	112,000	112,718	718	59,520
Investment income	250	800	889	89	863
Other revenues	110,900	15,500	16,860	1,360	21,871
	<u>938,667</u>	<u>895,350</u>	<u>901,032</u>	<u>5,682</u>	<u>732,505</u>
Total revenues					
EXPENDITURES					
Current operations:					
General city government					
Legislative	12,600	12,000	12,000	-	12,600
Administration	247,350	222,950	216,493	6,457	208,550
Judicial					
Municipal court	7,800	6,000	5,600	400	7,750
Public safety					
Police	413,415	555,250	438,626	116,624	406,637
Public works					
Street	145,300	175,500	145,548	29,952	135,182
Community services					
Community center	-	4,500	2,577	1,923	4,231
	<u>826,465</u>	<u>976,200</u>	<u>820,844</u>	<u>155,356</u>	<u>774,950</u>
Total expenditures					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	112,202	(80,850)	80,188	161,038	(42,445)

(Continued)

CITY OF BROOKLET, GEORGIA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
OTHER FINANCING SOURCES (USES)					
Proceeds of capital lease	\$ -	\$ -	\$ -	\$ -	\$ 82,594
Sale of capital assets	-	-	-	-	6,500
Transfers in	43,500	82,750	80,873	(1,877)	17,225
Transfers out	-	(1,900)	(35,743)	(33,843)	(25,452)
NET CHANGE IN FUND BALANCES	155,702	Nil	125,318	125,318	38,422
FUND BALANCES, beginning of year	138,741	138,741	138,741	Nil	100,319
FUND BALANCES, end of year	<u>\$ 294,443</u>	<u>\$ 138,741</u>	<u>\$ 264,059</u>	<u>\$ 125,318</u>	<u>\$ 138,741</u>

CITY OF BROOKLET, GEORGIA
Cemetery Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

	2020			2019 Actual
	Budget (Original and Final)	Actual	Variance with Final Budget	
REVENUES				
Charges for services:				
Cemetery fees	\$ -	\$ 1,200	\$ 1,200	\$ 5,800
Investment income	-	376	376	-
Contributions from private sources	-	3,000	3,000	-
Total revenues	Nil	4,576	4,576	5,800
EXPENDITURES				
Current operations:				
Public works				
Cemetery and beautification	1,500	658	842	6,623
Total expenditures	1,500	658	842	6,623
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,500)	3,918	5,418	(823)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500	-	(1,500)	-
Transfers out	-	(38,082)	(38,082)	-
NET CHANGE IN FUND BALANCES	Nil	(34,164)	(34,164)	(823)
FUND BALANCES, beginning of year	34,164	34,164	Nil	34,987
FUND BALANCES, end of year	<u>\$ 34,164</u>	<u>\$ Nil</u>	<u>\$ (34,164)</u>	<u>\$ 34,164</u>

CITY OF BROOKLET, GEORGIA
SPLOST 2019 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

	<u>2020</u>			<u>2019 Actual</u>
	<u>Budget (Original and Final)</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	
REVENUES				
Intergovernmental revenues:				
SPLOST Revenues	\$ 119,333	\$ 716,000	\$ 596,667	\$ -
Investment income	-	712	712	-
Total revenues	<u>119,333</u>	<u>716,712</u>	<u>597,379</u>	<u>Nil</u>
EXPENDITURES				
Capital:				
General city government	48,333	19,970	28,363	-
Public safety	28,667	146,643	(117,976)	-
Public works	42,333	165,789	(123,456)	-
Total expenditures	<u>119,333</u>	<u>332,402</u>	<u>(213,069)</u>	<u>Nil</u>
NET CHANGE IN FUND BALANCES	Nil	384,310	384,310	Nil
FUND BALANCES, beginning of year	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
FUND BALANCES, end of year	<u>\$ Nil</u>	<u>\$ 384,310</u>	<u>\$ 384,310</u>	<u>\$ Nil</u>

CITY OF BROOKLET, GEORGIA
TSPLOST Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2020
With Comparative Totals for the Year Ended June 30, 2019

	2020			2019 Actual
	Budget (Original and Final)	Actual	Variance with Final Budget	
REVENUES				
TSPLOST Revenues	\$ 384,000	\$ -	\$ (384,000)	\$ 1,536,146
LMIG Grants	-	-	-	26,849
Investment income	-	17,283	17,283	5,323
Total revenues	<u>384,000</u>	<u>17,283</u>	<u>(366,717)</u>	<u>1,568,318</u>
EXPENDITURES				
Capital:				
General city government	-	12	(12)	-
Public works	384,000	231,100	152,900	105,721
Total expenditures	<u>384,000</u>	<u>231,112</u>	<u>152,888</u>	<u>105,721</u>
NET CHANGE IN FUND BALANCES	Nil	(213,829)	(213,829)	1,462,597
FUND BALANCES, beginning of year	<u>1,462,597</u>	<u>1,462,597</u>	Nil	<u>Nil</u>
FUND BALANCES, end of year	<u>\$ 1,462,597</u>	<u>\$ 1,248,768</u>	<u>\$ (213,829)</u>	<u>\$ 1,462,597</u>

CITY OF BROOKLET, GEORGIA
Water Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Customer charges	\$ 280,062	\$ 241,607
Installation charges	1,550	1,900
Tap fees	6,100	3,000
Penalties	21,360	22,689
Miscellaneous	1,188	223
Total operating revenues	310,260	269,419
OPERATING EXPENSES		
Salaries	81,349	100,443
Employee benefits	35,644	35,157
Contractual services	13,244	16,151
Repairs, maintenance and other contractual services	32,192	1,619
Communications	608	708
Liability and property insurance	4,068	2,043
Travel and training	150	-
Supplies and materials	13,459	13,189
Utilities	22,706	19,619
Vehicle gasoline	1,466	1,972
Depreciation	43,427	41,345
Other expenses	8,690	12,173
Total operating expenses	257,003	244,419
OPERATING INCOME	53,257	25,000
NONOPERATING REVENUES (EXPENSES)		
Interest earned on investments	800	766
Total nonoperating revenues (expenses)	800	766
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	54,057	25,766
Contributed capital	164,214	1,881
Transfers in	35,743	-
Transfers out	-	(17,225)
CHANGE IN NET POSITION	254,014	10,422
NET POSITION, beginning of year	835,135	824,713
NET POSITION, end of year	\$ 1,089,149	\$ 835,135

CITY OF BROOKLET, GEORGIA
Water Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 306,531	\$ 256,995
Cash paid for goods and services	(123,856)	(117,463)
Cash paid to employees for services	(81,009)	(99,588)
Customer deposits received (refunded)	1,994	2,665
Net cash provided by operating activities	103,660	42,609
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Net transfers in (out)	35,742	(17,225)
Net cash provided (used) by noncapital financing activities	35,742	(17,225)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	-	(51,905)
Net cash provided (used) by capital and related financing activities	Nil	(51,905)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and interest earned	805	734
Net cash provided by investing activities	805	734
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	140,207	(25,787)
CASH AND EQUIVALENTS, beginning of year	178,297	204,084
CASH AND EQUIVALENTS, end of year	\$ 318,504	\$ 178,297

(Continued)

CITY OF BROOKLET, GEORGIA
Water Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
<i>Reconciliation of net income to net cash provided by operating activities:</i>		
OPERATING INCOME	<u>\$ 53,257</u>	<u>\$ 25,000</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Provision for losses on receivable	3,096	10,733
Depreciation	43,428	41,345
Decrease (increase) in operating assets:		
Accounts receivable	(3,732)	(12,150)
Pension related deferred outflows of resources	(2,972)	1,915
Increase (decrease) in operating liabilities:		
Accounts payable	8,243	(22,429)
Accrued salaries	895	(91)
Accrued leave benefits	(555)	946
Deposits for services	1,994	2,665
Net pension liability (benefit)	4,082	(5,463)
Pension related deferred inflows of resources	<u>(4,076)</u>	<u>138</u>
Total adjustments	<u>50,403</u>	<u>17,609</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 103,660</u></u>	<u><u>\$ 42,609</u></u>

Supplemental Disclosure of Cash Flow Information

Noncash investing and financing activities:		
Contribution of property and equipment through SPLOST funds	<u>\$ 164,214</u>	<u>\$ 1,881</u>

CITY OF BROOKLET, GEORGIA
Sanitation Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Customer charges	\$ 119,182	\$ 109,469
Total operating revenues	119,182	109,469
OPERATING EXPENSES		
Salaries	24,356	22,586
Employee benefits	5,189	6,784
Contractual services	73,697	71,980
Liability and property insurance	971	771
Depreciation	574	574
Other expenses	2,928	3,544
Total operating expenses	107,715	106,239
OPERATING INCOME	11,467	3,230
NONOPERATING REVENUES (EXPENSES)		
Interest earned on investments	43	30
Total nonoperating revenues (expenses)	43	30
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	11,510	3,260
Transfers in	-	25,452
Transfers out	(42,791)	-
CHANGE IN NET POSITION	(31,281)	28,712
NET POSITION, beginning of year	71,629	42,917
NET POSITION, end of year	\$ 40,348	\$ 71,629

CITY OF BROOKLET, GEORGIA
Sanitation Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 116,110	\$ 108,594
Cash paid for goods and services	(76,975)	(80,104)
Cash paid to employees for services	<u>(23,696)</u>	<u>(22,825)</u>
Net cash provided by operating activities	<u>15,439</u>	<u>5,665</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Net transfers in (out)	<u>(42,791)</u>	<u>25,452</u>
Net cash provided (used) by noncapital financing activities	<u>(42,791)</u>	<u>25,452</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	<u>(5,000)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(5,000)</u>	<u>Nil</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends and interest earned	<u>43</u>	<u>30</u>
Net cash provided by investing activities	<u>43</u>	<u>30</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(32,309)</u>	<u>31,147</u>
CASH AND EQUIVALENTS, beginning of year	<u>50,316</u>	<u>19,169</u>
CASH AND EQUIVALENTS, end of year	<u><u>\$ 18,007</u></u>	<u><u>\$ 50,316</u></u>
<i>Reconciliation of net income to net cash provided by operating activities:</i>		
OPERATING INCOME	<u>\$ 11,467</u>	<u>\$ 3,230</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Provision for losses on receivable	1,747	3,539
Depreciation	573	573
Decrease (increase) in operating assets:		
Accounts receivable	(3,070)	(873)
Pension related deferred outflows of resources	(2,529)	3,016
Increase (decrease) in operating liabilities:		
Accounts payable	6,018	(707)
Accrued salaries	303	(190)
Accrued leave benefits	357	(49)
Net pension liability (benefit)	(3,287)	3,917
Pension related deferred inflows of resources	<u>3,860</u>	<u>(6,791)</u>
Total adjustments	<u>3,972</u>	<u>2,435</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 15,439</u></u>	<u><u>\$ 5,665</u></u>

OTHER REPORTS

INDEPENDENT AUDITORS' 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*

Mayor and City Council
City of Brooklet, Georgia
Brooklet, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City of Brooklet, Georgia as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

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

City of Brooklet, Georgia's Response to Findings

The City of Brooklet, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Brooklet, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Reddick, Riggs, Hunter and Colson, P. C.

Statesboro, Georgia
June 22, 2021

CITY OF BROOKLET, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2020

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	None Reported
Noncompliance material to the financial statements noted?	None Reported

Finding 2020 - 001:

Criteria: Accurate financial information is a critical component of Council's decision making process.

Condition: During our audit, we noted numerous instances in which both revenues and expenditures were incorrectly coded, to include certain amounts which were originally paid from the general fund and reimbursed through various other funds.

Context: Failure to correctly record revenues and expenditures could cause management to overspend its authorized budget amounts.

Cause: It appears that the errors were caused by a lack of understanding on the part of the accounting personnel.

Recommendation: We recommend that the Council member over financial administration review the chart of accounts to verify that all items are being correctly recorded on a timely basis.

Comments: Management agrees with the finding. The City has appointed a new City Clerk and has engaged an outside consultant to provide additional assistance in maintaining accurate and timely financial reporting.

CITY OF BROOKLET, GEORGIA
Schedule of SPLOST Expenditures
For the Year Ended June 30, 2020

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2019 SPLOST					
Recreational facilities and equipment	\$ 290,000	\$ 290,288	\$ Nil	\$ 19,970	\$ 19,970
Public safety facilities and equipment	172,000	172,171	Nil	146,643	146,643
Water capital projects	<u>254,000</u>	<u>254,262</u>	<u>Nil</u>	<u>165,789</u>	<u>165,789</u>
Total	<u>\$ 716,000</u>	<u>\$ 716,721</u>	<u>\$ Nil</u>	<u>\$ 332,402</u>	<u>332,402</u>

CITY OF BROOKLET, GEORGIA
*Schedule of Transportation SPLOST Expenditures
 For the Year Ended June 30, 2020*

Project	Original Estimated Cost	Prior Years	Current Year	Total
Project				
Roads, streets and bridges	\$ 1,920,000	\$ 105,721	\$ 199,481	\$ 305,202
Drainage improvements	-	Nil	31,631	31,631
Total	<u>\$ 1,920,000</u>	<u>\$ 105,721</u>	<u>\$ 231,112</u>	<u>\$ 336,833</u>