

CITY OF BROOKLET, GEORGIA

FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2024**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Brooklet, Georgia (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Brooklet, Georgia, 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 American Rescue Plan 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 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 City of Brooklet, Georgia and to meet 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 City of Brooklet, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with generally accepted auditing standards 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 City of Brooklet, Georgia's internal control. Accordingly, no such opinion is expressed.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary data on pages 4 through 10 and pages 43 through 44, respectively, 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brooklet, Georgia's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of SPLOST Expenditures and Schedule of Transportation SPLOST Expenditures are presented for purposes of additional analysis and are also not a required part of the basic financial statements of the City of Brooklet, Georgia.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the City of Brooklet, Georgia's internal control over financial reporting and compliance.

Statesboro, Georgia
February 28, 2025

CITY OF BROOKLET, GEORGIA
Management's Discussion and Analysis
June 30, 2024

This discussion and analysis is intended to be an easily readable analysis of the City of Brooklet, Georgia's (the City's) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Overview of the Financial Statements

The City's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the basic financial statements. The *government-wide financial statements* present an overall picture of the City's financial position and results of operations. The *fund financial statements* present financial information for the City's major funds. The *notes to financial statements* provide additional information concerning the City's finances that are not disclosed in the government-wide or fund financial statements.

Government-wide Financial Statements

The City's financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The *Statement of Activities* reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

In the Statement of Net Position and Statement of Activities, the City is divided into two kinds of activities:

- *Governmental activities* - Most of the City's basic services are reported here, including the police, community development, street services and general administration. These activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, and charges for services.
- *Business-type activities* - Business-type activities include the City's water system and sanitation activities. These activities are supported by charges to the users of the activities.

The government-wide financial statements are presented on pages 11 and 12 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

Overview of the Financial Statements (continued)

Fund Financial Statements (continued)

The City has two kinds of funds:

Governmental Funds: The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances of spendable resources available at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The basic governmental fund financial statements are presented on pages 13 through 17 of this report.

The City maintains four major governmental funds. The City's major governmental funds are the General Fund, the American Rescue Plan Fund, the 2019 SPLOST Fund and the TSPLOST Fund.

Proprietary Funds: The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the City's enterprise funds are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These are reported in the fund financial statements and generally report services for which the fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 19 through 22 of this report.

The City maintains two enterprise funds: Water and Sanitation.

Notes to the Basic Financial Statements

The notes to the financial statements explain some of the information in the financial statements and provide information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes begin on page 23 of this report.

Budgetary Presentations

A budgetary comparison statement is included as "basic financial statements" for the General Fund and the American Rescue Plan Fund. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Individual statements and schedules for nonmajor funds are presented as supplementary financial information of this report beginning on page 46.

Financial Analysis of the City as a Whole

The City’s net position at fiscal year-end is \$7,825,791, as compared to \$6,324,132 at June 30, 2023. The following table provides a summary of the City’s net position.

| | Summary of Net Position | | | | | |
|---------------------------------------|--------------------------------|--------------|---------------------------------|--------------|--------------|--------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Assets: | | | | | | |
| Current and other assets | \$ 2,187,381 | 2,456,916 | \$ 1,030,877 | \$ 786,011 | \$ 3,218,258 | \$ 3,242,927 |
| Capital assets | 3,594,929 | 2,863,045 | 1,679,630 | 1,297,675 | 5,274,559 | 4,160,720 |
| Total assets | 5,782,310 | 5,319,961 | 2,710,507 | 2,083,686 | 8,492,817 | 7,403,647 |
| Deferred outflows of resources | 57,638 | 82,980 | 13,258 | 18,314 | 70,896 | 101,294 |
| Liabilities: | | | | | | |
| Long-term liabilities | 4,407 | 2,835 | 146,850 | 180,205 | 151,257 | 183,040 |
| Other liabilities | 388,343 | 803,698 | 125,075 | 106,024 | 513,418 | 909,722 |
| Total liabilities | 392,750 | 806,533 | 271,925 | 286,229 | 664,675 | 1,092,762 |
| Deferred inflows of resources | 59,550 | 71,797 | 13,697 | 15,846 | 73,247 | 87,643 |
| Net Position: | | | | | | |
| Investment in capital assets | 3,594,929 | 2,863,045 | 1,533,620 | 1,117,470 | 5,128,549 | 3,980,515 |
| Restricted | 1,251,122 | 1,206,907 | - | - | 1,251,122 | 1,206,907 |
| Unrestricted | 541,597 | 454,256 | 904,523 | 682,454 | 1,446,120 | 1,136,710 |
| Total Net Position | \$ 5,387,648 | \$ 4,524,208 | \$ 2,438,143 | \$ 1,799,924 | \$ 7,825,791 | \$ 6,324,132 |
| Calculation Error ERROR ON PAGE | \$ - | (403) | - | (1) | - | (404) |

The current ratio is used to measure an entity’s ability to meet current obligations. The City has a 5.63 to 1 ratio for governmental activities as compared to 3.06 to 1 at June 30, 2023. The current ratio for business-type activities is 8.24 to 1, as compared to 7.41 to 1 at June 30, 2023.

The City reported positive balances in net position for both governmental and business-type activities. Analyzing the net position and net expenses of governmental and business-type activities separately, the business-type activities net position is \$2,438,143. The table below focuses on the net position and revenues and expenses of the City’s governmental and business-type activities. Net position increased \$863,440 for governmental activities and increased \$638,219 for business-type activities. The City’s overall financial position improved during the year ended June 30, 2024.

Financial Analysis of the City as a Whole (continued)

The following table provides a summary of the City's changes in net position:

| | Summary of Changes in Net Position | | | | | |
|-------------------------------------------------------------|-------------------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | | | |
| Program | | | | | | |
| Charges for services | \$ 153,109 | \$ 118,311 | \$ 698,979 | \$ 542,443 | \$ 852,088 | \$ 660,754 |
| Operating grants | 11,585 | 12,261 | - | - | 11,585 | 12,261 |
| Capital grants / contributions | 1,253,159 | 618,269 | - | - | 1,253,159 | 618,269 |
| General | | | | | | |
| Property taxes | 493,371 | 505,121 | - | - | 493,371 | 505,121 |
| Franchise taxes | 106,310 | 100,124 | - | - | 106,310 | 100,124 |
| Insurance premium taxes | 150,793 | 153,725 | - | - | 150,793 | 153,725 |
| Financial institution taxes | 13,568 | 14,707 | - | - | 13,568 | 14,707 |
| Alcoholic beverage taxes | 33,554 | 30,219 | - | - | 33,554 | 30,219 |
| Intangible and other taxes | 7,509 | 5,627 | - | - | 7,509 | 5,627 |
| Interest | 24,095 | 12,602 | 6,257 | 4,154 | 30,352 | 16,756 |
| Other income | 14,242 | 5,798 | - | - | 14,242 | 5,798 |
| Total revenues | <u>2,261,295</u> | <u>1,576,764</u> | <u>705,236</u> | <u>546,597</u> | <u>2,966,531</u> | <u>2,123,361</u> |
| Program expenses: | | | | | | |
| General government | 288,850 | 244,373 | - | - | 288,850 | 244,373 |
| Judicial | 3,650 | 5,200 | - | - | 3,650 | 5,200 |
| Public safety | 419,143 | 385,797 | - | - | 419,143 | 385,797 |
| Public works | 266,630 | 248,758 | - | - | 266,630 | 248,758 |
| Community Services | 10,923 | 6,852 | - | - | 10,923 | 6,852 |
| Water | - | - | 357,729 | 298,295 | 357,729 | 298,295 |
| Sanitation | - | - | 117,947 | 120,394 | 117,947 | 120,394 |
| Total expenses | <u>989,196</u> | <u>890,980</u> | <u>475,676</u> | <u>418,689</u> | <u>1,464,872</u> | <u>1,309,669</u> |
| Increase (decrease) in net position before transfers | 1,272,099 | 685,784 | 229,560 | 127,908 | 1,501,659 | 813,692 |
| Transfers | <u>(408,659)</u> | <u>(29,904)</u> | <u>408,659</u> | <u>29,904</u> | <u>Nil</u> | <u>Nil</u> |
| Increase (decrease) in net position | 863,440 | 655,880 | 638,219 | 157,812 | 1,501,659 | 813,692 |
| Beginning net position | <u>4,524,208</u> | <u>3,868,328</u> | <u>1,799,924</u> | <u>1,642,112</u> | <u>6,324,132</u> | <u>5,510,440</u> |
| Ending net position | <u>\$ 5,387,648</u> | <u>\$ 4,524,208</u> | <u>\$ 2,438,143</u> | <u>\$ 1,799,924</u> | <u>\$ 7,825,791</u> | <u>\$ 6,324,132</u> |

Governmental Revenues

The City's governmental activities are heavily reliant on property taxes and sales taxes, which collectively make up 21.80% of governmental revenues. Note that program revenues made up 71.37% of the City's total revenues.

Governmental Expenses

The above table presents the costs of each of the City's programs. Public safety, water, and public works were the most costly. Public safety made up 28.60% of the City's total expenses, while water and public works made up 24.43% and 18.20% respectively.

Financial Analysis of the City as a Whole (continued)

There was an excess of \$1,272,099 in governmental activities and an excess of \$229,560 in business-type activities. Transfers to (from) governmental activities resulted in a total excess in governmental activities of \$863,440 and a total excess in business-type activities of \$638,219. The total change in net position was \$1,501,659. As stated earlier, the financial position of the City improved in the year ended June 30, 2024.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

Governmental funds reported ending fund balances of \$1,684,101. Of this year-end total, \$1,229,773 is restricted to capital projects, \$21,349 is restricted for public safety. The unassigned portion of governmental fund balances was \$432,979. The total ending fund balances of governmental funds shows an increase of \$120,349, or a 7.70% increase.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund reported an ending fund balance of \$525,026, of which \$432,979 is unassigned. The total ending fund balance of the General Fund shows an increase of \$100,959. The increase in the current year was a result of

Total revenues of the General Fund were \$1,014,982, an increase of \$31,199 from fiscal year 2023. This equates to a 3.17% increase in total revenues. This increase was due to

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues for the proprietary funds were \$698,979, an increase of \$156,536 over fiscal year 2023. \$229,559.

Budgetary Highlights

Revenues in the General Fund were over the budget by \$113,982. This increase

Expenditures in the General Fund were under the budget by \$142,810. The decrease resulted primarily from

A budget amendment was adopted during the year ended June 30, 2024 which resulted in an increase in General Fund expenditures of \$27,101.

Capital Assets and Debt Administration

Capital Assets

The City’s investment in capital assets, net of accumulated depreciation, as of June 30, 2024, was \$5,274,559 as follows:

| | <u>Capital Assets</u> | | | | | |
|------------------------------------|---------------------------------------|---------------------|----------------------------------------|---------------------|---------------------|---------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Nondepreciable assets: | | | | | | |
| Land | \$ 381,876 | \$ 381,876 | \$ 42,962 | \$ 42,962 | \$ 424,838 | \$ 424,838 |
| Construction in progress | - | 46,216 | 489,026 | 45,221 | 489,026 | 91,437 |
| Book value - nondepreciable assets | <u>381,876</u> | <u>428,092</u> | <u>531,988</u> | <u>88,183</u> | <u>913,864</u> | <u>516,275</u> |
| Depreciable assets: | | | | | | |
| Infrastructure | 3,310,793 | 2,469,717 | 1,745,554 | 1,733,554 | 5,056,347 | 4,203,271 |
| Building | 708,602 | 708,602 | 82,771 | 82,771 | 791,373 | 791,373 |
| Machinery and equipment | 684,395 | 588,093 | 222,978 | 222,978 | 907,373 | 811,071 |
| Vehicles | 384,097 | 384,097 | 366,526 | 366,526 | 750,623 | 750,623 |
| Total depreciable assets | 5,087,887 | 4,150,509 | 2,417,829 | 2,405,829 | 7,505,716 | 6,556,338 |
| Less accumulated depreciation | <u>1,874,834</u> | <u>1,715,556</u> | <u>1,270,187</u> | <u>1,196,337</u> | <u>3,145,021</u> | <u>2,911,893</u> |
| Book value - depreciable assets | <u>3,213,053</u> | <u>2,434,953</u> | <u>1,147,642</u> | <u>1,209,492</u> | <u>4,360,695</u> | <u>3,644,445</u> |
| Percentage depreciated | <u>36.85 %</u> | <u>41.33 %</u> | <u>52.53 %</u> | <u>49.73 %</u> | <u>41.90 %</u> | <u>44.41 %</u> |
| Total Capital Assets | <u>\$ 3,594,929</u> | <u>\$ 2,863,045</u> | <u>\$ 1,679,630</u> | <u>\$ 1,297,675</u> | <u>\$ 5,274,559</u> | <u>\$ 4,160,720</u> |

For more information on the changes in capital assets, see Note 3.D.

Debt Outstanding

As of June 30, 2024, the City had total outstanding long-term debt of \$151,257 as follows:

| | <u>Long-Term Debt</u> | | | | | |
|-------------------------------------|---------------------------------------|--------------------|----------------------------------------|--------------------|---------------------|--------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Accumulated leave benefits | \$ 4,407 | \$ 2,835 | \$ 840 | \$ - | \$ 5,247 | \$ 2,835 |
| Financed Purchase Obligation | | | | | | |
| Sanitation truck | - | - | 146,010 | 180,205 | 146,010 | 180,205 |
| Total Long-Term Debt | <u>\$ 4,407</u> | <u>\$ 2,835</u> | <u>\$ 146,850</u> | <u>\$ 180,205</u> | <u>\$ 151,257</u> | <u>\$ 183,040</u> |

During the year ended June 30, 2024, the City issued no long-term debt. The City retired \$34,682 of existing debt.

For more information on the City’s long-term debt, see Note 3.F.

Economic Conditions Affecting the City

The City of Brooklet continues to grow as a bedroom community for surrounding areas from a population in 2020 of 1,789 residents to 2,382 residents in 2023, a 33.14% increase. Downtown Brooklet has begun to thrive with several new businesses to support the greater Brooklet community. The announcement of the Hyundai metaplant in a neighboring county is expected to continue these growth trends. Due to a relatively high median income, the City has not been successful in obtaining grants for expansion of infrastructure which could attract additional new business and cause population growth. The City depends on its remaining SPLOST and TSPLOST monies to provide infrastructure for economic development as the median income of Brooklet often makes it ineligible for infrastructure grants.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City of Brooklet at P. O. Box 67, Brooklet, Georgia 30415.

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CITY OF BROOKLET, GEORGIA
Statement of Net Position
June 30, 2024

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|------------------------------------------------------|------------------------------------|-------------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Current Assets | | | |
| Cash | \$ 1,921,781 | \$ 964,302 | \$ 2,886,083 |
| Receivables, net of allowance for uncollectibles: | | | |
| Taxes | 21,969 | - | 21,969 |
| Intergovernmental | 139,143 | - | 139,143 |
| Other | 14,667 | 45,671 | 60,338 |
| Accrued interest receivable | 181 | 286 | 467 |
| Noncurrent Assets | | | |
| Capital assets: | | | |
| Nondepreciable assets | 381,876 | 531,988 | 913,864 |
| Depreciable assets, net | 3,213,053 | 1,147,642 | 4,360,695 |
| Other assets: | | | |
| Net pension asset | 89,640 | 20,618 | 110,258 |
| Total Assets | <u>5,782,310</u> | <u>2,710,507</u> | <u>8,492,817</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Deferred outflows of resources - Pension | <u>57,638</u> | <u>13,258</u> | <u>70,896</u> |
| <u>LIABILITIES</u> | | | |
| Current Liabilities | | | |
| Accounts payable | 65,258 | 35,689 | 100,947 |
| Payroll taxes payable | 4,814 | - | 4,814 |
| Accrued salaries | 6,210 | 2,521 | 8,731 |
| Accrued interest payable | - | 3,703 | 3,703 |
| Deposits to secure services | - | 83,162 | 83,162 |
| Unearned Revenues | 312,061 | - | 312,061 |
| Noncurrent Liabilities | | | |
| Due within one year: | | | |
| Compensated absences | 881 | 168 | 1,049 |
| Financed purchase obligation | - | 34,194 | 34,194 |
| Due in more than one year: | | | |
| Compensated absences, net of current portion | 3,526 | 672 | 4,198 |
| Financed purchase obligation, net of current portion | - | 111,816 | 111,816 |
| Total Liabilities | <u>392,750</u> | <u>271,925</u> | <u>664,675</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred inflows of resources - Pension | <u>59,550</u> | <u>13,697</u> | <u>73,247</u> |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 3,594,929 | 1,533,620 | 5,128,549 |
| Restricted for: | | | |
| Capital projects | 1,229,773 | - | 1,229,773 |
| Public safety | 21,349 | - | 21,349 |
| Unrestricted | <u>541,597</u> | <u>904,523</u> | <u>1,446,120</u> |
| Total Net Position | <u>\$ 5,387,648</u> | <u>\$ 2,438,143</u> | <u>\$ 7,825,791</u> |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Activities
For the Year Ended June 30, 2024

| Functions / Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|------------------------------------------------------|--------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|--------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 288,850 | \$ 94,361 | \$ - | \$ - | \$ (194,489) | \$ - | \$ (194,489) |
| Judicial | 3,650 | - | - | - | (3,650) | - | (3,650) |
| Public safety | 419,143 | 51,158 | 11,585 | - | (356,400) | - | (356,400) |
| Public works | 266,630 | - | - | 1,253,159 | 986,529 | - | 986,529 |
| Community services | 10,923 | 6,990 | - | - | (3,933) | - | (3,933) |
| Cemeteries | - | 600 | - | - | 600 | - | 600 |
| Total governmental activities | 989,196 | 153,109 | 11,585 | 1,253,159 | 428,657 | Nil | 428,657 |
| Business-type activities: | | | | | | | |
| Water | 357,729 | 520,988 | - | - | - | 163,259 | 163,259 |
| Sanitation | 117,947 | 177,991 | - | - | - | 60,044 | 60,044 |
| Total business-type activities | 475,676 | 698,979 | Nil | Nil | Nil | 223,303 | 223,303 |
| Total | \$ 1,464,872 | \$ 852,088 | \$ 11,585 | \$ 1,253,159 | 428,657 | 223,303 | 651,960 |
| General Revenues | | | | | | | |
| Property taxes | | | | | 493,371 | - | 493,371 |
| Franchise taxes | | | | | 106,310 | - | 106,310 |
| Insurance premium taxes | | | | | 150,793 | - | 150,793 |
| Financial institution taxes | | | | | 13,568 | - | 13,568 |
| Alcoholic beverage taxes | | | | | 33,554 | - | 33,554 |
| Intangible and other taxes | | | | | 7,509 | - | 7,509 |
| Interest | | | | | 24,095 | 6,257 | 30,352 |
| Other revenues | | | | | 14,242 | - | 14,242 |
| Total general revenues | | | | | 843,442 | 6,257 | 849,699 |
| Transfers | | | | | (408,659) | 408,659 | - |
| Total general revenues and transfers | | | | | 434,783 | 414,916 | 849,699 |
| Change in net position | | | | | 863,440 | 638,219 | 1,501,659 |
| Net position, beginning of year (as restated) | | | | | 4,524,208 | 1,799,924 | 6,324,132 |
| Net position, end of year | | | | | \$ 5,387,648 | \$ 2,438,143 | \$ 7,825,791 |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2024

| | <u>General Fund</u> | <u>American Rescue Plan Fund</u> | <u>SPLOST 2019 Fund</u> | <u>TSPLOST Fund</u> | <u>Total Governmental Funds</u> |
|-------------------------------------------------------------------------------|---------------------|------------------------------------------|-----------------------------|-------------------------|-----------------------------------------|
| <u>ASSETS</u> | | | | | |
| Cash | \$ 505,786 | \$ 386,197 | \$ 514,550 | \$ 515,248 | \$ 1,921,781 |
| Receivables: | | | | | |
| Taxes receivable | 21,969 | - | - | - | 21,969 |
| Intergovernmental receivables | - | - | 47,648 | 91,495 | 139,143 |
| Other receivables | 14,667 | - | - | - | 14,667 |
| Accrued interest receivable | 181 | - | - | - | 181 |
| Due from other funds | 33,678 | - | - | 21,996 | 55,674 |
| | <u>\$ 576,281</u> | <u>\$ 386,197</u> | <u>\$ 562,198</u> | <u>\$ 628,739</u> | <u>\$ 2,153,415</u> |
| Total Assets | | | | | |
| <u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Accounts payable | \$ 14,932 | \$ 44,397 | \$ - | \$ 5,927 | \$ 65,256 |
| Payroll taxes payable | 4,814 | - | - | - | 4,814 |
| Accrued salaries | 6,210 | - | - | - | 6,210 |
| Due to other funds | - | - | 21,996 | 33,678 | 55,674 |
| Unearned Revenues | - | 312,061 | - | - | 312,061 |
| | <u>25,956</u> | <u>356,458</u> | <u>21,996</u> | <u>39,605</u> | <u>444,015</u> |
| Total Liabilities | <u>25,956</u> | <u>356,458</u> | <u>21,996</u> | <u>39,605</u> | <u>444,015</u> |
| Deferred Inflows of Resources | <u>25,299</u> | <u>Nil</u> | <u>Nil</u> | <u>Nil</u> | <u>25,299</u> |
| | <u>51,255</u> | <u>356,458</u> | <u>21,996</u> | <u>39,605</u> | <u>469,314</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>51,255</u> | <u>356,458</u> | <u>21,996</u> | <u>39,605</u> | <u>469,314</u> |
| <u>FUND BALANCES</u> | | | | | |
| Restricted for: | | | | | |
| Capital projects | 70,698 | 29,739 | 540,202 | 589,134 | 1,229,773 |
| Public safety | 21,349 | - | - | - | 21,349 |
| Unassigned | 432,979 | - | - | - | 432,979 |
| | <u>525,026</u> | <u>29,739</u> | <u>540,202</u> | <u>589,134</u> | <u>1,684,101</u> |
| Total Fund Balances | <u>525,026</u> | <u>29,739</u> | <u>540,202</u> | <u>589,134</u> | <u>1,684,101</u> |
| | <u>\$ 576,281</u> | <u>\$ 386,197</u> | <u>\$ 562,198</u> | <u>\$ 628,739</u> | <u>\$ 2,153,415</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 576,281</u> | <u>\$ 386,197</u> | <u>\$ 562,198</u> | <u>\$ 628,739</u> | <u>\$ 2,153,415</u> |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2024*

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------|---------------------|
| Total Governmental Fund Balances | | \$ | 1,684,101 |
| <i>Amounts reported in governmental activities in the statements of net position are different because:</i> | | | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. | | | |
| Cost | | \$ | 5,469,759 |
| Accumulated depreciation | | <u>(1,874,833)</u> | 3,594,926 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | | |
| Property taxes | | \$ | 25,299 |
| Net pension benefit | | <u>89,640</u> | \$ 114,939 |
| Deferred outflows are not current assets or financial resources and deferred inflows are not due and payable in the current period and, therefore, are not reported in governmental funds. | | | |
| Deferred outflows | | \$ | 57,638 |
| Deferred inflows | | <u>(59,550)</u> | (1,912) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | | |
| Compensated absences | | | <u>(4,406)</u> |
| Total Net Position of Governmental Activities | | | <u>\$ 5,387,648</u> |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

| | <u>General Fund</u> | <u>American Rescue Plan Fund</u> | <u>SPLOST 2019 Fund</u> | <u>TSPLOST Fund</u> | <u>Total Governmental Funds</u> |
|--------------------------------------------------------------|---------------------|------------------------------------------|-----------------------------|-------------------------|-----------------------------------------|
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property taxes | \$ 383,105 | \$ - | \$ - | \$ - | \$ 383,105 |
| Motor vehicle taxes | 96,697 | - | - | - | 96,697 |
| Mobile home taxes | 2,748 | - | - | - | 2,748 |
| Franchise taxes | 106,310 | - | - | - | 106,310 |
| Alcoholic beverage taxes | 33,554 | - | - | - | 33,554 |
| Business and occupation taxes | 14,800 | - | - | - | 14,800 |
| Insurance premium taxes | 150,793 | - | - | - | 150,793 |
| Financial institution taxes | 13,568 | - | - | - | 13,568 |
| Other taxes | 7,509 | - | - | - | 7,509 |
| Licenses and permits | 68,984 | - | - | - | 68,984 |
| Intergovernmental revenues | 48,321 | 345,726 | 294,294 | 557,204 | 1,245,545 |
| Charges for services | 468 | - | - | - | 468 |
| Fees, fines and forfeitures | 51,158 | - | - | - | 51,158 |
| Investment income | 5,819 | 18,276 | 1,700 | 17,498 | 43,293 |
| Other revenues | 31,148 | - | - | - | 31,148 |
| | <u>1,014,982</u> | <u>364,002</u> | <u>295,994</u> | <u>574,702</u> | <u>2,249,680</u> |
| Total revenues | | | | | |
| EXPENDITURES | | | | | |
| Current operations: | | | | | |
| General city government | 270,354 | - | - | - | 270,354 |
| Judicial | 3,650 | - | - | - | 3,650 |
| Public safety | 390,790 | - | - | - | 390,790 |
| Public works | 175,372 | - | - | - | 175,372 |
| Community services | 10,923 | - | - | - | 10,923 |
| Capital: | | | | | |
| Public safety | - | - | 11,479 | - | 11,479 |
| Public works | - | 345,726 | - | 858,103 | 1,203,829 |
| | <u>851,089</u> | <u>345,726</u> | <u>11,479</u> | <u>858,103</u> | <u>2,066,397</u> |
| Total expenditures | | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | | |
| | 163,893 | 18,276 | 284,515 | (283,401) | 183,283 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 3,072 | - | - | - | 3,072 |
| Transfers out | (66,006) | - | - | - | (66,006) |
| | <u>100,959</u> | <u>18,276</u> | <u>284,515</u> | <u>(283,401)</u> | <u>120,349</u> |
| NET CHANGE IN FUND BALANCES | | | | | |
| | 100,959 | 18,276 | 284,515 | (283,401) | 120,349 |
| FUND BALANCES, beginning of year (as restated) | | | | | |
| | <u>424,067</u> | <u>11,463</u> | <u>255,687</u> | <u>872,535</u> | <u>1,563,752</u> |
| FUND BALANCES, end of year | | | | | |
| | <u>\$ 525,026</u> | <u>\$ 29,739</u> | <u>\$ 540,202</u> | <u>\$ 589,134</u> | <u>\$ 1,684,101</u> |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024*

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------|
| Net change in fund balances - total governmental funds | \$ | 120,349 |
| <i>Amounts reported in the Statement of Activities are different because:</i> | | |
| Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. | | 891,161 |
| Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds. | | (158,877) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Deferred property taxes at June 30, 2024 | \$ 25,299 | |
| Deferred property taxes at June 30, 2023 | <u>(13,682)</u> | 11,617 |
| Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. | | |
| Change in net pension liability and related deferred inflows and outflows of resources | | 762 |
| Compensated absences reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Liability at June 30, 2024 | \$ (4,407) | |
| Liability at June 30, 2023 | <u>2,835</u> | <u>(1,572)</u> |
| Change in net position in governmental funds | | <u><u>\$ 863,440</u></u> |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2024

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--------------------------------------------------------------|------------------------|---------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Property taxes | \$ 427,500 | \$ 371,200 | \$ 383,105 | \$ 11,905 |
| Motor vehicle taxes | 86,800 | 95,000 | 96,697 | 1,697 |
| Mobile home taxes | - | 2,500 | 2,748 | 248 |
| Franchise taxes | 110,500 | 95,800 | 106,310 | 10,510 |
| Alcoholic beverage taxes | - | 24,200 | 33,554 | 9,354 |
| Business and occupation taxes | 38,500 | 15,000 | 14,800 | (200) |
| Insurance premium taxes | 160,000 | 140,000 | 150,793 | 10,793 |
| Financial institution taxes | 12,998 | 13,500 | 13,568 | 68 |
| Other taxes | 6,500 | 7,000 | 7,509 | 509 |
| Licenses and permits | - | 800 | 68,984 | 68,184 |
| Intergovernmental revenues | 33,000 | 82,000 | 48,321 | (33,679) |
| Charges for services | - | - | 468 | 468 |
| Fees, fines and forfeitures | 59,500 | 51,500 | 51,158 | (342) |
| Investment income | 1,500 | 1,500 | 5,819 | 4,319 |
| Other revenues | 1,000 | 1,000 | 31,148 | 30,148 |
| | <u>937,798</u> | <u>901,000</u> | <u>1,014,982</u> | <u>113,982</u> |
| Total revenues | | | | |
| EXPENDITURES | | | | |
| Current operations: | | | | |
| General city government | 319,798 | 330,000 | 270,354 | 59,646 |
| Judicial | 7,800 | 4,500 | 3,650 | 850 |
| Public safety | 452,200 | 395,500 | 390,790 | 4,710 |
| Public works | 175,500 | 251,899 | 175,372 | 76,527 |
| Community services | 11,500 | 12,000 | 10,923 | 1,077 |
| | <u>966,798</u> | <u>993,899</u> | <u>851,089</u> | <u>142,810</u> |
| Total expenditures | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (29,000) | (92,899) | 163,893 | 256,792 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 30,000 | 14,900 | 3,072 | (11,828) |
| Transfers out | (1,000) | (14,900) | (66,006) | (51,106) |
| NET CHANGE IN FUND BALANCES | Nil | (92,899) | 100,959 | 193,858 |
| FUND BALANCES, beginning of year | <u>424,067</u> | <u>424,067</u> | <u>424,067</u> | <u>Nil</u> |
| FUND BALANCES, end of year | <u>\$ 424,067</u> | <u>\$ 331,168</u> | <u>\$ 525,026</u> | <u>\$ 193,858</u> |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
American Rescue Plan Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2024

| | <u>Budget (Original and Final)</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------|--------------------------------------------|------------------|---------------------------------------|
| REVENUES | | | |
| Taxes: | | | |
| Intergovernmental revenues | \$ 657,787 | \$ 345,726 | \$ (312,061) |
| Investment income | - | 18,276 | 18,276 |
| | <u>657,787</u> | <u>364,002</u> | <u>(293,785)</u> |
| EXPENDITURES | | | |
| Capital: | | | |
| Public works | 669,250 | 345,726 | 323,524 |
| | <u>669,250</u> | <u>345,726</u> | <u>323,524</u> |
| NET CHANGE IN FUND BALANCES | (11,463) | 18,276 | 29,739 |
| FUND BALANCES, beginning of year | <u>11,463</u> | <u>11,463</u> | <u>Nil</u> |
| FUND BALANCES, end of year | <u>\$ Nil</u> | <u>\$ 29,739</u> | <u>\$ 29,739</u> |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2024

| | <u>Water Fund</u> | <u>Sanitation Fund</u> | <u>Total</u> |
|-------------------------------------------------------|-------------------|------------------------|--------------|
| <u>ASSETS</u> | | | |
| Current Assets | | | |
| Cash | \$ 836,850 | \$ 127,452 | \$ 964,302 |
| Accounts receivable | 34,256 | 11,415 | 45,671 |
| Accrued interest receivable | 286 | - | 286 |
| Due from other funds | - | 321 | 321 |
| | 871,392 | 139,188 | 1,010,580 |
| Noncurrent Assets | | | |
| Capital assets: | | | |
| Nondepreciable assets | 516,988 | 15,000 | 531,988 |
| Depreciable assets, net | 961,908 | 185,734 | 1,147,642 |
| Other assets: | | | |
| Net pension asset | 9,449 | 11,169 | 20,618 |
| | 1,488,345 | 211,903 | 1,700,248 |
| Total Assets | 2,359,737 | 351,091 | 2,710,828 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Pension related deferred outflows of resources | 6,076 | 7,182 | 13,258 |
| <u>LIABILITIES</u> | | | |
| Current Liabilities | | | |
| Accounts payable | 27,766 | 7,923 | 35,689 |
| Accrued salaries | 1,741 | 780 | 2,521 |
| Accrued interest payable | - | 3,703 | 3,703 |
| Due to other funds | 321 | - | 321 |
| Compensated absences | - | 168 | 168 |
| Financed purchase obligation - current portion | - | 34,194 | 34,194 |
| Deposits to secure service | 68,795 | 14,367 | 83,162 |
| | 98,623 | 61,135 | 159,758 |
| Noncurrent Liabilities | | | |
| Compensated absences | - | 672 | 672 |
| Financed purchase obligation, net of current portion | - | 111,816 | 111,816 |
| | - | 112,488 | 112,488 |
| Total Liabilities | 98,623 | 173,623 | 272,246 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Pension related deferred inflows of resources | 6,277 | 7,420 | 13,697 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 1,478,896 | 54,724 | 1,533,620 |
| Unrestricted | 782,017 | 122,506 | 904,523 |
| Total Net Position | \$ 2,260,913 | \$ 177,230 | \$ 2,438,143 |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

| | <u>Water Fund</u> | <u>Sanitation Fund</u> | <u>Total</u> |
|----------------------------------------------------------|---------------------|------------------------|---------------------|
| OPERATING REVENUES | | | |
| Customer charges | \$ 430,932 | \$ 177,991 | \$ 608,923 |
| Installation charges | 4,950 | - | 4,950 |
| Tap fees | 60,900 | - | 60,900 |
| Penalties | 25,250 | - | 25,250 |
| Miscellaneous | (1,044) | - | (1,044) |
| | <u>520,988</u> | <u>177,991</u> | <u>698,979</u> |
| OPERATING EXPENSES | | | |
| Salaries | 47,325 | 43,012 | 90,337 |
| Employee benefits | 14,995 | 2,752 | 17,747 |
| Contractual services | 21,946 | 600 | 22,546 |
| Repairs, maintenance and other contractual services | 60,465 | 9,384 | 69,849 |
| Communications | 2,031 | - | 2,031 |
| Liability and property insurance | 3,542 | 3,811 | 7,353 |
| Travel and training | 18 | - | 18 |
| Landfill fees | - | 26,896 | 26,896 |
| Supplies and materials | 52,242 | 808 | 53,050 |
| Utilities | 30,057 | - | 30,057 |
| Vehicle gasoline | 2,816 | 7,403 | 10,219 |
| Depreciation | 57,785 | 16,065 | 73,850 |
| Other expenses | 64,508 | 3,292 | 67,800 |
| | <u>357,730</u> | <u>114,023</u> | <u>471,753</u> |
| | <u>163,258</u> | <u>63,968</u> | <u>227,226</u> |
| OPERATING INCOME | | | |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest earned on investments | 5,916 | 341 | 6,257 |
| Interest expense | - | (3,924) | (3,924) |
| | <u>5,916</u> | <u>(3,583)</u> | <u>2,333</u> |
| INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | | | |
| Contributed capital | 345,726 | - | 345,726 |
| Transfers in | - | 66,006 | 66,006 |
| Transfers out | (3,072) | - | (3,072) |
| | <u>511,828</u> | <u>126,391</u> | <u>638,219</u> |
| CHANGE IN NET POSITION | | | |
| NET POSITION, beginning of year | <u>1,749,085</u> | <u>50,839</u> | <u>1,799,924</u> |
| NET POSITION, end of year | <u>\$ 2,260,913</u> | <u>\$ 177,230</u> | <u>\$ 2,438,143</u> |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

| | Water Fund | Sanitation Fund | Total |
|------------------------------------------------------------------|-------------------|------------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers | \$ 511,242 | \$ 178,081 | \$ 689,323 |
| Cash paid for goods and services | (226,220) | (55,515) | (281,735) |
| Cash paid to employees for services | (47,336) | (43,196) | (90,532) |
| Customer deposits received (refunded) | 6,075 | 3,104 | 9,179 |
| Net cash provided by operating activities | 243,761 | 82,474 | 326,235 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Net borrowings from other funds | 321 | (321) | - |
| Net transfers in (out) | (3,072) | 66,006 | 62,934 |
| Net cash provided (used) by noncapital financing activities | (2,751) | 65,685 | 62,934 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Purchase of property and equipment | (110,078) | - | (110,078) |
| Financed purchase obligation principal payments | - | (34,194) | (34,194) |
| Interest and fiscal charges paid | - | (4,739) | (4,739) |
| Net cash used by capital and related financing activities | (110,078) | (38,933) | (149,011) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Dividends and interest earned | 5,667 | 341 | 6,008 |
| Net cash provided by investing activities | 5,667 | 341 | 6,008 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 136,599 | 109,567 | 246,166 |
| CASH AND EQUIVALENTS, beginning of year | 700,251 | 17,885 | 718,136 |
| CASH AND EQUIVALENTS, end of year | \$ 836,850 | \$ 127,452 | \$ 964,302 |

(Continued)

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

| | <u>Water Fund</u> | <u>Sanitation Fund</u> | <u>Total</u> |
|-------------------------------------------------------------------------------------------------|-------------------|------------------------|--------------|
| <i>Reconciliation of net income (loss) to net cash provided by operating activities:</i> | | | |
| OPERATING INCOME (LOSS) | \$ 163,258 | \$ 63,968 | \$ 227,226 |
| ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | |
| Provision for losses on receivables | 12,251 | 2,847 | 15,098 |
| Depreciation | 57,785 | 16,065 | 73,850 |
| Decrease (increase) in operating assets: | | | |
| Accounts receivable | (9,746) | 88 | (9,658) |
| Pension related deferred outflows of resources | 4,297 | 760 | 5,057 |
| Increase (decrease) in operating liabilities: | | | |
| Accounts payable | 12,525 | (806) | 11,719 |
| Accrued salaries | 474 | (181) | 293 |
| Accrued leave benefits | (485) | (3) | (488) |
| Deposits for services | 6,075 | 3,104 | 9,179 |
| Net pension liability (benefit) | 24 | (3,917) | (3,893) |
| Pension related deferred inflows of resources | (2,697) | 549 | (2,148) |
| Total adjustments | 80,503 | 18,506 | 99,009 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 243,761 | \$ 82,474 | \$ 326,235 |
| <u>Supplemental Disclosure of Cash Flow Information</u> | | | |
| Noncash investing and financing activities: | | | |
| Contribution of capital: Capital projects through SPLOST Funds | \$ 345,726 | \$ Nil | \$ 345,726 |

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies

The City of Brooklet, Georgia was incorporated in 1906 under the laws of the State of Georgia and operates under an elected Mayor-Council form of government. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

Using the above criteria, the City has no potential component units which should be considered for inclusion in the reporting entity.

The following are joint ventures or jointly governed organizations which are excluded from the reporting entity:

Coastal Georgia Regional Commission - Under Georgia law, the City, in conjunction with other cities and counties in a 10-county region in the coastal area of Georgia, is a member of the Coastal Regional Commission (RC) and is required to pay annual dues thereto. During the year ended June 30, 2024, the City paid \$2,215 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC 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 an RC. Financial statements for the Commission may be obtained directly from the RC at 127 F Street, Brunswick, Georgia 31520.

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide financial statements - The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government. As a general rule, the effect of interfund activity, within the governmental and business-type activities, has been removed from these statements. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and intergovernmental revenues, from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses.

Fund financial statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at a more detailed level. Each fund is considered to be a separate accounting entity with a self-balancing set of accounts. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for nonmajor funds.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The City's major governmental funds are:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's unassigned fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

American Rescue Plan Fund - To account for the costs of certain public safety salaries and water and sewer improvements. Financing is being provided through the American Rescue Plan (ARPA) program.

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

SPLOST 2019 Fund - This fund is used to account for the proceeds of a Special Purpose Local Option Sales Tax received under an intergovernmental agreement with Bulloch County, Georgia. Proceeds are restricted to use for certain public facility improvements, including water facilities or improvements.

TSPLOST 2013 Fund - This fund is used to account for the proceeds of a Transportation Special Purpose Local Option Sales Tax received under an intergovernmental agreement with Bulloch County, Georgia. Proceeds are restricted to use for certain transportation capital improvements.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise funds.

Water Fund - This fund is used to account for the operation of the City's water system which renders services to the residents and businesses located within the City.

Sanitation Fund - This fund is used to account for the operation of the City's solid waste and sanitation program.

C. Measurement Focus

Government-wide Financial Statements - The government-wide statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statements of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses), in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial statements and reported on the financial statement. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Note 1. Summary of Significant Accounting Policies (continued)

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The City considers revenues to be available if they are collected within 60 days after year end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property taxes, grants and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the calendar year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected by year end or within 60 days) before it can be recognized. Under the modified accrual basis, the revenues susceptible to accrual are property taxes, franchise taxes, licenses and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

E. Assets, Liabilities and Net Position or Equity

1. Cash, Cash Equivalents and Investments

The City's cash and equivalents are considered to be cash on hand, demand deposits and short-term investments with a maturity date within three months of the date acquired by the government.

State statute authorizes municipalities to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporations of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

It is the City's policy to invest all cash in insured deposit accounts. Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U. S. obligations.

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

2. Receivables

Receivables are stated net of an allowance for uncollectible accounts. Delinquent taxes receivable are offset by the deferral of the related revenues until payment is received except amounts received within 60 days of the balance sheet date.

3. Interfund Balances

Outstanding balances resulting in transactions between funds are reported as “due to/from other funds.” These amounts are eliminated in the governmental and business-type activities column of the government-wide statement of net position, except that any residual balances between the governmental activities and the business-type activities are reported on the government-wide financial statements as “internal balances.”

4. Interfund Activities

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in proprietary funds. Repayments from funds responsible for expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated. Transfers between governmental and business-type activities are eliminated from the total column.

5. Inventories and Prepaid Expenses

The purchase method is used to account for inventories of materials. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of their respective funds. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

Payments by the City in the current year to provide services occurring in the subsequent fiscal year are recorded under the purchase method. Therefore, no prepaid balance has been reflected at year end.

6. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds or contributions. The City reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the governmental fund statements. Capital assets utilized by proprietary funds are reported both in the business-type column of the government-wide statement of net position and in the proprietary fund's statement of net position. General infrastructure assets (i.e., roads, bridges, right of ways, and similar items) acquired prior to July 1, 2003 are not reported.

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

6. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair market value as of the date received. The City maintains a capitalization threshold of \$5,000 for infrastructure, and a capitalization threshold of \$500 for other capital assets. The City's infrastructure consists of roads, bridges, storm sewers, sidewalks, traffic islands, street lights, traffic signals, and street signs. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

| <u>Asset Category</u> | <u>Estimated Useful Life</u> |
|---------------------------------|------------------------------|
| Improvements and infrastructure | 15 to 40 years |
| Buildings | 20 to 40 years |
| Land improvements | 15 to 50 years |
| Machinery and equipment | 5 to 10 years |
| Vehicles | 5 to 7 years |

7. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as inflow of resources in the period in which the amounts become available.

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjusts the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

8. Compensated Absences

It is the City's policy to pay employees for unused vacation when there is a separation from service. Accumulated sick pay does not vest and is not paid upon termination.

Leave benefits are accrued when incurred in the government-wide and proprietary fund statements as these amounts will be paid to employees upon termination or retirement. A liability for compensated absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. All compensated absence liabilities include salary-related payments, where applicable.

9. 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 deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 reported as debt service expenditures.

10. Fund Net Position or Equity

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

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

- **Nonspendable** - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.
- **Committed** - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

10. Fund Net Position or Equity (continued)

- **Assigned** - Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted or committed. Assignment of funds requires a simple majority vote of City Council.
- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions - When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

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

11. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues are those revenues generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for services for the use of the water and solid waste programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, including investment earnings, interest expense, and the gain or loss on the disposition of capital assets.

12. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Brooklet's Georgia Municipal Employees Benefit System (GMEBS) plans and additions to/deductions from the Plan's fiduciary net pension have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position or Equity (continued)

13. Use of 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 amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

14. Comparative Data

Comparative total data for the prior year has been presented only for individual funds in the fund financial statements and schedules in order to provide an understanding of the changes in financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2. Stewardship, Compliance and Accountability

A. Budgetary Information

The City adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project budget. The budgets are adopted on a basis consistent with GAAP, except that no provision is made to reserve for encumbrances. All annual appropriations lapse at fiscal year end.

The City's budgetary process requires that expending agencies and department heads submit appropriation requests to the City Clerk. After review by the City Clerk, the requests are combined and an operating budget is submitted to the City Council prior to June for the fiscal year commencing the following July 1. Once received by the City Council, public hearings are advertised and conducted at City Hall to obtain taxpayer comments. Prior to July, the budget is legally enacted through passage of an ordinance. The final budget can be amended by the City Council throughout the year.

During the fiscal year ended June 30, 2024, City Council approved a budget amendment which decreased General Fund expenditures by \$27,101.

The legal level of budgetary control is the department level.

The City does not use encumbrance accounting, whereby commitments for goods and services at the end of the year are recorded as encumbrances for budgetary control.

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

At June 30, 2024, the carrying amount of the City's deposits was \$2,886,083 which is reflected as cash of \$2,886,083. The related bank balance was \$2,935,838. Of this bank balance, \$500,000 was FDIC insured. The uninsured portion was collateralized with State or U.S. Government securities held by a third party.

Note 3. Detailed Notes on All Funds (continued)

B. Receivables

Receivables at June 30, 2024, including the applicable allowance for uncollectible accounts, consisted of taxes, interest, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Property taxes at June 30, 2024 consisted of the following:

| | |
|--------------------------------------|------------------|
| Taxes receivable - Current | \$ 13,581 |
| Prior | <u>12,089</u> |
| Gross receivables | 25,670 |
| Allowance for uncollectible accounts | <u>3,701</u> |
| Total | <u>\$ 21,969</u> |

Other receivables at June 30, 2024, consisted of the following:

| | <u>General Fund</u> | <u>SPLOST 2019 Fund</u> | <u>TSPLOST Fund</u> | <u>Enterprise</u> | <u>Total</u> |
|-------------------------------|---------------------|-------------------------|---------------------|-------------------|-------------------|
| Intergovernmental receivables | \$ - | \$ 47,648 | \$ 91,495 | \$ - | \$ 139,143 |
| Other receivables | <u>14,667</u> | <u>-</u> | <u>-</u> | <u>65,312</u> | <u>79,979</u> |
| Gross receivables | 14,667 | 47,648 | 91,495 | 65,312 | 219,122 |
| Allowance for uncollectible | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,641</u> | <u>19,641</u> |
| Total | <u>\$ 14,667</u> | <u>\$ 47,648</u> | <u>\$ 91,495</u> | <u>\$ 45,671</u> | <u>\$ 199,481</u> |

Intergovernmental receivables at June 30, 2024 consisted of SPLOST and TSPLOST revenues due from Bulloch County, Georgia.

Other receivables in the General Fund consist primarily of franchise taxes, local option sales taxes and alcoholic beverage taxes.

C. Property Taxes

Property taxes are levied on October 20, based on the assessed value of property as listed on the previous January 1 and are due December 20. On December 21, the bill becomes delinquent and interest may be assessed by the government. Penalties may be assessed 30 days after that date.

At the fund reporting level, if delinquent taxes are not paid within 60 days of year-end, they are recorded as deferred revenue since they are not available to finance current expenditures. The City has adopted the policy of writing off all taxes receivable over seven years old.

Note 3. Detailed Notes on All Funds (continued)

D. Capital Assets

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

| | <u>Balance June 30, 2023</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance June 30, 2024</u> |
|------------------------------------------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| Governmental Activities: | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 381,876 | \$ - | \$ - | \$ 381,876 |
| Construction-in-progress | 46,216 | 1,140,586 | 1,186,802 | - |
| Total nondepreciable capital assets | <u>428,092</u> | <u>1,140,586</u> | <u>1,186,802</u> | <u>381,876</u> |
| Depreciable assets: (as restated) | | | | |
| Infrastructure | 2,469,717 | 841,076 | - | 3,310,793 |
| Buildings | 708,602 | - | - | 708,602 |
| Machinery and equipment | 588,093 | 96,302 | - | 684,395 |
| Vehicles | 384,097 | - | - | 384,097 |
| Total depreciable capital assets | <u>4,150,509</u> | <u>937,378</u> | <u>-</u> | <u>5,087,887</u> |
| Total capital assets | <u>4,578,601</u> | <u>2,077,964</u> | <u>1,186,802</u> | <u>5,469,763</u> |
| Accumulated depreciation: (as restated) | | | | |
| Infrastructure | 750,042 | 65,134 | - | 815,176 |
| Buildings | 289,528 | 16,479 | - | 306,007 |
| Machinery and equipment | 382,819 | 43,450 | - | 426,269 |
| Vehicles | 293,167 | 34,215 | - | 327,382 |
| Total accumulated depreciation | <u>1,715,556</u> | <u>159,278</u> | <u>Nil</u> | <u>1,874,834</u> |
| Governmental activities capital assets, net | <u>\$ 2,863,045</u> | <u>\$ 1,918,686</u> | <u>\$ 1,186,802</u> | <u>\$ 3,594,929</u> |
| Governmental activities depreciation expense: | | | | |
| General city government | | \$ 10,839 | | |
| Public safety | | 51,176 | | |
| Public works | | 97,177 | | |
| Other | | 86 | | |
| Total governmental activities depreciation expense | | <u>\$ 159,278</u> | | |

Note 3. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

| | <u>Balance June 30, 2023</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance June 30, 2024</u> |
|-------------------------------------------------------|----------------------------------|-------------------|--------------------|----------------------------------|
| Business-Type Activities: | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 42,962 | \$ - | \$ - | \$ 42,962 |
| Construction-in-progress | 45,221 | 455,805 | 12,000 | 489,026 |
| Total nondepreciable capital assets | <u>88,183</u> | <u>455,805</u> | <u>12,000</u> | <u>531,988</u> |
| Depreciable capital assets: | | | | |
| Infrastructure | 1,733,554 | 12,000 | - | 1,745,554 |
| Buildings and plant | 82,771 | - | - | 82,771 |
| Machinery and equipment | 222,978 | - | - | 222,978 |
| Vehicles | 366,526 | - | - | 366,526 |
| Total depreciable capital assets | <u>2,405,829</u> | <u>12,000</u> | <u>-</u> | <u>2,417,829</u> |
| Total capital assets | <u>2,494,012</u> | <u>467,805</u> | <u>12,000</u> | <u>2,949,817</u> |
| Accumulated depreciation: | | | | |
| Infrastructure | 884,272 | 45,117 | - | 929,389 |
| Buildings | 19,187 | 2,196 | - | 21,383 |
| Machinery and equipment | 128,150 | 10,472 | - | 138,622 |
| Vehicles | 164,728 | 16,065 | - | 180,793 |
| Total accumulated depreciation | <u>1,196,337</u> | <u>73,850</u> | <u>Nil</u> | <u>1,270,187</u> |
| Business-type capital assets, net | <u>\$ 1,297,675</u> | <u>\$ 393,955</u> | <u>\$ 12,000</u> | <u>\$ 1,679,630</u> |
| Business-type activities depreciation expense: | | | | |
| Water | | \$ 57,785 | | |
| Sanitation | | 16,065 | | |
| Total business-type activities depreciation expense | | <u>\$ 73,850</u> | | |

Note 3. Detailed Notes on All Funds (continued)

E. Interfund Balances and Transfers

A summary of interfund transfers during the year ended June 30, 2024, is as follows:

| | <u>Transfers to:</u> | | |
|--------------------------|----------------------|---------------------------------------------|------------------|
| | <u>General Fund</u> | <u>Enterprise Fund</u> <u>Water Fund</u> | <u>Total</u> |
| Transfers from: | | | |
| Governmental funds: | | | |
| General Fund | \$ - | \$ 3,072 | \$ 3,072 |
| Total governmental funds | Nil | 3,072 | 3,072 |
| Proprietary funds: | | | |
| Sanitation Fund | 66,006 | - | 66,006 |
| Total proprietary funds | 66,006 | Nil | 66,006 |
| Total | <u>\$ 66,006</u> | <u>\$ 3,072</u> | <u>\$ 69,078</u> |

Amounts transferred to the General Fund from the Water Fund represent amounts transferred to cover operating shortfalls. Amounts transferred to the Sanitation Fund from the General Fund represent net cash transactions of the Sanitation Fund which were deposited into or paid from the General Fund.

F. Long-Term Debt

1. Financed Purchase Obligations

The City has the following obligations under financed purchased agreements at June 30, 2024:

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Financed purchase agreement payable to Truist due in annual installments of \$38,934, including interest at 2.63%, through July, 2027, for the acquisition of sanitation equipment | \$ 146,010 |
| Total | <u>\$ 146,010</u> |

The agreement was formerly considered a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum as of the inception date. The assets acquired through the financed purchase agreement are as follows:

| | <u>Business-Type Activities</u> |
|--------------------------|---------------------------------|
| Sanitation truck | \$ 240,978 |
| Total original cost | 240,978 |
| Accumulated depreciation | 60,245 |
| Total | <u>\$ 180,733</u> |

Note 3. Detailed Notes on All Funds (continued)

The future minimum payments and the net present value of these payments as of June 30, 2024, were as follows:

| | <u>Business-Type Activities</u> |
|------------------------------------|-------------------------------------|
| 2025 | \$ 38,934 |
| 2026 | 38,934 |
| 2027 | 38,934 |
| 2028 | <u>38,933</u> |
| Total minimum payments | 155,735 |
| Less: amount representing interest | <u>9,725</u> |
| Total | <u>\$ 146,010</u> |

2. Changes in Long-Term Debt

Transactions for the year ended June 30, 2024 are summarized as follows:

| | <u>Balance June 30, 2023</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance June 30, 2024</u> | <u>Amounts Due Within One Year</u> |
|--------------------------------|----------------------------------|------------------|--------------------|----------------------------------|--------------------------------------------|
| Governmental Activities: | | | | | |
| Compensated absences | \$ 2,835 | \$ 1,572 | \$ - | \$ 4,407 | \$ 881 |
| Total governmental activities | <u>2,835</u> | <u>1,572</u> | <u>Nil</u> | <u>4,407</u> | <u>881</u> |
| Business-Type Activities: | | | | | |
| Financed purchase obligation | 180,205 | - | 34,195 | 146,010 | 34,194 |
| Compensated absences | <u>1,327</u> | <u>-</u> | <u>487</u> | <u>840</u> | <u>168</u> |
| Total business-type activities | <u>181,532</u> | <u>Nil</u> | <u>34,682</u> | <u>146,850</u> | <u>34,362</u> |
| Total | <u>\$ 184,367</u> | <u>\$ 1,572</u> | <u>\$ 34,682</u> | <u>\$ 151,257</u> | <u>\$ 35,243</u> |

The compensated absences liability will be paid from the proprietary fund from which the employees' salaries are paid. Compensated absences for governmental activities will be paid from the General Fund.

Note 3. Detailed Notes on All Funds (continued)

G. Pension Plan

1. Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Brooklet Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employees Benefits System (GMEBS), an agent multiple-employer plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City 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 the Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Prior Street, SW, Atlanta, Georgia 30303 or by calling (404)688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All full-time employees are immediately eligible to participate. Benefits vest after 10 years. Members with 10 years of total service are eligible to retire at age 55 with reduced retirement benefits. Members with five years of total service are eligible to retire at age 65 with full retirement benefits.

Plan Membership. At January 1, 2024, the date of the most recent actuarial valuation, there were 19 participants consisting of the following:

| | |
|-----------------------------------------------------------|-----------|
| Retirees and beneficiaries currently receiving benefits | 3 |
| Terminated vested participants not yet receiving benefits | 6 |
| Active employees - vested | 3 |
| Active employees - nonvested | 7 |
| Total | <u>19</u> |

Contributions. Participating employees are not required to contribute to the plan. The City is subject to the minimum funding standards of the Georgia Public Retirement Systems Standards law (Georgia Code Section 47-20-10). The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2024, the actuarially determined contribution rate was 0.91% of covered payroll. For 2024, the City's contribution to the plan was \$3,605.

2. Net Pension Liability

Effective July 1, 2014 the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension liability was measured as of September 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2023.

Note 3. Detailed Notes on All Funds (continued)

G. Pension Plan (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---------|
| Inflation | 2.250 % |
| Salary increases | 3.000 % |
| Investment rate of return | 7.375 % |

Mortality rates for the January 1, 2024 valuation were based on the RP-2000 Combined Healthy Mortality Rates with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - June 30, 2019.

The salary increase assumptions range from 3.00% to 8.50% and include an inflation assumption of 2.25%. Cost of living adjustments were not applicable.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the table below:

| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------|------------------------------|-------------------------------------------------------|
| Domestic equity | 45 % | 6.91 % |
| International equity | 20 % | 7.21 % |
| Domestic fixed income | 20 % | 1.61 % |
| Real Estate | 10 % | 3.61 % |
| Global fixed income | 5 % | 1.67 % |
| Total | <u>100 %</u> | |

Discount Rate. The discount rate used to measure the total pension liability was 7.375%. The discount rates did not change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that City contribution will be made at contractually required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 3. Detailed Notes on All Funds (continued)

G. Pension Plan (continued)

3. Net Pension Liability

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|------------------------------------------------------------------|--------------------------------------------|------------------------------------------------|------------------------------------------------|
| Balances at September 30, 2022 | \$ 301,557 | \$ 394,065 | \$ (92,508) |
| Changes for the year: | | | |
| Service cost | 12,110 | - | 12,110 |
| Interest | 22,575 | - | 22,575 |
| Differences between expected and actual experience | 1,031 | - | 1,031 |
| Contributions - employer | - | 3,751 | (3,751) |
| Contributions - employee | - | - | - |
| Net investment income | - | 52,954 | (52,954) |
| Benefit payments, including refunds of employee contributions | (15,132) | (15,132) | - |
| Administrative expense | - | (3,239) | 3,239 |
| Net changes | <u>20,584</u> | <u>38,334</u> | <u>(17,750)</u> |
| Balances at September 30, 2023 | <u>\$ 322,141</u> | <u>\$ 432,399</u> | <u>\$ (110,258)</u> |

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2023.

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

| | 1% Decrease 6.375 % | Current Discount Rate 7.375 % | 1% Increase 8.375 % |
|------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| City's net pension liability | <u>\$ (64,578)</u> | <u>\$ (110,258)</u> | <u>\$ (147,512)</u> |

Note 3. Detailed Notes on All Funds (continued)

G. Pension Plan (continued)

4. Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$1,538. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience | \$ 689 | \$ (25,320) |
| Net difference between projected and actual earnings on pension plan investments | 68,118 | (47,927) |
| City contributions subsequent to the measurement date | <u>2,089</u> | <u>-</u> |
| Total | <u>\$ 70,896</u> | <u>\$ (73,247)</u> |

City contributions subsequent to the measurement date of \$2,089 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending June 30 | |
|---------------------|-------------------|
| 2025 | \$ (11,249) |
| 2026 | (6,126) |
| 2027 | 17,821 |
| 2028 | <u>(4,886)</u> |
| Total | <u>\$ (4,440)</u> |

H. Equity

Net position on the government-wide statement of assets as of June 30, 2024, are as follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|------------------------------|------------------------------------|-------------------------------------|---------------------|
| Cost of capital assets | \$ 5,469,763 | \$ 2,949,817 | \$ 8,419,580 |
| Accumulated depreciation | <u>1,874,834</u> | <u>1,270,187</u> | <u>3,145,021</u> |
| Book value | 3,594,929 | 1,679,630 | 5,274,559 |
| Less capital related debt | <u>-</u> | <u>146,010</u> | <u>146,010</u> |
| Investment in capital assets | <u>\$ 3,594,929</u> | <u>\$ 1,533,620</u> | <u>\$ 5,128,549</u> |

Note 3. Detailed Notes on All Funds (continued)

H. Equity (continued)

The Statement of Net Position shows certain amounts as restricted net position. These amounts are restricted in their use by parties outside the City such as creditors, grantors, or contributors, or restricted by law or regulation. Components of restricted net position include:

| Activity | Restricted By | Governmental Activities | Business-Type Activities | Total |
|-------------------------------|----------------|----------------------------|-----------------------------|---------------------|
| Capital projects | | | | |
| SPLOST capital projects | Law | \$ 589,134 | \$ - | \$ 589,134 |
| TSPLOST capital projects | Law | 540,202 | - | 540,202 |
| American Rescue Plan Fund | Law | 29,739 | - | 29,739 |
| LMIG Construction Projects | Grantor Agency | 70,698 | - | 70,698 |
| Total capital projects | | 1,229,773 | - | 1,229,773 |
| Public safety | Law | 21,349 | - | 21,349 |
| Total restricted net position | | <u>\$ 1,251,122</u> | <u>\$ -</u> | <u>\$ 1,251,122</u> |

Note 4. Other Notes

A. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries the following insurance coverages. There were no significant reductions of insurance coverage compared to the prior year. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The amount of insurance coverage has been adequate over the last three fiscal years to cover any settlements. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA. The City is also responsible for following loss reduction and prevention procedures established by GIRMA and reporting as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. GIRMA's responsibility includes paying claims and representing the City in defense and settlement of claims within the scope of loss protection furnished by the funds. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2024. No provisions have been made in the financial statements for the year ended June 30, 2024 for any estimate of potential unpaid claims.

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the City has no obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

The City pays unemployment claims to the Georgia Department of Labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

Note 4. Other Notes (continued)

B. Contingencies and Pending Litigation

As of June 30, 2024, the City is party to a legal matter pending in the Superior Court of Bulloch County. The matter is an appeal from a zoning decision. Money damages are not sought, and thus the City's exposure is limited to its attorney's fees, which could exceed \$50,000. No insurance coverage is available for this claim.

At the date of this report, no other litigation, claims or contingencies are pending.

C. Commitments

The City is involved in a continuing plan for various facility improvements. As of June 30, 2024, the City had the following commitments with respect to unfinished capital projects:

| | Total Project Cost | Remaining Construction Commitment | Expected Date of Completion |
|-----------------------|-------------------------------|--------------------------------------------------|----------------------------------------|
| Sidewalk improvements | \$ 600,000 | \$ 600,000 | December, 2032 |
| Sewer extension | 5,257,900 | 5,137,300 | December, 2025 |
| Lift station | 993,200 | 993,200 | July, 2024 |
| Backup well | 748,430 | 380,000 | April, 2025 |
| Total | <u>\$ 8,380,230</u> | <u>\$ 7,891,200</u> | |

It is anticipated that full funding for the sidewalk improvements will be provided through a Transportation Alternatives Program Grant (TAP), as well as SPLOST funds.

It is anticipated that funding for the sewer extension and the lift station will be provided through the issuance of revenue bonds.

It is anticipated that full funding for the water improvements will be provided through the City's American Rescue Plan fund as well as funds from the Water fund's Capital Improvement account and SPLOST funds.

It is anticipated that the water expansion will be funded through an SEID Grant and SPLOST funds.

D. Subsequent Events

On November 21, 2024, the City issued the City of Brooklet, Georgia Water and Sewer Revenue Bonds, Series 2024 in the aggregate principal amount of \$7,115,000. The proceeds from the sale of the bonds will be used for the purpose of acquiring, constructing and equipping additions, extension and improvements to the water and sewer system of the City (the "System"); providing funds sufficient to satisfy the Debt Service Reserve Requirement; funding capitalized interest on the Bonds; purchasing a municipal bond insurance policy with respect to the bonds; and paying certain costs and expenses relating to the issuance of the bonds. The bonds are special limited obligations of the City payable solely from and secured by a pledge of and lien on the "net revenues" of the System. The bonds bear interest at rates varying from 4.0% to 5.0% and have various maturities, with 2054 Term bonds maturing on July 1, 2054.

REQUIRED SUPPLEMENTARY INFORMATION

draft

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------------------------------------------------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 12,110 | \$ 12,625 | \$ 8,141 | \$ 16,383 | \$ 16,327 | \$ 18,485 | \$ 18,660 | \$ 11,733 | \$ 2,277 | \$ 6,179 |
| Interest on total pension liability | 22,575 | 24,084 | 22,796 | 22,931 | 20,605 | 20,806 | 25,208 | 22,766 | 21,468 | 26,026 |
| Difference between expected and actual experience | 1,031 | (41,518) | (2,836) | (17,129) | 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 | (15,132) | (15,132) | (15,132) | (16,397) | (20,191) | (20,192) | (26,086) | (23,262) | (23,263) | (22,154) |
| Other | - | - | - | - | - | - | - | - | - | (1,210) |
| Net change in total pension liability | 20,584 | (19,941) | 12,969 | 5,788 | 34,234 | (523) | (69,280) | 32,930 | 16,739 | (58,258) |
| Total pension liability - beginning | 301,557 | 321,498 | 308,529 | 302,741 | 268,507 | 269,030 | 338,310 | 305,380 | 288,641 | 346,899 |
| Total pension liability - ending (a) | <u>\$ 322,141</u> | <u>\$ 301,557</u> | <u>\$ 321,498</u> | <u>\$ 308,529</u> | <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 | \$ 3,751 | \$ 861 | \$ 20,053 | \$ 18,508 | \$ 18,318 | \$ 18,323 | \$ 13,447 | \$ 6,226 | \$ 13,182 | \$ 22,507 |
| Net investment income | 52,954 | (78,066) | 95,712 | 34,899 | 10,514 | 32,219 | 43,628 | 31,118 | 3,755 | 30,375 |
| Benefit payments, including refunds of member contributions | (15,132) | (15,132) | (15,132) | (16,397) | (20,191) | (20,192) | (26,086) | (23,262) | (23,263) | (22,154) |
| Administrative expenses | (3,239) | (3,264) | (3,393) | (3,322) | (3,254) | (3,629) | (3,830) | (1,884) | (1,996) | (1,641) |
| Net change in plan fiduciary net position | 38,334 | (95,601) | 97,240 | 33,688 | 5,387 | 26,721 | 27,159 | 12,198 | (8,322) | 29,087 |
| Plan fiduciary net position - beginning | 394,065 | 489,666 | 392,426 | 358,738 | 353,351 | 326,630 | 299,471 | 287,273 | 295,595 | 266,508 |
| Plan fiduciary net position - ending (b) | <u>\$ 432,399</u> | <u>\$ 394,065</u> | <u>\$ 489,666</u> | <u>\$ 392,426</u> | <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>\$ (110,258)</u> | <u>\$ (92,508)</u> | <u>\$ (168,168)</u> | <u>\$ (83,897)</u> | <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 | 134.23 % | 130.68 % | 152.31 % | 127.19 % | 118.50 % | 131.60 % | 121.41 % | 88.52 % | 94.07 % | 102.41 % |
| Covered-employee payroll | 392,625 | 294,445 | \$ 352,572 | \$ 249,388 | \$ 389,459 | \$ 329,085 | \$ 336,360 | \$ 403,375 | \$ 285,587 | \$ 176,624 |
| Net pension liability as a % of covered-employee payroll | (28.08)% | (31.42)% | (47.70)% | (33.64)% | (14.38)% | (25.78)% | (17.12)% | 9.63 % | 6.34 % | (3.94)% |

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------------------------------------------------------|------|--------------------|------------|---------|------------|------------|------------|------------|------------|------------|
| Actuarially determined contribution | — | 3.61 | \$ 3,443 | 20,053 | \$ 18,199 | \$ 20,380 | \$ 17,637 | \$ 12,050 | \$ 4,284 | \$ 16,148 |
| Contributions in relation to the actuarially determined contribution | — | 2.5 ¹ | \$ 3,443 | 20,053 | \$ 18,199 | 20,380 | 16,633 | 13,054 | 4,284 | 17,995 |
| Contribution deficiency (excess) | — | 1.0 ¹ | \$ — | Nil | \$ Nil | \$ Nil | \$ 1,004 | \$ (1,004) | \$ Nil | \$ Nil |
| Covered-employee payroll | — | 294.4 ³ | \$ 352,572 | 249,388 | \$ 389,459 | \$ 329,085 | \$ 336,360 | \$ 403,375 | \$ 285,587 | \$ 176,624 |
| Contributions as a percentage of covered-employee payroll | — | 0.87 | 0.98 % | 8.04 % | 4.67 % | 6.19 % | 4.94 % | 3.24 % | 1.50 % | 10.19 % |

¹ 2024 information will be determined after fiscal year end and will be included in the 2025 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 2023 covered payroll is based on data collected as of September 30, 2022 for the 2023 actuarial valuation.

Notes to Schedule of Contributions:

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

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 | N/A |
| Retirement Age | Normal retirement age is 65 with 5 years of service; early retirement age is 55 with 10 years of service |
| Mortality | 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 QASDI Trustees Report used for the intermediate alternative. |
| Changes of Assumptions: | There were no changes in assumptions in the last two fiscal years. |
| 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.

draft

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

draft

CITY OF BROOKLET, GEORGIA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended June 30, 2024
With Comparative Totals for the Year Ended June 30, 2023

| | 2024 | | | | |
|--------------------------------------------------------------|--------------------|----------------|------------------|-------------------------------|----------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | 2023 Actual |
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property taxes | \$ 427,500 | \$ 371,200 | \$ 383,105 | \$ 11,905 | \$ 416,062 |
| Motor vehicle taxes | 86,800 | 95,000 | 96,697 | 1,697 | 90,140 |
| Mobile home taxes | - | 2,500 | 2,748 | 248 | 1,636 |
| Franchise taxes | 110,500 | 95,800 | 106,310 | 10,510 | 100,124 |
| Alcoholic beverage taxes | - | 24,200 | 33,554 | 9,354 | 30,219 |
| Business and occupation taxes | 38,500 | 15,000 | 14,800 | (200) | 19,064 |
| Insurance premium taxes | 160,000 | 140,000 | 150,793 | 10,793 | 153,725 |
| Financial institution taxes | 12,998 | 13,500 | 13,568 | 68 | 14,707 |
| Other taxes | 6,500 | 7,000 | 7,509 | 509 | 5,627 |
| Licenses and permits | - | 800 | 68,984 | 68,184 | 20,983 |
| Intergovernmental revenues | 33,000 | 82,000 | 48,321 | (33,679) | 46,223 |
| Charges for services | - | - | 468 | 468 | - |
| Fees, fines and forfeitures | 59,500 | 51,500 | 51,158 | (342) | 64,904 |
| Investment income | 1,500 | 1,500 | 5,819 | 4,319 | 2,132 |
| Other revenues | 1,000 | 1,000 | 31,148 | 30,148 | 18,237 |
| Total revenues | <u>937,798</u> | <u>901,000</u> | <u>1,014,982</u> | <u>113,982</u> | <u>983,783</u> |
| EXPENDITURES | | | | | |
| Current operations: | | | | | |
| General city government | | | | | |
| Legislative | 12,000 | 13,000 | 12,100 | 900 | 11,550 |
| Administration | 307,798 | 317,000 | 258,254 | 58,746 | 220,016 |
| Judicial | | | | | |
| Municipal court | 7,800 | 4,500 | 3,650 | 850 | 5,200 |
| Public safety | | | | | |
| Police | 452,200 | 395,500 | 390,790 | 4,710 | 369,717 |
| Public works | | | | | |
| Street | 165,000 | 240,899 | 166,466 | 74,433 | 235,258 |
| Cemetery | 10,500 | 11,000 | 8,906 | 2,094 | 7,150 |
| Community services | | | | | |
| Community center | 11,500 | 12,000 | 10,923 | 1,077 | 6,852 |
| Total expenditures | <u>966,798</u> | <u>993,899</u> | <u>851,089</u> | <u>142,810</u> | <u>855,743</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (29,000) | (92,899) | 163,893 | 256,792 | 128,040 |

(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, 2024
With Comparative Totals for the Year Ended June 30, 2023

| | 2024 | | | | 2023 Actual |
|-----------------------------------------|--------------------|--------------|------------|-------------------------------|----------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | \$ 30,000 | \$ 14,900 | \$ 3,072 | \$ (11,828) | \$ 51,742 |
| Transfers out | (1,000) | (14,900) | (66,006) | (51,106) | (56,046) |
| NET CHANGE IN FUND BALANCES | Nil | (92,899) | 100,959 | 193,858 | 123,736 |
| FUND BALANCES, beginning of year | 424,067 | 424,067 | 424,067 | Nil | 300,331 |
| FUND BALANCES, end of year | \$ 424,067 | \$ 331,168 | \$ 525,026 | \$ 193,858 | \$ 424,067 |

draft

CITY OF BROOKLET, GEORGIA
American Rescue Plan Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2024
With Comparative Totals for the Year Ended June 30, 2023

| | <u>2024</u> | | | <u>2023 Actual</u> |
|-------------------------------------------------------|--------------------------------------------|------------------|---------------------------------------|------------------------|
| | <u>Budget (Original and Final)</u> | <u>Actual</u> | <u>Variance with Final Budget</u> | |
| REVENUES | | | | |
| American Rescue Plan Fund | \$ 657,787 | \$ 345,726 | \$ (312,061) | \$ 20,000 |
| Investment income | - | 18,276 | 18,276 | 10,470 |
| Total revenues | <u>657,787</u> | <u>364,002</u> | <u>(293,785)</u> | <u>30,470</u> |
| EXPENDITURES | | | | |
| Capital: | | | | |
| Public works | <u>669,250</u> | <u>345,726</u> | <u>323,524</u> | <u>20,146</u> |
| Total expenditures | <u>669,250</u> | <u>345,726</u> | <u>323,524</u> | <u>20,146</u> |
| NET CHANGE IN FUND BALANCES | (11,463) | 18,276 | 29,739 | 10,324 |
| FUND BALANCES, beginning of year (as restated) | <u>11,463</u> | <u>11,463</u> | Nil | <u>1,139</u> |
| FUND BALANCES, end of year | <u>\$ Nil</u> | <u>\$ 29,739</u> | <u>\$ 29,739</u> | <u>\$ 11,463</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, 2024
With Comparative Totals for the Year Ended June 30, 2023

| | <u>2024</u> | |
|-----------------------------------------|-------------------|-------------------|
| | <u>2024</u> | <u>2023</u> |
| REVENUES | | |
| Intergovernmental revenues: | | |
| SPLOST Revenues | \$ 294,294 | \$ 93,788 |
| Investment income | <u>1,700</u> | <u>611</u> |
| Total revenues | <u>295,994</u> | <u>94,399</u> |
| EXPENDITURES | | |
| Capital: | | |
| Public safety | - | 50,038 |
| Public works | <u>11,479</u> | <u>20,872</u> |
| Total expenditures | <u>11,479</u> | <u>70,910</u> |
| NET CHANGE IN FUND BALANCES | 284,515 | 23,489 |
| FUND BALANCES, beginning of year | <u>255,687</u> | <u>232,198</u> |
| FUND BALANCES, end of year | <u>\$ 540,202</u> | <u>\$ 255,687</u> |

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CITY OF BROOKLET, GEORGIA
TSPLOST Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2024
With Comparative Totals for the Year Ended June 30, 2023

| | 2024 | 2023 |
|-----------------------------------------|-------------|-------------|
| REVENUES | | |
| TSPLOST Revenues | \$ 557,204 | \$ 460,156 |
| Investment income | 17,498 | 9,751 |
| Total revenues | 574,702 | 469,907 |
| EXPENDITURES | | |
| Capital: | | |
| Public works | 858,103 | 310,179 |
| Total expenditures | 858,103 | 310,179 |
| NET CHANGE IN FUND BALANCES | (283,401) | 159,728 |
| FUND BALANCES, beginning of year | 872,535 | 712,807 |
| FUND BALANCES, end of year | \$ 589,134 | \$ 872,535 |

draft

CITY OF BROOKLET, GEORGIA
Water Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|----------------------------------------------------------|---------------------|---------------------|
| OPERATING REVENUES | | |
| Customer charges | \$ 430,932 | \$ 337,563 |
| Installation charges | 4,950 | 2,625 |
| Tap fees | 60,900 | 2,800 |
| Penalties | 25,250 | 25,100 |
| Miscellaneous | (1,044) | (114) |
| | <u>520,988</u> | <u>367,974</u> |
| Total operating revenues | | |
| OPERATING EXPENSES | | |
| Salaries | 47,325 | 57,757 |
| Employee benefits | 14,995 | 14,694 |
| Contractual services | 21,946 | 38,288 |
| Repairs, maintenance and other contractual services | 60,465 | 50,422 |
| Communications | 2,031 | 1,848 |
| Liability and property insurance | 3,542 | 4,725 |
| Travel and training | 18 | - |
| Supplies and materials | 52,242 | 45,265 |
| Utilities | 30,057 | 21,021 |
| Vehicle gasoline | 2,816 | 2,216 |
| Depreciation | 57,785 | 53,391 |
| Other expenses | 64,508 | 8,668 |
| | <u>357,730</u> | <u>298,295</u> |
| Total operating expenses | | |
| OPERATING INCOME | <u>163,258</u> | <u>69,679</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest earned on investments | 5,916 | 4,070 |
| | <u>5,916</u> | <u>4,070</u> |
| Total nonoperating revenues (expenses) | | |
| INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | <u>169,174</u> | <u>73,749</u> |
| Contributed capital | 345,726 | 25,600 |
| Transfers in | - | 56,046 |
| Transfers out | (3,072) | - |
| | <u>511,828</u> | <u>155,395</u> |
| CHANGE IN NET POSITION | | |
| NET POSITION, beginning of year | <u>1,749,085</u> | <u>1,593,690</u> |
| NET POSITION, end of year | <u>\$ 2,260,913</u> | <u>\$ 1,749,085</u> |

CITY OF BROOKLET, GEORGIA
Water Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|------------------------------------------------------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 511,242 | \$ 361,080 |
| Cash paid for goods and services | (226,220) | (176,149) |
| Cash paid to employees for services | (47,336) | (57,443) |
| Customer deposits received (refunded) | 6,075 | 1,250 |
| | <u>243,761</u> | <u>128,738</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Net borrowings from other funds | 321 | - |
| Net transfers in (out) | (3,072) | 56,046 |
| | <u>(2,751)</u> | <u>56,046</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Purchase of property and equipment | (110,078) | (234,926) |
| | <u>(110,078)</u> | <u>(234,926)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Dividends and interest earned | 5,667 | 4,053 |
| | <u>5,667</u> | <u>4,053</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 136,599 | (46,089) |
| CASH AND EQUIVALENTS, beginning of year | <u>700,251</u> | <u>746,340</u> |
| CASH AND EQUIVALENTS, end of year | <u>\$ 836,850</u> | <u>\$ 700,251</u> |

(Continued)

CITY OF BROOKLET, GEORGIA
Water Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <i>Reconciliation of net income to net cash provided by operating activities:</i> | | |
| OPERATING INCOME | <u>\$ 163,258</u> | <u>\$ 69,679</u> |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Provision for losses on receivable | 12,251 | - |
| Depreciation | 57,785 | 53,391 |
| Decrease (increase) in operating assets: | | |
| Accounts receivable | (9,746) | (6,894) |
| Pension related deferred outflows of resources | 4,297 | (8,448) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 12,525 | 11,970 |
| Accrued salaries | 474 | 469 |
| Accrued leave benefits | (485) | (155) |
| Deposits for services | 6,075 | 1,250 |
| Net pension liability (benefit) | 24 | 9,295 |
| Pension related deferred inflows of resources | <u>(2,697)</u> | <u>(1,819)</u> |
| Total adjustments | <u>80,503</u> | <u>59,059</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u><u>\$ 243,761</u></u> | <u><u>\$ 128,738</u></u> |
| <u>Supplemental Disclosure of Cash Flow Information</u> | | |
| Noncash investing and financing activities: | | |
| Contribution of property and equipment through SPLOST or ARPA funds | <u><u>\$ 345,726</u></u> | <u><u>\$ 25,600</u></u> |

CITY OF BROOKLET, GEORGIA
Sanitation Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|----------------------------------------------------------|-------------|-------------|
| OPERATING REVENUES | | |
| Customer charges | \$ 177,991 | \$ 174,469 |
| Total operating revenues | 177,991 | 174,469 |
| OPERATING EXPENSES | | |
| Salaries | 43,012 | 40,723 |
| Employee benefits | 2,752 | 5,809 |
| Contractual services | 600 | - |
| Repairs, maintenance and other contractual services | 9,384 | 7,948 |
| Liability and property insurance | 3,811 | 5,672 |
| Landfill fees | 26,896 | 30,773 |
| Supplies and materials | 808 | 412 |
| Vehicle gasoline | 7,403 | 8,116 |
| Depreciation | 16,065 | 16,161 |
| Other expenses | 3,292 | - |
| Total operating expenses | 114,023 | 115,614 |
| OPERATING INCOME | 63,968 | 58,855 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest earned on investments | 341 | 84 |
| Interest expense | (3,924) | (4,780) |
| Total nonoperating revenues (expenses) | (3,583) | (4,696) |
| INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 60,385 | 54,159 |
| Transfers in | 66,006 | - |
| Transfers out | - | (51,742) |
| CHANGE IN NET POSITION | 126,391 | 2,417 |
| NET POSITION, beginning of year | 50,839 | 48,422 |
| NET POSITION, end of year | \$ 177,230 | \$ 50,839 |

CITY OF BROOKLET, GEORGIA
Sanitation Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|------------------------------------------------------------------------------------------------|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 178,081 | \$ 172,172 |
| Cash paid for goods and services | (55,515) | (52,682) |
| Cash paid to employees for services | (43,196) | (40,284) |
| Customer deposits received (refunded) | 3,104 | 2,513 |
| Net cash provided by operating activities | 82,474 | 81,719 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Net borrowings from other funds | (321) | - |
| Net transfers in (out) | 66,006 | (51,742) |
| Net cash provided (used) by noncapital financing activities | 65,685 | (51,742) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Financed purchase obligation principal payments | (34,194) | (33,318) |
| Interest and fiscal charges paid | (4,739) | (5,616) |
| Net cash used by capital and related financing activities | (38,933) | (38,934) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividends and interest earned | 341 | 84 |
| Net cash provided by investing activities | 341 | 84 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 109,567 | (8,873) |
| CASH AND EQUIVALENTS, beginning of year | 17,885 | 26,758 |
| CASH AND EQUIVALENTS, end of year | \$ 127,452 | \$ 17,885 |
| <i>Reconciliation of net income to net cash provided by operating activities:</i> | | |
| OPERATING INCOME | \$ 63,968 | \$ 58,855 |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Provision for losses on receivable | 2,847 | - |
| Depreciation | 16,065 | 16,160 |
| Decrease (increase) in operating assets: | | |
| Accounts receivable | 88 | (2,297) |
| Pension related deferred outflows of resources | 760 | (6,039) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (806) | 4,588 |
| Accrued salaries | (181) | 372 |
| Accrued leave benefits | (3) | 67 |
| Deposits for services | 3,104 | 2,513 |
| Net pension liability (benefit) | (3,917) | 11,296 |
| Pension related deferred inflows of resources | 549 | (3,796) |
| Total adjustments | 18,506 | 22,864 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 82,474 | \$ 81,719 |

OTHER REPORTS

draft

**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, and each major fund of the City of Brooklet, Georgia as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 28, 2025.

Report on 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001 through 2024-003 that we consider to be material weaknesses.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2024-4.

City of Brooklet, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on 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.

Statesboro, Georgia
February 28, 2025

CITY OF BROOKLET, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2024

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? | Yes |

Finding 2024 - 001:*

Criteria: A critical element of the City’s internal control system is the reconciliation of its bank statements monthly to ensure accuracy, detect errors or fraud, and maintain strong internal controls over cash management.

Condition: During our engagement, we noted that the City’s bank statements were not reconciled on a timely basis.

Context: We noted that several bank reconciliations, to include the Water/Sewer Fund checking account, were not reconciled for more than seven months.

Cause: It appears that the failure to reconcile accounts was attributed to such factors as staff turnover, and was further compounded by failure of the City’s personnel to understand the importance of this procedure and allocate sufficient resources to complete reconciliations on a monthly basis.

Effect: Failure to reconcile bank statements on a timely basis can result in inaccurate financial reporting, leading to potential budgetary misstatements. The failure to timely reconcile the City’s bank accounts could also result in difficulty in identifying and disputing erroneous or fraudulent charges within the related bank’s timeframe.

Recommendation: The City should establish procedures requiring monthly bank reconciliations within 30 days of receiving statements. Additionally, management should designate responsible personnel, such as the City Manager, to review all reconciliations each month and implement oversight measures to ensure compliance. If resource constraints are an issue, the City should consider reallocating staff responsibilities or leveraging accounting software to streamline the reconciliation process.

Comments:

Schedule of Findings and Questioned Costs (continued)

Finding 2024 - 002:*

Criteria: Sound financial management and internal control practices, as recommended by the Government Finance Officers Association (GFOA), require that all credit card transactions be recorded, reviewed, and reconciled to the monthly credit card statement. Timely reconciliation ensures accuracy, prevents unauthorized transactions, and maintains transparency in financial reporting. Additionally, the City's financial policies should require monthly reconciliation to safeguard public funds.

Condition: The City has not been consistently posting and reconciling credit card transactions to the corresponding monthly credit card statements. During the audit, it was noted that multiple months' worth of transactions were not recorded in the general ledger, and reconciliations were either incomplete or not performed at all.

Context: During the course of our audit, we noted that transactions for several months had not been posted, while other subsequent months were posted, leading to the inability to reconcile the general ledger with the ending statement.

Cause: The failure to reconcile credit card transactions appears to be due to a lack of oversight, inadequate procedures for reviewing and recording transactions, and possible staffing limitations.

Effect: Failure to post and reconcile credit card transactions timely can lead to increased risk of fraud, misuse, or unauthorized purchases going undetected, inaccurate financial reporting, potentially leading to budget discrepancies, and difficulty in identifying and disputing erroneous or fraudulent charges within the credit card provider's timeframe.

Recommendation: The City should implement a formal policy requiring monthly reconciliation of credit card transactions to the corresponding statements. A designated employee should be responsible for posting transactions, reviewing charges for accuracy, and reconciling the credit card statement within a set timeframe (e.g., within 15 days of the statement date). Additionally, the City should require supporting documentation for all credit card purchases and implement a review process by the City Manager to ensure compliance. If resource constraints are an issue, the City should explore reallocating staff responsibilities to improve oversight.

Comments:

Finding 2024 - 003:

Criteria: An important control over the City's financial reporting is management's review of budget to actual comparison reports to determine that reporting is accurate, and that management is aware of changes in available revenues and its impact on funds available to the City for operations.

Condition: During the year ended June 30, 2024, it was noted that budget amounts for revenues in the City's accounting system did not match the amended budget.

Context: While expenditures were updated to reflect the correct amended budget amounts, budgeted revenues continued to reflect the original budget amounts.

Cause: It appears that the detailed worksheet used to amend the budget was not provided to the City Clerk for updating of the accounting system.

Effect: The failure to accurately report budget to actual comparative information could cause management to overspend in areas based on inaccurate information.

Recommendation: We recommend that when the City adopts or amends its annual budget that the all budgeted amounts in the accounting system be corrected to reflect the actual approved budget and that such numbers be adjusted again upon adoption of any budget amendments.

Comments:

Schedule of Findings and Questioned Costs (continued)

Finding 2024 - 004:

| | |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Criteria: | Georgia law (O.C.G.A. § 50-14-1) requires that minutes of public meetings be promptly recorded, approved, and made available for public inspection, but in no case later than immediately following its next regular meeting. These minutes serve as an official record of governmental decisions, ensuring transparency and accountability to the public. Best governance practices also recommend timely preparation and approval of meeting minutes to maintain an accurate and accessible record of official actions. |
| Condition: | The City has not consistently prepared, approved, or made available the minutes of council meetings in a timely manner. Several meeting minutes were either missing, not formally approved, or not made available for public inspection as required by law. In some cases, minutes for meetings held over six months prior to completion of the audit had still not been presented to Council for approval. |
| Context: | As of the date of our report, only agendas were available for various meetings from April, June, July and August of 2024, with actual minutes not presented to Council for formal approval. |
| Cause: | This issue appears to be a result of insufficient oversight to ensure compliance with legal requirements. Additionally, limited administrative capacity and competing priorities may have contributed to the delays. |
| Effect: | Failure to prepare and approve council meeting minutes in a timely manner results in noncompliance with Georgia's Open Meetings Act, which could lead to legal challenges or penalties. The failure also could lead to reduced transparency and public trust in local government operations, difficulty in maintaining an accurate historical record of council decisions, since Council members are put in the position of approving minutes where an extended time period has passed, as well as potential disputes or misinterpretations of council actions due to the absence of official documentation. |
| Recommendation: | The City should establish and enforce a formal policy requiring the preparation, approval, and public posting of meeting minutes within the timeframe specified by Georgia law. This policy should designate responsibility for documenting and reviewing minutes, set clear deadlines for approval, and outline procedures for public accessibility. Additionally, council members should ensure that minutes from previous meetings are approved at the next scheduled meeting. If necessary, the City should allocate administrative resources or training to support compliance with these requirements. |
| Comments: | |

CITY OF BROOKLET, GEORGIA
Schedule of SPLOST Expenditures
For the Year Ended June 30, 2024

| <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 | \$ 290,729 | \$ 19,970 | \$ Nil | \$ 19,970 |
| Public safety facilities and equipment | 172,000 | 172,434 | 255,558 | 11,479 | 267,037 |
| Water capital projects | 254,000 | 642,719 | 280,375 | Nil | 280,375 |
| Total | <u>\$ 716,000</u> | <u>\$ 1,105,882</u> | <u>\$ 555,903</u> | <u>\$ 11,479</u> | <u>\$ 567,382</u> |

draft

CITY OF BROOKLET, GEORGIA
Schedule of Transportation SPLOST Expenditures
For the Year Ended June 30, 2024

| <u>Project</u> | <u>Original Estimated Cost</u> | <u>Estimated Cost</u> | <u>Prior Years (As Restated)</u> | <u>Current Year</u> | <u>Total</u> |
|---------------------------------------------------|------------------------------------|-----------------------|------------------------------------------|---------------------|---------------------|
| Project | | | | | |
| Roads, streets and bridges | \$ 1,920,000 | \$ 2,047,456 | \$ 907,264 | \$ 794,872 | \$ 1,702,136 |
| Equipment for street construction and maintenance | | Nil | 219,458 | 63,231 | 282,689 |
| Drainage improvements | - | Nil | 54,131 | Nil | 54,131 |
| Other street improvements | - | Nil | 8,500 | Nil | 8,500 |
| | <u>\$ 1,920,000</u> | <u>\$ 2,047,456</u> | <u>\$ 1,189,353</u> | <u>\$ 858,103</u> | <u>\$ 2,047,456</u> |
| Total | | | | | |

draft



CITY OF BROOKLET
104 CHURCH ST. BROOKLET, GA 30415 PHONE (912) 842-2137 FAX (912)842-5877

L.W. (Nicky) Gwinnett, Jr. Mayor
Hubert Keith Roughton, Mayor Pro-Tem
Bradley Anderson, Councilman
Rebecca Kelly, Councilwoman
James Harrison, Councilman
Sheila Wentz, Councilwoman

Carter Crawford, City Manager
Lori Phillips, City Clerk
Melissa Pevey, Assistant Clerk
Ben Perkins, City Attorney

JUNE 5, 2024
FY 25
PROPOSED BUDGET
PUBLIC HEARING
8:00 A.M.
MINUTES

1. **CALL TO ORDER AND WELCOME** - Mayor Gwinnett
2. **PUBLIC HEARING**
 - a. Tentative FY25 Budget
 - b. Public Comment and Discussion
(There was no public present.)
3. **ADJOURNMENT**

Motion to Approve
MOTION: Rebecca Kelly
SECOND: James Harrison
AYES: Rebecca Kelly, Brad Anderson, James Harrison, and Keith Roughton.
NAYES: None
The motion carried 4-0

Approved this _____ day of _____, _____.

L.W. (Nicky) Gwinnett, Jr., Mayor

Lori Phillips, City Clerk



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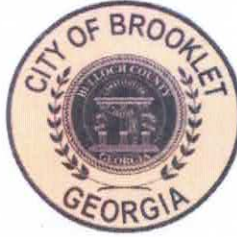
JUNE 6, 2024
CALLED MEETING
4:00 P.M.
MINTUES

1. **CALL TO ORDER AND WELCOME** - Mayor Gwinnett
2. **Motion to Amend Agenda**
MOTION: James Harrison
SECOND: Brad Anderson
AYES: Rebecca Kelly, Brad Anderson, James Harrison, and Keith Roughton.
NAYES: None
The motion carried 4-0
3. **LEGAL FIRM INTERVIEWS:**
 - a. Ben Perkins - Oliver Mannor LLP (4:15 pm)
 - b. Bruce Matthews & Lavoie Attorneys at Law (5:15 pm)
4. **PUBLIC DISCUSSION**
No Public Discussion
5. **DISCUSSION**
Brief Discussion
6. **ADJOURNMENT**
MOTION: James Harrison
SECOND: Rebecca Kelly
AYES: Rebecca Kelly, Brad Anderson, James Harrison, and Keith Roughton.
NAYES: None
The motion carried 4-0

Approved this ____ day of _____, _____.

L.W. (Nicky) Gwinnett, Jr., Mayor

Lori Phillips, City Clerk



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Lori Phillips, City Clerk
Melissa Pevey, Assistant Clerk
Ben Perkins, City Attorney

CALLED MEETING
&
WORK SESSION
THURSDAY, JUNE 13, 2024
6:30 PM
MINUTES

1. **Call to order and welcome** - Mayor Gwinnett
Invocation - Nicky Gwinnett
2. **Pledge of Allegiance** - James Harrison
3. **Consideration of a motion to approve the agenda**
Motion to Approve
MOTION: Brad Anderson
SECOND: James Harrison
AYES: Rebecca Kelly, Brad Anderson, James Harrison, and Keith Roughton.
NAYES: None
The motion carried 4-0
4. **Public Comment for Called Meeting Items only**
5. **Swearing-In Ceremony**
 - a) Council Member Post 5 Oath of Office - Sheila Wentz
By Mayor Gwinnett
6. **Second Reading and Motion to Approve an Ordinance to Amend the Street Light Requirements of the Subdivision Ordinance.**

Motion to Approve

MOTION: Rebecca Kelly

SECOND: Brad Anderson

AYES: Rebecca Kelly, Brad Anderson, James Harrison, and Keith Roughton.

NAYES: None

The motion carried 4-0

7. Discussion and Possible Motion to Appoint a City Attorney beginning July 1, 2024.

Motion to Approve

MOTION: Keith Roughton

SECOND: Rebecca Kelly

AYES: Rebecca Kelly, Brad Anderson, James Harrison, and Keith Roughton.

NAYES: None

The motion carried 4-0

8. Motion to adjourn the Called Meeting and enter the regular scheduled Work Session.

Motion to Approve

MOTION: Rebecca Kelly

SECOND: James Harrison

AYES: Rebecca Kelly, Brad Anderson, James Harrison, and Keith Roughton.

NAYES: None

The motion carried 4-0

9. As a reminder, the public comment has concluded, and the Work Session agenda items will be limited to the Mayor and City Council for their discussion only.

10. Work Session Discussion Item(s):

10.1. Brooklet Food Truck Ordinance

10.2. Brooklet Farmers Market

10.3. Bulloch Telephone Proposal for Cameras to be Installed at the Public Works Department & the Randy Newman Community Center

10.4. Review of the Resolution to be signed for the Smart Bulloch 2045 (A Joint Comprehensive Plan for a Better Tomorrow Resolution & Plan)

10.5. Terry Mikell Concrete, LLC. Invoice difference of \$1,070.00; on April 18, 2024, the following quote for the repair work to tear out and place the concrete was approved via email for \$4,270.00:

-WEST LEE: 7x8= 56 sq ft

-WEST LEE ST.: 12x11=132

-CORNER OF WEST LEE ST.

& N CRONLEY ST: 5x7= 35sq ft

-JOINER RD.: 4x21= 48sq ft

- BROOKLET I.G.A :7x12=84
- WEST LANE ST.: 21x4= 84sq ft (sidewalk)
- Pour back 6in deep with concrete with fiber.
- Total \$4,270.00

They did not pour 715 West Lane Street, so they took off \$400.00, bringing the total to \$3,870.00. Then, on 05/21/2024, they poured 715 West Lee Street and charged \$1,470.00 for concrete and labor, bringing the total invoice to \$5,340.00.

- 10.6. Review of a quote from Terry Mikell Concrete, LLC. for repairs to the sidewalks due to safety concerns 209 West Lane, 204 North Parker, Baker, and Parker across from Bank on West Lane, between 115-117 West Lee at the rear of Bank on West Lane, to remove the sidewalk and haul material off and pour back concrete; Concrete and Labor Total \$3,620.00
- 10.7. Review of the Core & Main Bid Proposal for Woods Edge Subdivision Materials for Tap-Ins for \$29,467.80
- 10.8. Sewer Project and New Developments and Allocations of Capacity

11. Motion to Adjourn

Motion to Approve

MOTION: Brad Anderson

SECOND: James Harrison

AYES: Rebecca Kelly, Brad Anderson, James Harrison, and Keith Roughton.

NAYES: None

The motion carried 4-0

Approved this ____ day of _____, _____.

L.W. (Nicky) Gwinnett, Jr., Mayor

Lori Phillips, City Clerk



CITY OF BROOKLET
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Melissa Pevey, Assistant Clerk
Ben Perkins, City Attorney

JULY 18, 2024
CITY COUNCIL
MEETING
7:00 PM
MINUTES

1. **Call to order and welcome** – Mayor L.W. (Nicky) Gwinnett, Jr.
 - a. **Invocation** – Mayor Gwinnett

2. **Pledge of Allegiance to the United States Flag** – Keith Roughton

3. **Consideration of a Motion to Approve the Agenda**
Motion to Approve
MOTION: Rebecca Kelly
SECOND: Brad Anderson
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and
Keith Roughton
NAYES: None
The motion carried 5-0

4. **Public Hearing Item(s):**
 - A. **APPLICATION RZ 2024-018:**
Weyerhaeuser Company submitted an application to rezone 25.87 acres,
located on Brooklet Leefield Road, map/parcel# 136 000024 001, the property
is presently zoned A-1 (Agricultural), in connection with the annexation of
278.13 acres located on Brooklet Leefield Road map/parcel# 136 000024 000,

the property is presently zoned AG-5/R-80 (Bulloch County). The proposed zoning after annexation is R-3 (Multi-Family Residential District). The primary purpose of the rezone is to establish a residential subdivision. It is expected that lots will vary in size. The minimum lot size will be 10,000 square feet with a minimum frontage of 80’.

- Discussion from the Mayor and City Council.
- Discussion and questions from the Public who have requested to speak.

5. Consideration of a Motion to come out of the Public Hearing and go into the City Council Meeting.

Motion to Approve

MOTION: Rebecca Kelly

SECOND: Brad Anderson

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton

NAYES: None

The motion carried 5-0

6. Consideration of a Motion to approve the Planning & Zoning Commission recommendation for Application RZ2024-016 submitted by G3 Ventures, LLC. *On April 9, 2024, the Planning Commission recommended not approving the rezoning request for application RZ2024-016.*

Motion to Table

MOTION: Keith Roughton

SECOND: James Harrison

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton

NAYES: None

The motion carried 5-0

7. Consideration of a Motion to Approve the Planning & Zoning Commission recommendation for Application RZ2024-018 submitted by Weyerhaeuser Company. *On June 11, 2024, the Planning Commission recommended approving the rezone and annexation with conditions for traffic analysis and water/sewer agreement reviews.*

Motion to Deny

MOTION: James Harrison

SECOND: Rebecca Kelly

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton

NAYES: None

The motion carried 5-0

8. Consideration of a Motion to approve the Second Reading of an ordinance to annex 278.13 acres, more or less, parcel 136000024 000, owned by Weyerhaeuser Company, into the city limits of Brooklet. The said property shall be zoned R-3.

Motion to Approve

MOTION: Rebecca Kelly
SECOND: Keith Roughton
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and
Keith Roughton
NAYES: None
The motion carried 5-0

9. **Consideration of a Motion to Approve the Second Reading of an ordinance to amend the zoning map of the city of Brooklet to rezone property designated as parcel 136 000024001, Bulloch County tax assessor's office, containing 25.87 acres, more or less, located just inside the Brooklet city limits FROM A-1 to R-3. Said property is owned by the Weyerhaeuser Company.**

Motion to Approve

MOTION: Rebecca Kelly
SECOND: Keith Roughton
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and
Keith Roughton
NAYES: None
The motion carried 5-0

10. **Consideration of a Motion to Approve the Second Reading of an ordinance to amend Chapter 50, Article II. – Water will provide new water and wastewater rates and charges in the City of Brooklet.**

Motion to Approve

MOTION: James Harrison
SECOND: Keith Roughton
AYES: None
NAYES: None
The motion carried 0-0

11. **Consideration of a Motion to Approve Resolution 2024-07-18 a resolution of the City of Brooklet amending the city's fee schedule for certain items; to provide for severability; to provide an effective date; to repeal all ordinances and resolutions and parts thereof in conflict herewith; and for other purposes.**

Motion to Approve

MOTION: James Harrison
SECOND: Brad Anderson
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and
Keith Roughton
NAYES: None
The motion carried 5-0

12. **Consideration of a Motion to Approve the Second Reading an ordinance to amend Section 26-181(c)(2) Regulating Food Trucks.**

Motion to Approve

MOTION: Brad Anderson

SECOND: Rebecca Kelly
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton
NAYES: None
The motion carried 5-0

**13. Consideration of a Motion to approve the May Financial Reports as presented.
Motion to Approve**

MOTION: Brad Anderson
SECOND: Keith Roughton
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton
NAYES: None
The motion carried 5-0

14. Recognition of guests who have requested to be added to the agenda

- a. Aaron Carpenter, Coastal Regional Commission
- b. Will Carr – Liberty National Insurance
- c. Barney Sineath

15. Recognition of guests who have signed up to speak

16. Reports from the City Engineer

- a. Wesley Parker, Parker Engineering, LLC

17. Reports from the Water/Sewer Consultant

- a. Matthew Morrison, City Consultant

18. Reports from committee members

- a. Mayor Pro-Tem Rebecca Kelly
- b. Councilman Brad Anderson
- c. Councilman James Harrison
- d. Councilman Keith Roughton
- e. Councilwoman Sheila Wentz

19. Report from Police Chief

- a. Gary M. Roberts

20. Report from the Safety Coordinator

- a. Jim Stanoff - Absent

21. DISCUSSION ITEMS:

**21.1. Discussion and Consideration of a Motion to Approve the Water/Sewer Bond Resolution, Providing for Issuance of City of Brooklet, Series 2024, In Aggregate Principal Amount not exceeding \$8,200,000.
Motion to Approve**

MOTION: Keith Roughton
SECOND: Sheila Wentz
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison,
and Keith Roughton

NAYES: None

The motion carried 5-0

- 21.2. Discussion and Consideration of a Motion to Approve the Project Proposal, presented by Aaron Carter with the Coastal Regional Commission, regarding the Comprehensive Master Plan for the City of Brooklet.**

Motion to Approve

MOTION: Rebecca Kelly

SECOND: Brad Anderson

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison,
and Keith Roughton

NAYES: None

The motion carried 5-0

- 22.3. Discussion and Consideration of a Motion to Approve the Transfer of Derrell Smith, from Public Works Laborer to Public Works Operator effective July 8, 2024, with a pay grade increase to \$21.00 per hour and to authorize the mayor to sign an employment contract with the employee, mandating employee training for a CDL.**

Motion to Approve

MOTION: Keith Roughton

SECOND: James Harrison

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison,
and Keith Roughton

NAYES: None

The motion carried 5-0

- 22.4. Discussion and Consideration of a Motion to Approve a 2% cost of living raise for all full-time City employees beginning July 1, 2024, through June 30, 2025.**

Motion to Approve

MOTION: Brad Anderson

SECOND: Rebecca Kelly

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison,
and Keith Roughton

NAYES: None

The motion carried 5-0

- 22.5. Discussion and Consideration of a Motion to Approve proposal# 6360 from Georgia Technologies for a Dell Desktop Computer and Dell 27' Monitor that includes a three-year hardware warranty and Microsoft Office 2021, for City Hall, for \$1,405.00.**

Motion to Approve

MOTION: Brad Anderson

SECOND: Rebecca Kelly

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison,
and Keith Roughton

NAYES: None

The motion carried 5-0

22.6. Discussion and Consideration of a Motion to Approve the quote from Core and water meters and materials for tap-ins for \$29,467.80.

Motion to Approve

MOTION: James Harrison

SECOND: Keith Roughton

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison,
and Keith Roughton

NAYES: None

The motion carried 5-0

23. Consideration of a Motion to Adjourn

Motion to Approve

MOTION: James Harrison

SECOND: Rebecca Kelly

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison,
and Keith Roughton

NAYES: None

The motion carried 5-0

Approved this ____ day of _____, _____.

L.W. (Nicky) Gwinnett, Jr., Mayor

Lori Phillips, City Clerk

JULY 18, 2024, CC Meeting Summary:

Brooklet City Council members approved the annexation of 278 acres of land into city limits at the Thursday, July 18, 2024 meeting. 25 acres of adjoining property belonging to the Weyerhaeuser company was already within city limits, and the entire 300-acre tract of land was rezoned as R-3.

The approval of this rezoning came with heavy restrictions on the classification of R-3, which typically includes the allowance of multi-family dwellings but was essentially limited to only single-family dwellings.

The land could potentially be the site of 500 homes on 10,000-square-foot lots in the future, but representatives of the developer stated that they do not intend to overwhelm the city's infrastructure and would build houses in 100-unit phases, meeting the needs of housing supply and demand over multiple years.

Representatives stated that while more people and houses do add to the problem of limited water infrastructure, the developers would play a key role in constructing the new system connected to the Statesboro sewage system.

The second reading and approval of these items attracted about two dozen attendees to the meeting, including long-time residents and members of the Bulloch Board of Education. They expressed concern about the strain of the potential addition of hundreds of new families to the city's schools, water and sewage system, and emergency service area.

Others expressed dissatisfaction with the idea that new residents would have access to city water before longtime residents, to which the mayor asked for suggestions on better options to pay for the \$8 million project to get it started.

The city will also move forward with the Coastal Regional Commission's project proposal to draft a Comprehensive Master Plan for Brooklet. If the contract for the service is signed in August, it will take about 6-8 months for the plan to be prepared and ready to go into effect.

The council welcomed around two dozen attendees to the July 18, 2024, Brooklet City Council meeting and began the meeting with a prayer and The Pledge of Allegiance.

The agenda was adopted with one amendment: Mayor Pro-Tem Rebecca Kelly asked that Aaron Carpenter of the Coastal Regional Commission make his presentation separately from public comment, as to make clear that public comment is a different interaction.

Public Hearing

1. Application RZ 2024-018:

Weyerhaeuser Company submitted a request to rezone 25.87 acres, located on Brooklet Leefield Road (Parcel #136 000024 001) from A-1, in connection with an annexation of 278.13 acres located on Brooklet Leefield Road (Parcel #136 000024 000) presently zoned A-5/R-80. The proposed zoning after annexation is R-3 multifamily residential so that a subdivision may be established. Minimum lot sizes will be 10,000 square feet with a minimum frontage of 80'.

Councilman Bradley Anderson said that WTOC published an article stating that developers were planning to build 500, which contradicts the 100 homes he had understood as the unit number discussed in the previous meeting.

Cody Rogers, Statesboro branch manager for EMC Engineering Services, says applications don't require several homes in rezoning, as this is a preliminary step in surveying the land

"I was stating 100 homes per phase," Rogers clarified, furthering that construction on the first phase of homes would begin in about three years. He said that supply and demand would ultimately determine the number of phases and a total number of houses built.

Rogers assumes that with city sewer lines tied in, 500 homes could be built.

"This council has been solely stuck on one thing; sewer and water," Dave Bircher added during the public hearing, asking that the city take a harder look at the needs of the Police Department and traffic concerns.

Donna Clifton, District 4 Bulloch County School Board representative, said she is very concerned with the potential impacts to Brooklet's infrastructure with the addition of this housing project after two other developments were recently approved

"If we approve this, where are we going to put our children?" she asked, adding that 'flooding' the schools would be detrimental to the students. "People move to Brooklet for SEB schools."

Cheryl Lynne and Tom Ferrari are residents on West Lane St. and are concerned that new Brooklet residents are getting priority in the incoming city sewer system.

Mayor Gwinnett responded that rather than raise taxes and indebt the city, having developers contribute to the multi-million-dollar project is the most financially sound way of constructing and running the sewer system as quickly as possible.

Attorney Steve Rushing represents the developers and stresses that construction will occur in phases as the infrastructure can handle it.

While adding new homes contributes to the problem of increased demand for city sewer, the developer wants to be a part of the solution.

Donna Clifton asks if those solutions only include sewage and water, to which Rushing says traffic studies also need to happen.

Clifton said the new SEB school, which will likely have a capacity of 2,500 students, won't operate until 2030 and suggested that the developers contribute in this way as well because it will significantly stress Brooklet's infrastructure.

Rushing said that the R-3 rezoning was selected for the 10,000 minimums. City Attorney Ben Perkins asked if the client would mind restriction to single family dwellings, and Rushing said it would likely not be a problem.

The council then ended the public hearing and returned to the regular session.

TABLED: Item 6, concerning the mayor's personal property, was tabled due to the inability of Mayor Gwinnett's attorney to appear.

DENIED: 7. Consideration of a motion to approve the planning and zoning commission recommendation for Application RZ2024-018 submitted by Weyerhaeuser Company.

The request was denied to make revisions and expunge certain permitted uses from the agreement, as stated in the ordinance. This matter was handled in item 8.

APPROVED WITH RESTRICTIONS: 8. Consideration of a motion to approve the second reading of an ordinance to annex 278.13 acres, more or less, parcel 136000024 000, owned by Weyerhaeuser Company.

The property will be rezoned R3, with revisions that the only permitted uses are accessory buildings and single-family dwellings.

APPROVED with the same stipulations as the previous item: 9. Consideration of a motion to approve the second reading of an ordinance to amend the zoning map to rezone parcel 136000024001, owned by Weyerhaeuser Company, from A-1 to R-3.

APPROVED: 10. Consideration of a motion to approve the second reading of an ordinance to amend Chapter 15, Article II. - Water will be provided for new water and wastewater rates and charges in Brooklet.

APPROVED: 11. Consideration of a motion to approve resolution 2024-07-18 a resolution of the city of Brooklet amending the city's fee schedule for certain items; to provide for severability; to provide an effective date; to repeal all ordinances and resolutions and parts thereof in conflict herewith; and for other purposes.

APPROVED: 12. Consideration of a motion to approve the second reading of an ordinance to amend Section 26-181(c)(2) Regulating Food Trucks.

APPROVED: 13. Consideration of a motion to approve the May financial reports as presented.

14. Guests who have asked to be added to the agenda - waived.

15 Guests who signed up to speak:

Ellen Perkins, Chair of the Brooklet Community Development Association, which hosts the Annual Brooklet Peanut Festival, asked the council about this year's fees and potential city sponsorship.

The council agreed to discuss this at the July 30, 2024, meeting. The Peanut Festival will be on September 21, 2024.

16. City Engineer Wesley Parker, Parker Engineering, LLC reports.

Mayor Gwinnett expressed extreme gratitude to the team for the grant that they secured at a critical time when upgrading infrastructure.

Wesley Parker says that the funding agency saw how Brooklet needed the improvements.

\$600,000 is being used to build a large-diameter water main from the water tank to Cromley Road, which will improve fire safety.

Parker says the GDOT project is moving slowly, but moving. Street improvements that were approved earlier this year will begin 'shortly.'

17. The report from the city consultant was deferred to the discussion items later in the agenda.

18. Councilman Keith Roughton is happy that the sidewalk projects are being finished in phases, and they have recently made improvements in front of the schools.

Roughton reiterates that changes in water fees are investments. The new revenue is to be used to improve 100-year-old water lines, not for new construction.

19. Chief Gary M. Roberts

Chief Roberts reports that the cameras for the tag readers are “really paying off,” and the council should “expect to see an application for a couple more.”

They are not speed detectors, but they help identify non-licensed drivers, assist in crime, and solve Amber Alerts.

20. Jim Stanoff - not present

APPROVED 21.1 Discussion and consideration of a motion to approve the Water/Sewer Bond Resolution for issuing the city of Brooklet, Series 2024, in aggregate principal amount not to exceed \$8,200.

This resolution is a commitment by the city to the bond purchasers that the city will set water rates and charges in amounts that will generate revenue to sufficiently pay for this debt over the course of the 30-year deal.

APPROVED 21.2 Discussion and consideration of a motion to approve the Project proposal, presented by Aaron Carpenter with the Coastal Regional Commission, regarding the comprehensive master plan.

Planning Director Aaron Carpenter asked the council if they had any questions about the 5-task proposal project that was drafted to begin the process of creating a comprehensive master plan for the city of Brooklet.

“Can you start yesterday,” Mayor Gwinnett joked.

Carpenter said that work can begin in August and it would take approximately 6-8 months until adoption. With fees of about \$60 per hour, the council was ready to move forward and Carpenter will return to the council with a contract.

APPROVED 22.3 Discussion and consideration of a motion to approve the transfer of Derrell Smith from Public Works Laborer to Operator effective July 8, 2024, with a pay grade increase to \$21.00 per hour and to authorize the mayor to sign an employment contract with the employee, mandating employee training for a CDL.

APPROVED 22.4 Discussion and consideration of a motion to approve a 2% cost of living raise for all full-time city employees beginning July 1, 2024, through June 30, 2025.

Gwinnett urged the council to allow for a 5% increase, but this was not feasible as the budget was already predetermined with the 2% figures.

City Manager Carter Crawford said that while the budget is passed, after taxes come in it is possible to pay out a lump sum; the pay scale does not go up but they get some more money.

APPROVED 22.5 Discussion and consideration of a motion to approve proposal #6360 from Georgia Technologies for a Dell Desktop Computer and Dell 27' Monitor, including a three-year hardware warranty and Microsoft Office 2021 for city hall for \$1,405.00.

APPROVED 22.6 Discussion and consideration of a motion to approve the quote form Core and water meters and materials for tap-ins for \$29,467.80.

Mayor Gwinnett adjourned the meeting.



CITY OF BROOKLET
104 CHURCH ST. BROOKLET, GA 30415 PHONE (912) 842-2137 FAX (912)842-5877

L.W. (Nicky) Gwinnett, Jr. Mayor
Hubert Keith Roughton, Mayor Pro-Tem
Bradley Anderson, Councilman
Rebecca Kelly, Councilwoman
James Harrison, Councilman
Sheila Wentz, Councilwoman

Carter Crawford, City Manager
Lori Phillips, City Clerk
Melissa Pevey, Assistant Clerk
Ben Perkins, City Attorney

Work Session
December 12, 2024
5:00 PM
Proposed
Minutes

1. Call to order and welcome - Mayor Gwinnett

- Invocation
- Pledge of Allegiance

2. Consideration of a Motion to Approve the Agenda

Motion to Approve

MOTION: James Harrison

SECOND: Rebecca Kelly

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton.

NAYES: None

The motion carried 5-0

3. Work Session Discussion Items:

3.1. Survey for Lane Street Right-of-Way

3.2. Bid Opening Results -Brooklet Lift Station (PE24229)

3.3. Town Hall Meeting for Sewer Project and Other Items

3.4. Resolution# 2024-019 – A Resolution of The City of Brooklet, Georgia, to Impose a Moratorium on the Receipt of Zoning and Annexation Applications
(This resolution was approved on August 15, 2024, and will terminate on the earliest date of December 20, 2024.)

3.5. Utility Management Services – Helps cities to save through contingency-based utility bill audits.

- 3.6. **McLaggan Communications & Radar Service Inc. Invoice #216958** – This invoice was for outfitting and installing the radio, radar, and Moto M500 in-car video for \$9,146.00.
- 3.7. **Quote Proposal for GMA-GIRMA Georgia First Responder PTSD Program**
- 3.8. **The Stop Date for Debris Pickup after the Hurricane is 12/23/2024**
- 3.9. **Approval of the City Manager Job Description**

4. **Motion to adjourn**

MOTION: Brad Anderson

SECOND: Rebecca Kelly

AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton.

NAYES: None

The motion carried 5-0

Approved this _____ day of _____, _____.

L.W. (Nicky) Gwinnett, Jr., Mayor

Lori Phillips, City Clerk



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**January 16, 2025
City Council Meeting
7:00 PM
Minutes**

- 1. Call to order and welcome** - Mayor Gwinnett
 - Invocation
 - Pledge of Allegiance

- 2. Consideration of a Motion to Approve the Agenda**
Motion to Approve
MOTION: Brad Anderson
SECOND: Rebecca Kelly
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton.
NAYES: None
The motion carried 5-0

- 3. Consideration of a Motion to Enter into Executive Session to discuss "Personnel Matters," "Real Estate," and/or "Potential Litigation" per O.C.G.A 50-14-3(b)**
Motion to Approve
MOTION: Brad Anderson
SECOND: Keith Roughton
AYES: Rebecca Kelly, Sheila Wentz, Brad Anderson, James Harrison, and Keith Roughton.
NAYES: None
The motion carried 5-0

- 4. Recognition of Guest(s) who have Signed Up to Speak**
N/A