

**CITY OF BROOKLET, GEORGIA**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

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**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

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, 2022, 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, 2022, 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 44 through 45, 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 is presented for purposes of additional analysis and is also not a required part of the basic financial statements of the City of Brooklet, Georgia.

The individual fund financial statements and the Schedule of 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, and the Schedule of SPLOST Expenditures is 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 22, 2023, 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.

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

Statesboro, Georgia  
February 22, 2023

**CITY OF BROOKLET, GEORGIA**  
*Management's Discussion and Analysis*  
June 30, 2022

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. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. 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 \$5,849,732, as compared to \$5,276,479 at June 30, 2021. The following table provides a summary of the City's net position.

	<b>Summary of Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>(As Restated)</b>				<b>(As Restated)</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Assets:</b>						
Current and other assets	\$ 1,934,246	1,698,362	\$ 852,357	\$ 585,244	\$ 2,786,603	\$ 2,283,606
Capital assets	2,541,619	2,295,047	1,106,701	1,118,578	3,648,320	3,413,625
<b>Total assets</b>	<b>4,475,865</b>	<b>3,993,409</b>	<b>1,959,058</b>	<b>1,703,822</b>	<b>6,434,923</b>	<b>5,697,231</b>
<b>Deferred outflows of resources</b>	<b>13,419</b>	<b>38,124</b>	<b>3,827</b>	<b>7,057</b>	<b>17,246</b>	<b>45,181</b>
<b>Liabilities:</b>						
Long-term liabilities	3,865	3,813	214,937	246,750	218,802	250,563
Other liabilities	202,546	61,518	84,375	82,266	286,921	143,784
<b>Total liabilities</b>	<b>206,411</b>	<b>65,331</b>	<b>299,312</b>	<b>329,016</b>	<b>505,723</b>	<b>394,347</b>
<b>Deferred inflows of resources</b>	<b>75,253</b>	<b>60,404</b>	<b>21,461</b>	<b>11,182</b>	<b>96,714</b>	<b>71,586</b>
<b>Net Position:</b>						
Investment in capital assets	2,541,619	2,295,047	893,178	872,591	3,434,797	3,167,638
Restricted	1,375,660	1,348,960	-	-	1,375,660	1,348,960
Unrestricted	290,341	261,791	748,934	498,090	1,039,275	759,881
<b>Total Net Position</b>	<b>\$ 4,207,620</b>	<b>\$ 3,905,798</b>	<b>\$ 1,642,112</b>	<b>\$ 1,370,681</b>	<b>\$ 5,849,732</b>	<b>\$ 5,276,479</b>

The current ratio is used to measure an entity's ability to meet current obligations. The City has a 9.55 to 1 ratio for governmental activities as compared to 27.61 to 1 at June 30, 2021. The current ratio for business-type activities is 10.10 to 1, as compared to 7.11 to 1 at June 30, 2021.

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 \$1,642,112. The table below focuses on the net position and revenues and expenses of the City's governmental and business-type activities. Net position increased \$301,823 for governmental activities and increased \$271,431 for business-type activities. The City's overall financial position improved during the year ended June 30, 2022.



## 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	
	(As Restated)				(As Restated)	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program						
Charges for services	\$ 138,816	\$ 125,434	\$ 513,147	\$ 511,329	\$ 651,963	\$ 636,763
Operating grants	8,166	34,138	-	-	8,166	34,138
Capital grants / contributions	399,616	30,897	-	-	399,616	30,897
General						
Property taxes	452,696	415,872	-	-	452,696	415,872
Franchise taxes	98,112	92,244	-	-	98,112	92,244
Insurance premium taxes	114,790	111,151	-	-	114,790	111,151
Financial institution taxes	15,222	13,553	-	-	15,222	13,553
Alcoholic beverage taxes	28,327	28,239	-	-	28,327	28,239
Intangible and other taxes	14,061	10,046	-	-	14,061	10,046
Interest	1,713	827	589	647	2,302	1,474
Gain (loss) on sale of assets	5,804	25,498	-	11,864	5,804	37,362
Other income	146,089	12,313	-	-	146,089	12,313
Total revenues	<u>1,423,412</u>	<u>900,212</u>	<u>513,736</u>	<u>523,840</u>	<u>1,937,148</u>	<u>1,424,052</u>
<b>Program expenses:</b>						
General government	245,203	228,031	-	-	245,203	228,031
Judicial	4,250	7,275	-	-	4,250	7,275
Public safety	458,515	427,154	-	-	458,515	427,154
Public works	250,759	270,347	-	-	250,759	270,347
Community Services	9,331	7,532	-	-	9,331	7,532
Water	-	-	298,784	306,797	298,784	306,797
Sanitation	-	-	97,052	148,087	97,052	148,087
Total expenses	<u>968,058</u>	<u>940,339</u>	<u>395,836</u>	<u>454,884</u>	<u>1,363,894</u>	<u>1,395,223</u>
<b>Increase (decrease) in net position before transfers</b>	455,354	(40,127)	117,900	68,956	573,254	28,829
<b>Transfers</b>	<u>(153,531)</u>	<u>(172,228)</u>	<u>153,531</u>	<u>172,228</u>	<u>Nil</u>	<u>Nil</u>
<b>Increase (decrease) in net position</b>	301,823	(212,355)	271,431	241,184	573,254	28,829
<b>Beginning net position</b>	<u>3,905,797</u>	<u>4,118,153</u>	<u>1,370,681</u>	<u>1,129,497</u>	<u>5,276,478</u>	<u>5,247,650</u>
<b>Ending net position</b>	<u>\$ 4,207,620</u>	<u>\$ 3,905,798</u>	<u>\$ 1,642,112</u>	<u>\$ 1,370,681</u>	<u>\$ 5,849,732</u>	<u>\$5,276,479</u>

### Governmental Revenues

The City's governmental activities are heavily reliant on property taxes and sales taxes, which collectively make up 31.80% of governmental revenues. Note that program revenues made up 54.70% 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 33.61% of the City's total expenses, while water and public works made up 21.91% and 18.39% respectively.

## **Financial Analysis of the City as a Whole (continued)**

There was an excess of \$455,354 in governmental activities and an excess of \$117,900 in business-type activities. Transfers to (from) governmental activities resulted in a total excess in governmental activities of \$301,823 and a total excess in business-type activities of \$271,431. The total change in net position was \$573,254. As stated earlier, the financial position of the City improved in the year ended June 30, 2022.

## **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 \$1,585,369. Of this year-end total, \$1,345,210 is restricted to capital projects, \$30,450 is restricted for public safety. The unassigned portion of governmental fund balances was \$209,709. The total ending fund balances of governmental funds shows an increase of \$29,464, or a 1.89% 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 \$300,331, of which \$209,709 is unassigned. The total ending fund balance of the General Fund shows an increase of \$71,362. The increase in the current year was a result of Council's focus on efficiency and improved purchasing procedures.

Total revenues of the General Fund were \$1,045,196, an increase of \$173,281 from fiscal year 2021. This equates to a 19.87% increase in total revenues. This increase was due to an increase in taxes generated from new homes built, along with increased building permits within the city.

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 \$513,147, an increase of \$1,818 over fiscal year 2021. After considering expenditures, the net income of these funds before capital contributions and transfers is \$117,900.

### **Budgetary Highlights**

Revenues in the General Fund were under the budget by \$6,839. This decrease was due to overestimation of some budget categories in the budget development process.

Expenditures in the General Fund were under the budget by \$102,097. The decrease resulted primarily from improved purchasing procedures.

A budget amendment was adopted during the year ended June 30, 2022 which resulted in an increase in General Fund expenditures of \$168,105.

**Capital Assets and Debt Administration**

***Capital Assets***

The City's investment in capital assets, net of accumulated depreciation, as of June 30, 2022, was \$3,648,320 as follows:

	<u>Capital Assets</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Nondepreciable assets:</b>						
Land	\$ 381,876	\$ 356,876	\$ 21,632	\$ 21,632	\$ 403,508	\$ 378,508
Construction in progress	178,397	9,885	5,084	-	183,481	9,885
Book value - nondepreciable assets	<u>560,273</u>	<u>366,761</u>	<u>26,716</u>	<u>21,632</u>	<u>586,989</u>	<u>388,393</u>
<b>Depreciable assets:</b>						
Infrastructure	1,956,297	1,792,420	1,558,210	1,558,210	3,514,507	3,350,630
Building	708,602	708,602	82,771	82,771	791,373	791,373
Machinery and equipment	563,277	538,172	199,263	149,217	762,540	687,389
Vehicles	334,059	334,059	366,526	366,526	700,585	700,585
Total depreciable assets	3,562,235	3,373,253	2,206,770	2,156,724	5,769,005	5,529,977
Less accumulated depreciation	<u>1,580,889</u>	<u>1,444,967</u>	<u>1,126,785</u>	<u>1,059,778</u>	<u>2,707,674</u>	<u>2,504,745</u>
Book value - depreciable assets	<u>1,981,346</u>	<u>1,928,286</u>	<u>1,079,985</u>	<u>1,096,946</u>	<u>3,061,331</u>	<u>3,025,232</u>
Percentage depreciated	44.38 %	42.84 %	51.06 %	49.14 %	46.93 %	45.29 %
Total Capital Assets	<u>\$ 2,541,619</u>	<u>\$ 2,295,047</u>	<u>\$ 1,106,701</u>	<u>\$ 1,118,578</u>	<u>\$ 3,648,320</u>	<u>\$ 3,413,625</u>

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

***Debt Outstanding***

As of June 30, 2022, the City had total outstanding long-term debt of \$218,802 as follows:

	<u>Long-Term Debt</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accumulated leave benefits	\$ 3,865	\$ 3,813	\$ 1,414	\$ 763	\$ 5,279	\$ 4,576
<b>Capital leases</b>						
Sanitation truck	-	-	213,523	245,987	213,523	245,987
Total Long-Term Debt	<u>\$ 3,865</u>	<u>\$ 3,813</u>	<u>\$ 214,937</u>	<u>\$ 246,750</u>	<u>\$ 218,802</u>	<u>\$ 250,563</u>

During the year ended June 30, 2022, the City issued no long-term debt. The City retired \$32,464 of existing debt.

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

### **Economic Conditions Affecting the City**

Because the City has no new industries, the population base has not changed and is expected to remain stable. In addition, several downtown businesses have closed during recent years due to the overall downturn of the economy. Due to a relatively high median income, the City has not been successful in obtaining grants for expansion of infrastructure which could attract 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.

In May, 2022, Hyundai Motor Group announced plans to build a \$5.5 billion manufacturing plant in nearby Bryan County. The plan is expected to create 8,000 jobs, and as well as attracting several related industries that are expected to locate within Bulloch County. With this announcement, the City anticipates growth in its population, as well as an increase in businesses to support the residential growth. It is anticipated that this growth will result in increased property taxes, building permits, and business licenses over the next few years.

### **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.

**CITY OF BROOKLET, GEORGIA**  
**Statement of Net Position**  
**June 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b>Current Assets</b>			
Cash	\$ 1,778,246	\$ 773,098	\$ 2,551,344
Receivables, net of allowance for uncollectibles:			
Taxes	13,514	-	13,514
Other	11,621	41,921	53,542
Accrued interest receivable	13	21	34
<b>Noncurrent Assets</b>			
Capital assets:			
Nondepreciable assets	560,273	26,716	586,989
Depreciable assets, net	1,981,346	1,079,985	3,061,331
Other assets:			
Net pension asset	130,852	37,317	168,169
<b>Total Assets</b>	<u>4,475,865</u>	<u>1,959,058</u>	<u>6,434,923</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows of resources - Pension	<u>13,419</u>	<u>3,827</u>	<u>17,246</u>
<b><u>LIABILITIES</u></b>			
<b>Current Liabilities</b>			
Accounts payable	192,078	7,413	199,491
Payroll taxes payable	4,032	-	4,032
Accrued salaries	6,017	1,388	7,405
Accrued interest payable	-	5,354	5,354
Other accrued expenses	419	-	419
Deposits to secure services	-	70,220	70,220
<b>Noncurrent Liabilities</b>			
Due within one year:			
Compensated absences	773	283	1,056
Financed purchase obligation	-	33,318	33,318
Due in more than one year:			
Compensated absences, net of current portion	3,092	1,131	4,223
Financed purchase obligation, net of current portion	-	180,205	180,205
<b>Total Liabilities</b>	<u>206,411</u>	<u>299,312</u>	<u>505,723</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows of resources - Pension	<u>75,253</u>	<u>21,461</u>	<u>96,714</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	2,541,619	893,178	3,434,797
Restricted for:			
Capital projects	1,345,210	-	1,345,210
Public safety	30,450	-	30,450
Unrestricted	290,341	748,934	1,039,275
<b>Total Net Position</b>	<u>\$ 4,207,620</u>	<u>\$ 1,642,112</u>	<u>\$ 5,849,732</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, 2022

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
<b>Governmental activities:</b>							
General government	\$ 245,203	\$ 44,781	\$ -	\$ -	\$ (200,422)	\$ -	\$ (200,422)
Judicial	4,250	-	-	-	(4,250)	-	(4,250)
Public safety	458,515	88,150	8,166	-	(362,199)	-	(362,199)
Public works	250,759	-	-	399,616	148,857	-	148,857
Community services	9,331	5,885	-	-	(3,446)	-	(3,446)
Total governmental activities	968,058	138,816	8,166	399,616	(421,460)	Nil	(421,460)
<b>Business-type activities:</b>							
Water	298,784	360,092	-	-	-	61,308	61,308
Sanitation	97,052	153,055	-	-	-	56,003	56,003
Total business-type activities	395,836	513,147	Nil	Nil	Nil	117,311	117,311
<b>Total</b>	<b>\$ 1,363,894</b>	<b>\$ 651,963</b>	<b>\$ 8,166</b>	<b>\$ 399,616</b>	<b>(421,460)</b>	<b>117,311</b>	<b>(304,149)</b>

**General Revenues**

Property taxes	452,696	-	452,696
Franchise taxes	98,112	-	98,112
Insurance premium taxes	114,790	-	114,790
Financial institution taxes	15,222	-	15,222
Alcoholic beverage taxes	28,327	-	28,327
Intangible and other taxes	14,061	-	14,061
Interest	1,713	589	2,302
Other revenues	146,089	-	146,089
Gain (loss) on sale of assets	5,804	-	5,804
Total general revenues	876,814	589	877,403
Transfers	(153,531)	153,531	-
Total general revenues and transfers	723,283	154,120	877,403
<b>Change in net position</b>	<b>301,823</b>	<b>271,431</b>	<b>573,254</b>
<b>Net position, beginning of year</b>	<b>3,905,797</b>	<b>1,370,681</b>	<b>5,276,478</b>
<b>Net position, end of year</b>	<b>\$ 4,207,620</b>	<b>\$ 1,642,112</b>	<b>\$ 5,849,732</b>

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

**CITY OF BROOKLET, GEORGIA**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2022*

	<u>General Fund</u>	<u>American Rescue Plan Fund</u>	<u>SPLOST 2019 Fund</u>	<u>TSPLOST Fund</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash	\$ 327,016	\$ 340,033	\$ 235,090	\$ 876,106	\$ 1,778,245
Receivables:					
Taxes receivable	13,514	-	-	-	13,514
Other receivables	11,621	-	-	-	11,621
Accrued interest receivable	13	-	-	-	13
Due from other funds	-	-	-	2,615	2,615
	<u>\$ 352,164</u>	<u>\$ 340,033</u>	<u>\$ 235,090</u>	<u>\$ 878,721</u>	<u>\$ 1,806,008</u>
<b>Total Assets</b>					
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>					
Accounts payable	\$ 23,269	\$ -	\$ 2,892	\$ 165,914	\$ 192,075
Payroll taxes payable	4,032	-	-	-	4,032
Accrued salaries	6,017	-	-	-	6,017
Other liabilities	419	-	-	-	419
Due to other funds	2,615	-	-	-	2,615
	<u>36,352</u>	<u>Nil</u>	<u>2,892</u>	<u>165,914</u>	<u>205,158</u>
<b>Total Liabilities</b>					
<b>Deferred Inflows of Resources</b>	<u>15,481</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>15,481</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>51,833</u>	<u>Nil</u>	<u>2,892</u>	<u>165,914</u>	<u>220,639</u>
<b><u>FUND BALANCES</u></b>					
Restricted for:					
Capital projects	60,172	340,033	232,198	712,807	1,345,210
Public safety	30,450	-	-	-	30,450
Unassigned	209,709	-	-	-	209,709
	<u>300,331</u>	<u>340,033</u>	<u>232,198</u>	<u>712,807</u>	<u>1,585,369</u>
<b>Total Fund Balances</b>					
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 352,164</u>	<u>\$ 340,033</u>	<u>\$ 235,090</u>	<u>\$ 878,721</u>	<u>\$ 1,806,008</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, 2022

<b>Total Governmental Fund Balances</b>		\$	1,585,369
<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		\$	4,122,504
Accumulated depreciation		<u>(1,580,888)</u>	2,541,616
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			
Property taxes		\$	15,481
Net pension benefit		<u>130,852</u>	\$ 146,333
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		\$	13,419
Deferred inflows		<u>(75,253)</u>	(61,834)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Compensated absences			<u>(3,864)</u>
<b>Total Net Position of Governmental Activities</b>		\$	<u>4,207,620</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, 2022**

	<u>General Fund</u>	<u>American Rescue Plan Fund</u>	<u>SPLOST 2019 Fund</u>	<u>TSPLOST Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes:					
Property taxes	\$ 369,753	\$ -	\$ -	\$ -	\$ 369,753
Motor vehicle taxes	75,080	-	-	-	75,080
Mobile home taxes	2,619	-	-	-	2,619
Franchise taxes	98,112	-	-	-	98,112
Alcoholic beverage taxes	28,327	-	-	-	28,327
Business and occupation taxes	16,530	-	-	-	16,530
Insurance premium taxes	114,790	-	-	-	114,790
Financial institution taxes	15,222	-	-	-	15,222
Other taxes	14,061	-	-	-	14,061
Licenses and permits	18,885	-	-	-	18,885
Intergovernmental revenues	41,844	338,894	-	-	380,738
Charges for services	324	-	-	-	324
Fees, fines and forfeitures	88,150	-	-	-	88,150
Investment income	574	1,139	153	1,891	3,757
Other revenues	160,925	-	-	-	160,925
Total revenues	<u>1,045,196</u>	<u>340,033</u>	<u>153</u>	<u>1,891</u>	<u>1,387,273</u>
<b>EXPENDITURES</b>					
Current operations:					
General city government	234,089	-	-	-	234,089
Judicial	4,250	-	-	-	4,250
Public safety	432,464	-	-	-	432,464
Public works	196,019	-	-	-	196,019
Community services	9,331	-	-	-	9,331
Capital:					
Public safety	-	-	4,846	-	4,846
Public works	-	-	50,046	329,083	379,129
Total expenditures	<u>876,153</u>	<u>Nil</u>	<u>54,892</u>	<u>329,083</u>	<u>1,260,128</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	169,043	340,033	(54,739)	(327,192)	127,145
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	5,804	-	-	-	5,804
Transfers in	59,162	-	-	-	59,162
Transfers out	(162,647)	-	-	-	(162,647)
<b>NET CHANGE IN FUND BALANCES</b>	71,362	340,033	(54,739)	(327,192)	29,464
<b>FUND BALANCES, beginning of year (as restated)</b>	<u>228,969</u>	<u>Nil</u>	<u>286,937</u>	<u>1,039,999</u>	<u>1,555,905</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 300,331</u>	<u>\$ 340,033</u>	<u>\$ 232,198</u>	<u>\$ 712,807</u>	<u>\$ 1,585,369</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, 2022*

<b>Net change in fund balances - total governmental funds</b>	\$	29,464
 <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.		357,493
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.		(135,922)
Capital assets contributed.		25,000
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, 2022	\$ 15,481	
Deferred property taxes at June 30, 2021	<u>(10,146)</u>	5,335
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		20,505
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, 2022	\$ (3,865)	
Liability at June 30, 2021	<u>3,813</u>	<u>(52)</u>
<b>Change in net position in governmental funds</b>		<u><u>\$ 301,823</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, 2022*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 348,800	\$ 369,050	\$ 369,753	\$ 703
Motor vehicle taxes	52,500	77,496	75,080	(2,416)
Mobile home taxes	1,650	2,607	2,619	12
Franchise taxes	92,300	98,107	98,112	5
Alcoholic beverage taxes	24,000	27,975	28,327	352
Business and occupation taxes	10,000	16,530	16,530	-
Insurance premium taxes	110,000	114,790	114,790	-
Financial institution taxes	13,500	15,222	15,222	-
Other taxes	9,000	12,693	14,061	1,368
Licenses and permits	11,400	18,935	18,885	(50)
Intergovernmental revenues	25,000	41,845	41,844	(1)
Charges for services	250	324	324	-
Fees, fines and forfeitures	97,495	88,150	88,150	-
Investment income	600	493	574	81
Other revenues	13,650	167,818	160,925	(6,893)
<b>Total revenues</b>	<u>810,145</u>	<u>1,052,035</u>	<u>1,045,196</u>	<u>(6,839)</u>
<b>EXPENDITURES</b>				
Current operations:				
General city government	231,870	232,000	234,089	(2,089)
Judicial	7,000	7,000	4,250	2,750
Public safety	398,050	463,000	432,464	30,536
Public works	162,475	265,500	196,019	69,481
Community services	10,750	10,750	9,331	1,419
<b>Total expenditures</b>	<u>810,145</u>	<u>978,250</u>	<u>876,153</u>	<u>102,097</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	Nil	73,785	169,043	95,258
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	5,803	5,804	1
Transfers in	-	29,000	59,162	30,162
Transfers out	-	(108,588)	(162,647)	(54,059)
<b>NET CHANGE IN FUND BALANCES</b>	Nil	Nil	71,362	71,362
<b>FUND BALANCES, beginning of year (as restated)</b>	<u>228,969</u>	<u>228,969</u>	<u>228,969</u>	Nil
<b>FUND BALANCES, end of year</b>	<u>\$ 228,969</u>	<u>\$ 228,969</u>	<u>\$ 300,331</u>	<u>\$ 71,362</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes:				
Intergovernmental revenues	\$ -	\$ -	\$ 338,894	\$ 338,894
Investment income	-	-	1,139	1,139
	<u>Nil</u>	<u>Nil</u>	<u>340,033</u>	<u>340,033</u>
<b>Total revenues</b>				
<b>EXPENDITURES</b>				
Current operations:				
General city government	-	-	-	-
	<u>Nil</u>	<u>Nil</u>	<u>340,033</u>	<u>340,033</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
<b>FUND BALANCES, beginning of year (as restated)</b>				
	<u>\$ Nil</u>	<u>\$ Nil</u>	<u>\$ 340,033</u>	<u>\$ 340,033</u>
<b>FUND BALANCES, end of year</b>				

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

**CITY OF BROOKLET, GEORGIA**  
*Statement of Net Position*  
*Proprietary Funds*  
*June 30, 2022*

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b>Current Assets</b>			
Cash	\$ 746,340	\$ 26,758	\$ 773,098
Accounts receivable	29,867	12,054	41,921
Accrued interest receivable	21	-	21
Total current assets	776,228	38,812	815,040
<b>Noncurrent Assets</b>			
Capital assets:			
Nondepreciable assets	11,716	15,000	26,716
Depreciable assets, net	862,025	217,960	1,079,985
Other assets:			
Net pension asset	18,768	18,549	37,317
Total noncurrent assets	892,509	251,509	1,144,018
<b>Total Assets</b>	<b>1,668,737</b>	<b>290,321</b>	<b>1,959,058</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related deferred outflows of resources	1,925	1,902	3,827
<b><u>LIABILITIES</u></b>			
<b>Current Liabilities</b>			
Accounts payable	3,272	4,141	7,413
Accrued salaries	798	590	1,388
Accrued interest payable	-	5,354	5,354
Compensated absences	128	155	283
Financed purchase obligation - current portion	-	33,318	33,318
Deposits to secure service	61,470	8,750	70,220
Total current liabilities	65,668	52,308	117,976
<b>Noncurrent Liabilities</b>			
Compensated absences	511	620	1,131
Financed purchase obligation, net of current portion	-	180,205	180,205
Total noncurrent liabilities	511	180,825	181,336
<b>Total Liabilities</b>	<b>66,179</b>	<b>233,133</b>	<b>299,312</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related deferred inflows of resources	10,793	10,668	21,461
<b><u>NET POSITION</u></b>			
Net investment in capital assets	873,741	19,437	893,178
Unrestricted	719,949	28,985	748,934
<b>Total Net Position</b>	<b>\$ 1,593,690</b>	<b>\$ 48,422</b>	<b>\$ 1,642,112</b>

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, 2022*

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Customer charges	\$ 327,101	\$ 153,055	\$ 480,156
Installation charges	400	-	400
Tap fees	11,000	-	11,000
Penalties	21,560	-	21,560
Miscellaneous	31	-	31
	<u>360,092</u>	<u>153,055</u>	<u>513,147</u>
Total operating revenues			
<b>OPERATING EXPENSES</b>			
Salaries	54,558	38,898	93,456
Employee benefits	12,596	(4,814)	7,782
Contractual services	15,741	-	15,741
Repairs, maintenance and other contractual services	74,743	3,888	78,631
Communications	928	-	928
Liability and property insurance	4,110	5,056	9,166
Landfill fees	-	27,114	27,114
Supplies and materials	52,468	-	52,468
Utilities	18,221	-	18,221
Vehicle gasoline	3,426	2,913	6,339
Depreciation	50,368	16,639	67,007
Other expenses	11,625	1,703	13,328
	<u>298,784</u>	<u>91,397</u>	<u>390,181</u>
Total operating expenses			
<b>OPERATING INCOME</b>	<u>61,308</u>	<u>61,658</u>	<u>122,966</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest earned on investments	564	25	589
Interest expense	-	(5,655)	(5,655)
	<u>564</u>	<u>(5,630)</u>	<u>(5,066)</u>
Total nonoperating revenues (expenses)			
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>61,872</u>	<u>56,028</u>	<u>117,900</u>
Contributed capital	50,046	-	50,046
Transfers in	162,647	-	162,647
Transfers out	-	(59,162)	(59,162)
	<u>274,565</u>	<u>(3,134)</u>	<u>271,431</u>
<b>CHANGE IN NET POSITION</b>			
<b>NET POSITION, beginning of year</b>	<u>1,319,125</u>	<u>51,556</u>	<u>1,370,681</u>
<b>NET POSITION, end of year</b>	<u>\$ 1,593,690</u>	<u>\$ 48,422</u>	<u>\$ 1,642,112</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, 2022*

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 357,466	\$ 150,818	\$ 508,284
Cash paid for goods and services	(173,653)	(48,104)	(221,757)
Cash paid to employees for services	(54,273)	(37,984)	(92,257)
Customer deposits received (refunded)	6,960	5,050	12,010
Net cash provided by operating activities	136,500	69,780	206,280
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Net borrowings from other funds	(14,835)	-	(14,835)
Net transfers in (out)	162,647	(59,162)	103,485
Net cash provided (used) by noncapital financing activities	147,812	(59,162)	88,650
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of property and equipment	(29,614)	-	(29,614)
Financed purchase obligation principal payments	-	(32,464)	(32,464)
Interest and fiscal charges paid	-	(6,469)	(6,469)
Net cash used by capital and related financing activities	(29,614)	(38,933)	(68,547)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Dividends and interest earned	574	25	599
Net cash provided by investing activities	574	25	599
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	255,272	(28,290)	226,982
<b>CASH AND EQUIVALENTS, beginning of year</b>	491,068	55,048	546,116
<b>CASH AND EQUIVALENTS, end of year</b>	\$ 746,340	\$ 26,758	\$ 773,098

(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, 2022*

	<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>			
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 61,308</u>	<u>\$ 61,658</u>	<u>\$ 122,966</u>
<b>ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Provision for losses on receivables	2,516	1,254	3,770
Depreciation	74,899	16,639	91,538
Decrease (increase) in operating assets:			
Accounts receivable	(2,625)	(2,237)	(4,862)
Pension related deferred outflows of resources	5,133	(1,903)	3,230
Increase (decrease) in operating liabilities:			
Accounts payable	(5,924)	(3,714)	(9,638)
Accrued salaries	408	139	547
Accrued leave benefits	(124)	775	651
Deposits for services	6,960	5,050	12,010
Net pension liability (benefit)	(5,663)	(18,549)	(24,212)
Pension related deferred inflows of resources	(388)	10,668	10,280
	<u>75,192</u>	<u>8,122</u>	<u>83,314</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 136,500</u>	<u>\$ 69,780</u>	<u>\$ 206,280</u>

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



**CITY OF BROOKLET, GEORGIA**  
*Notes to Financial Statements*  
*June 30, 2022*

**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, 2022, the City paid \$1,814 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 adjust 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, 2022, City Council approved a budget amendment which decreased General Fund expenditures by \$168,105.

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.

***B. Excess of Expenditures over Appropriations***

In governmental funds, operating expenditures exceeded the budget as follows:

General Fund		
General city government: Legislative	\$	1,100
General city government: Administration	\$	990

**Note 3. Detailed Notes on All Funds**

**A. Deposits and Investments**

At June 30, 2022, the carrying amount of the City's deposits was \$2,551,344 which is reflected as cash of \$2,551,344. The related bank balance was \$2,553,900. Of this bank balance, \$500,000 was FDIC insured. The uninsured portion was collateralized at 110% with State or U.S. Government securities held by a third party.

**B. Receivables**

Receivables at June 30, 2022, 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, 2022 consisted of the following:

Taxes receivable - Current	\$ 7,790
Prior	<u>8,152</u>
Gross receivables	15,942
Allowance for uncollectible accounts	<u>2,428</u>
Total	<u>\$ 13,514</u>

Other receivables at June 30, 2022, consisted of the following:

	<u>General Fund</u>	<u>Enterprise</u>	<u>Total</u>
Other receivables	\$ 11,621	\$ 55,305	\$ 66,926
Gross receivables	11,621	55,305	66,926
Allowance for uncollectible	<u>-</u>	<u>13,384</u>	<u>13,384</u>
Total	<u>\$ 11,621</u>	<u>\$ 41,921</u>	<u>\$ 53,542</u>

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, 2022 was as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2022</u>
<b>Governmental Activities:</b>				
Nondepreciable capital assets:				
Land	\$ 356,876	\$ 25,000	\$ -	\$ 381,876
Construction-in-progress	9,885	382,434	213,922	178,397
Total nondepreciable capital assets	<u>366,761</u>	<u>407,434</u>	<u>213,922</u>	<u>560,273</u>
Depreciable assets: (as restated)				
Infrastructure	1,792,420	163,877	-	1,956,297
Buildings	708,602	-	-	708,602
Machinery and equipment	538,172	25,105	-	563,277
Vehicles	334,059	-	-	334,059
Total depreciable capital assets	<u>3,373,253</u>	<u>188,982</u>	<u>-</u>	<u>3,562,235</u>
Total capital assets	<u>3,740,014</u>	<u>596,416</u>	<u>213,922</u>	<u>4,122,508</u>
Accumulated depreciation: (as restated)				
Infrastructure	653,019	45,610	-	698,629
Buildings	256,573	16,477	-	273,050
Machinery and equipment	312,249	35,701	-	347,950
Vehicles	223,126	38,134	-	261,260
Total accumulated depreciation	<u>1,444,967</u>	<u>135,922</u>	<u>Nil</u>	<u>1,580,889</u>
Governmental activities capital assets, net	<u>\$ 2,295,047</u>	<u>\$ 460,494</u>	<u>\$ 213,922</u>	<u>\$ 2,541,619</u>
<b>Governmental activities depreciation expense:</b>				
General city government		\$ 9,950		
Public safety		45,323		
Public works		80,563		
Other		86		
Total governmental activities depreciation expense		<u>\$ 135,922</u>		

Note 3. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2022</u>
<b>Business-Type Activities:</b>				
Nondepreciable capital assets:				
Land	\$ 21,632	\$ -	\$ -	\$ 21,632
Construction-in-progress	-	5,084	-	5,084
Total nondepreciable capital assets	<u>21,632</u>	<u>5,084</u>	<u>Nil</u>	<u>26,716</u>
Depreciable capital assets:				
Infrastructure	1,558,210	-	-	1,558,210
Buildings and plant	82,771	-	-	82,771
Machinery and equipment	149,217	50,046	-	199,263
Vehicles	366,526	-	-	366,526
Total depreciable capital assets	<u>2,156,724</u>	<u>50,046</u>	<u>-</u>	<u>2,206,770</u>
Total capital assets	<u>2,178,356</u>	<u>55,130</u>	<u>Nil</u>	<u>2,233,486</u>
Accumulated depreciation:				
Infrastructure	802,208	40,773	-	842,981
Buildings	14,793	2,197	-	16,990
Machinery and equipment	110,180	7,972	-	118,152
Vehicles	132,597	16,065	-	148,662
Total accumulated depreciation	<u>1,059,778</u>	<u>67,007</u>	<u>Nil</u>	<u>1,126,785</u>
Business-type capital assets, net	<u>\$ 1,118,578</u>	<u>\$ (11,877)</u>	<u>\$ Nil</u>	<u>\$ 1,106,701</u>
<b>Business-type activities depreciation expense:</b>				
Water		\$ 50,368		
Sanitation		<u>16,639</u>		
Total business-type activities depreciation expense		<u>\$ 67,007</u>		

E. Interfund Balances and Transfers

A summary of interfund receivables/payables at June 30, 2022, is as follows:

Due from:	<u>Due to:</u>
Governmental Funds:	<u>Special Revenue</u>
General Fund	<u>TSPLOST Fund</u>
Total	\$ 2,615
	<u>\$ 2,615</u>

Amounts due from the SPLOST Fund to the TSPLOST Fund represents amounts reimbursed for water/sewer improvements.

Note 3. Detailed Notes on All Funds (continued)

E. Interfund Balances and Transfers (continued)

A summary of interfund transfers during the year ended June 30, 2022, 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	\$ -	\$ 162,647	\$ 162,647
Total governmental funds	Nil	162,647	162,647
Proprietary funds:			
Sanitation Fund	59,162	-	59,162
Total proprietary funds	59,162	Nil	59,162
Total	<u>\$ 59,162</u>	<u>\$ 162,647</u>	<u>\$ 221,809</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. Amounts transferred to the Cemetery Fund from the General Fund represent insurance amounts allocated to the Cemetery Fund which were 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, 2022:

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	\$ 213,523
Total	<u>\$ 213,523</u>

The agreement was formerly considered a capital lease for accounting purposes and, therefore, have 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	28,114
Total	<u>\$ 212,864</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, 2022, were as follows:

	<u>Business-Type Activities</u>
2023	\$ 38,934
2024	38,934
2025	38,934
2026	38,934
2027	38,934
2028 - 2032	<u>38,933</u>
Total minimum payments	233,603
Less: amount representing interest	<u>20,080</u>
Total	<u>\$ 213,523</u>

*2. Changes in Long-Term Debt*

Transactions for the year ended June 30, 2022 are summarized as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 3,813	\$ 52	\$ -	\$ 3,865	\$ 773
Total governmental activities	<u>3,813</u>	<u>52</u>	<u>Nil</u>	<u>3,865</u>	<u>773</u>
Business-Type Activities:					
Financed purchase obligation	245,987	-	32,464	213,523	33,318
Compensated absences	763	651	-	1,414	283
Total business-type activities	<u>246,750</u>	<u>651</u>	<u>32,464</u>	<u>214,937</u>	<u>33,601</u>
Total	<u>\$ 250,563</u>	<u>\$ 703</u>	<u>\$ 32,464</u>	<u>\$ 218,802</u>	<u>\$ 34,374</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, 2022, the date of the most recent actuarial valuation, there were 18 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	4
Terminated vested participants not yet receiving benefits	4
Active employees - vested	3
Active employees - nonvested	<u>7</u>
Total	<u><u>18</u></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 2022, the actuarially determined contribution rate was 1.01% of covered payroll. For 2022, the City's contribution to the plan was \$3,616.

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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2021.

Note 3. Detailed Notes on All Funds (continued)

G. Pension Plan (continued)

**Actuarial Assumptions.** The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %
Salary increases	3.00 %
Investment rate of return	7.38 %

Mortality rates for the January 1, 2022 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, 2022 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, 2021 are summarized in the table below:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45 %	6.55 %
International equity	20 %	7.30 %
Domestic fixed income	20 %	0.40 %
Real Estate	10 %	3.65 %
Global fixed income	5 %	0.50 %
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, 2020	\$ 308,529	\$ 392,426	\$ (83,897)
Changes for the year:			
Service cost	8,141	-	8,141
Interest	22,796	-	22,796
Differences between expected and actual experience	(2,836)	-	(2,836)
Contributions - employer	-	20,053	(20,053)
Contributions - employee	-	-	-
Net investment income	-	95,712	(95,712)
Benefit payments, including refunds of employee contributions	(15,132)	(15,132)	-
Administrative expense	-	(3,393)	3,393
Net changes	12,969	97,240	(84,271)
Balances at September 30, 2021	\$ 321,498	\$ 489,666	\$ (168,168)

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, 2021.

**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	\$ (119,574)	\$ (168,168)	\$ (207,493)

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, 2022, the City recognized pension expense of \$(27,004). At June 30, 2022, 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	\$ 9,512	\$ (34,151)
Changes in assumptions	555	(2,514)
Net difference between projected and actual earnings on pension plan investments	6,318	(60,049)
City contributions subsequent to the measurement date	<u>861</u>	<u>-</u>
Total	<u>\$ 17,246</u>	<u>\$ (96,714)</u>

City contributions subsequent to the measurement date of \$861 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, 2023. 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	
2023	\$ (31,741)
2024	(15,645)
2025	(19,033)
2026	<u>(13,910)</u>
Total	<u>\$ (80,329)</u>

H. Equity

Net position on the government-wide statement of assets as of June 30, 2022, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cost of capital assets	\$ 4,122,508	\$ 2,233,486	\$ 6,355,994
Accumulated depreciation	<u>1,580,889</u>	<u>1,126,785</u>	<u>2,707,674</u>
Book value	2,541,619	1,106,701	3,648,320
Less capital related debt	<u>-</u>	<u>213,523</u>	<u>213,523</u>
Investment in capital assets	<u>\$ 2,541,619</u>	<u>\$ 893,178</u>	<u>\$ 3,434,797</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	\$ 712,807	\$ -	\$ 712,807
TSPLOST capital projects	Law	232,198	-	232,198
American Rescue Plan Fund	Law	340,033	-	340,033
LMIG Construction Projects	Grantor Agency	60,172	-	60,172
Total capital projects		1,345,210	-	1,345,210
Public safety	Law	30,450	-	30,450
Total restricted net position		<u>\$ 1,375,660</u>	<u>\$ -</u>	<u>\$ 1,375,660</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, 2022. No provisions have been made in the financial statements for the year ended June 30, 2022 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**

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

**C. Commitments**

The City is involved in a continuing plan for various facility improvements. As of June 30, 2022, the City had the following commitments with respect to unfinished capital projects:

	<u>Total Project Cost</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Street improvements	\$ 358,000	\$ 191,400	November, 2022
Sidewalk improvements	600,000	600,000	December, 2024
Sewer extension	4,062,000	4,062,000	July, 2024
Water improvements	825,000	825,000	March, 2024
Total	<u>\$ 5,845,000</u>	<u>\$ 5,678,400</u>	

It is anticipated that funding for the street improvements will be provided through the City's TSPLOST funds and a private contribution.

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 full funding for the sewer extension will be provided through a Septic to Sewerage Grant, as well as a loan through the Georgia Environmental Finance Authority Clean Water State Revolving Loan Fund.

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.

**D. Restatement of Prior Year Data**

During the year ended June 30, 2022, the City corrected an error in interfund payables in the prior year. The prior year data has been restated to enhance comparability.

The effect of the restatement on the government-wide financial statements is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Internal Balances	\$ Nil	\$ Nil

The effect of the restatement on the fund financial statements is as follows:

	<u>General Fund</u>	<u>T SPLOST Fund</u>
Interfund receivables	\$ 7,378	\$ -
Interfund payables	\$ -	\$ (7,378)
Fund Balances	\$ (2,449)	\$ 2,449
Expenditures: Public Works	\$ (4,929)	\$ 4,929

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>								
Service cost	\$ 8,141	\$ 16,383	\$ 16,327	\$ 18,485	\$ 18,660	\$ 11,733	\$ 2,277	\$ 6,179
Interest on total pension liability	22,796	22,931	20,605	20,806	25,208	22,766	21,468	26,026
Difference between expected and actual experience	(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)	(16,397)	(20,191)	(20,192)	(26,086)	(23,262)	(23,263)	(22,154)
Other	-	-	-	-	-	-	-	(1,210)
Net change in total pension liability	12,969	5,788	34,234	(523)	(69,280)	32,930	16,739	(58,258)
Total pension liability - beginning	308,529	302,741	268,507	269,030	338,310	305,380	288,641	346,899
Total pension liability - ending (a)	\$ 321,498	\$ 308,529	\$ 302,741	\$ 268,507	\$ 269,030	\$ 338,310	\$ 305,380	\$ 288,641
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 20,053	\$ 18,508	\$ 18,318	\$ 18,323	\$ 13,447	\$ 6,226	\$ 13,182	\$ 22,507
Net investment income	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)	(16,397)	(20,191)	(20,192)	(26,086)	(23,262)	(23,263)	(22,154)
Administrative expenses	(3,393)	(3,322)	(3,254)	(3,629)	(3,830)	(1,884)	(1,996)	(1,641)
Net change in plan fiduciary net position	97,240	33,688	5,387	26,721	27,159	12,198	(8,322)	29,087
Plan fiduciary net position - beginning	392,426	358,738	353,351	326,630	299,471	287,273	295,595	266,508
Plan fiduciary net position - ending (b)	\$ 489,666	\$ 392,426	\$ 358,738	\$ 353,351	\$ 326,630	\$ 299,471	\$ 287,273	\$ 295,595
City's net pension liability - ending (a)-(b)	\$ (168,168)	\$ (83,897)	\$ (55,997)	\$ (84,844)	\$ (57,600)	\$ 38,839	\$ 18,107	\$ (6,954)
Plan fiduciary net position as a percentage of the total pension liability	152.31 %	127.19 %	118.50 %	131.60 %	121.41 %	88.52 %	94.07 %	102.41 %
Covered-employee payroll	\$ 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	(47.70)%	(33.64)%	(14.38)%	(25.78)%	(17.12)%	9.63 %	6.34 %	(3.94)%

Notes to the schedule:

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

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

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

1 2022 information will be determined after fiscal year end and will be included in the 2022 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 2021 covered payroll is based on data collected as of September 30, 2020 for the 2021 actuarial valuation.

**Notes to Schedule of Contributions:**

Valuation Date: The actuarially determined contribution rate was determined as of January 1, 2022, 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, 2023.

*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 OASDI Trustees Report used for the intermediate alternative.
  - Healthy retirees and beneficiaries: Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
  - Disabled participants: Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
  - Active participants, terminated vested participants, and deferred beneficiaries: Sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
  - Plan termination basis (all lives): 1994 Group Annuity Reserving Unisex Table.

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.

**INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



**CITY OF BROOKLET, GEORGIA**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual*  
*For the Year Ended June 30, 2022*  
*With Comparative Totals for the Year Ended June 30, 2021*

	2022				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>REVENUES</b>					
Taxes:					
Property taxes	\$ 348,800	\$ 369,050	\$ 369,753	\$ 703	\$ 342,655
Motor vehicle taxes	52,500	77,496	75,080	(2,416)	73,655
Mobile home taxes	1,650	2,607	2,619	12	2,013
Franchise taxes	92,300	98,107	98,112	5	92,244
Alcoholic beverage taxes	24,000	27,975	28,327	352	28,239
Business and occupation taxes	10,000	16,530	16,530	-	13,238
Insurance premium taxes	110,000	114,790	114,790	-	111,151
Financial institution taxes	13,500	15,222	15,222	-	13,553
Other taxes	9,000	12,693	14,061	1,368	10,046
Licenses and permits	11,400	18,935	18,885	(50)	37,423
Intergovernmental revenues	25,000	41,845	41,844	(1)	60,632
Charges for services	250	324	324	-	9,842
Fees, fines and forfeitures	97,495	88,150	88,150	-	56,653
Investment income	600	493	574	81	827
Other revenues	13,650	167,818	160,925	(6,893)	19,744
<b>Total revenues</b>	<b>810,145</b>	<b>1,052,035</b>	<b>1,045,196</b>	<b>(6,839)</b>	<b>871,915</b>
<b>EXPENDITURES</b>					
Current operations:					
General city government					
Legislative	11,500	11,500	12,600	(1,100)	13,650
Administration	220,370	220,500	221,490	(990)	204,474
Judicial					
Municipal court	7,000	7,000	4,250	2,750	7,275
Public safety					
Police	398,050	463,000	432,464	30,536	395,146
Public works					
Street	151,925	255,000	186,245	68,755	180,251
Cemetery	10,550	10,500	9,773	727	10,614
Community services					
Community center	10,750	10,750	9,331	1,419	7,532
<b>Total expenditures</b>	<b>810,145</b>	<b>978,250</b>	<b>876,153</b>	<b>102,097</b>	<b>818,942</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	Nil	73,785	169,043	95,258	52,973

(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, 2022*  
*With Comparative Totals for the Year Ended June 30, 2021*

	2022				2021 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	\$ -	\$ 5,803	\$ 5,804	\$ 1	\$ 25,641
Transfers in	-	29,000	59,162	30,162	-
Transfers out	-	(108,588)	(162,647)	(54,059)	(116,153)
<b>NET CHANGE IN FUND BALANCES</b>	Nil	Nil	71,362	71,362	(37,539)
<b>FUND BALANCES, beginning of year</b>	228,969	228,969	228,969	Nil	266,508
<b>FUND BALANCES, end of year</b>	<u>\$ 228,969</u>	<u>\$ 228,969</u>	<u>\$ 300,331</u>	<u>\$ 71,362</u>	<u>\$ 228,969</u>

**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, 2022**  
**With Comparative Totals for the Year Ended June 30, 2021**

	<u>2022</u>			<u>2021 Actual</u>
	<u>Budget (Original and Final)</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	
<b>REVENUES</b>				
American Rescue Plan Fund	\$ -	\$ 338,894	\$ 338,894	\$ -
Investment income	-	1,139	1,139	-
Total revenues	Nil	340,033	340,033	Nil
<b>EXPENDITURES</b>				
Capital:				
Public works	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	Nil	340,033	340,033	Nil
<b>FUND BALANCES, beginning of year</b>	Nil	Nil	Nil	Nil
<b>FUND BALANCES, end of year</b>	<u>\$ Nil</u>	<u>\$ 340,033</u>	<u>\$ 340,033</u>	<u>\$ Nil</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, 2022*  
*With Comparative Totals for the Year Ended June 30, 2021*

	<u>2022</u>			<u>2021</u> <u>Actual</u>
	<u>Budget</u> <u>(Original and</u> <u>Final)</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>	
<b>REVENUES</b>				
Investment income	\$ -	\$ 153	\$ 153	\$ 120
Total revenues	Nil	153	153	120
<b>EXPENDITURES</b>				
Capital:				
Public safety	-	-	-	38,676
Public works	-	54,892	(54,892)	58,817
Total expenditures	Nil	54,892	(54,892)	97,493
<b>NET CHANGE IN FUND BALANCES</b>	Nil	(54,739)	(54,739)	(97,373)
<b>FUND BALANCES, beginning of year</b>	286,937	286,937	Nil	384,310
<b>FUND BALANCES, end of year</b>	<u>\$ 286,937</u>	<u>\$ 232,198</u>	<u>\$ (54,739)</u>	<u>\$ 286,937</u>

**CITY OF BROOKLET, GEORGIA**  
**TSPLOST Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual*  
*For the Year Ended June 30, 2022*  
*With Comparative Totals for the Year Ended June 30, 2021*

	<u>2022</u>			<u>2021</u> <u>Actual</u>
	<u>Budget</u> <u>(Original and</u> <u>Final)</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>	
<b>REVENUES</b>				
Investment income	\$ -	\$ 1,891	\$ 1,891	\$ 4,283
Total revenues	Nil	1,891	1,891	4,283
<b>EXPENDITURES</b>				
Capital:				
Public works	-	329,083	(329,083)	210,604
Total expenditures	Nil	329,083	(329,083)	210,604
<b>NET CHANGE IN FUND BALANCES</b>	Nil	(327,192)	(327,192)	(206,321)
<b>FUND BALANCES, beginning of year</b>	1,039,999	1,039,999	Nil	1,246,320
<b>FUND BALANCES, end of year</b>	<u>\$ 1,039,999</u>	<u>\$ 712,807</u>	<u>\$ (327,192)</u>	<u>\$ 1,039,999</u>

**CITY OF BROOKLET, GEORGIA**  
**Water Fund**  
*Comparative Statement of Revenues, Expenses and Changes in Fund Net Position*  
*For the Years Ended June 30, 2022 and 2021*

	2022	2021
<b>OPERATING REVENUES</b>		
Customer charges	\$ 327,101	\$ 307,545
Installation charges	400	800
Tap fees	11,000	37,900
Penalties	21,560	25,930
Miscellaneous	31	36
Total operating revenues	360,092	372,211
<b>OPERATING EXPENSES</b>		
Salaries	54,558	73,900
Employee benefits	12,596	15,481
Contractual services	15,741	19,835
Repairs, maintenance and other contractual services	74,743	70,238
Communications	928	604
Liability and property insurance	4,110	3,739
Supplies and materials	52,468	41,957
Utilities	18,221	20,949
Vehicle gasoline	3,426	1,319
Depreciation	50,368	46,062
Other expenses	11,625	12,714
Total operating expenses	298,784	306,798
<b>OPERATING INCOME</b>	61,308	65,413
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest earned on investments	564	622
Gain (loss) on sale of assets	-	11,864
Total nonoperating revenues (expenses)	564	12,486
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	61,872	77,899
Contributed capital	50,046	56,075
Transfers in	162,647	96,002
<b>CHANGE IN NET POSITION</b>	274,565	229,976
<b>NET POSITION, beginning of year</b>	1,319,125	1,089,149
<b>NET POSITION, end of year</b>	\$ 1,593,690	\$ 1,319,125

**CITY OF BROOKLET, GEORGIA**  
*Water Fund*  
**Comparative Statement of Cash Flows**  
**For the Years Ended June 30, 2022 and 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 357,466	\$ 367,782
Cash paid for goods and services	(173,653)	(190,318)
Cash paid to employees for services	(54,273)	(74,406)
Customer deposits received (refunded)	6,960	7,225
Net cash provided by operating activities	136,500	110,283
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Net borrowings from other funds	(14,835)	14,835
Net transfers in (out)	162,647	96,002
Net cash provided by noncapital financing activities	147,812	110,837
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property and equipment	(29,614)	(61,057)
Proceeds from sale of property and equipment	-	11,864
Net cash used by capital and related financing activities	(29,614)	(49,193)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Dividends and interest earned	574	637
Net cash provided by investing activities	574	637
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	255,272	172,564
<b>CASH AND EQUIVALENTS, beginning of year</b>	491,068	318,504
<b>CASH AND EQUIVALENTS, end of year</b>	\$ 746,340	\$ 491,068

(Continued)

**CITY OF BROOKLET, GEORGIA**  
**Water Fund**  
**Comparative Statement of Cash Flows**  
**For the Years Ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<i>Reconciliation of net income to net cash provided by operating activities:</i>		
<b>OPERATING INCOME</b>	<u>\$ 61,308</u>	<u>\$ 65,413</u>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Provision for losses on receivable	2,516	2,540
Depreciation	74,899	46,062
Decrease (increase) in operating assets:		
Accounts receivable	(2,625)	(4,430)
Pension related deferred outflows of resources	5,133	1,650
Increase (decrease) in operating liabilities:		
Accounts payable	(5,924)	(3,775)
Accrued salaries	408	(505)
Accrued leave benefits	(124)	-
Deposits for services	6,960	7,225
Net pension liability (benefit)	(5,663)	(1,788)
Pension related deferred inflows of resources	(388)	(2,109)
	<u>75,192</u>	<u>44,870</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 136,500</u></u>	<u><u>\$ 110,283</u></u>

**Supplemental Disclosure of Cash Flow Information**

**Noncash investing and financing activities:**

Contribution of property and equipment through SPLOST funds	\$ Nil	\$ 56,075
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**CITY OF BROOKLET, GEORGIA**  
**Sanitation Fund**  
*Comparative Statement of Revenues, Expenses and Changes in Fund Net Position*  
*For the Years Ended June 30, 2022 and 2021*

	2022	2021
<b>OPERATING REVENUES</b>		
Customer charges	\$ 153,055	\$ 139,118
Total operating revenues	153,055	139,118
<b>OPERATING EXPENSES</b>		
Salaries	38,898	6,787
Employee benefits	(4,814)	9,711
Contractual services	-	48,545
Repairs, maintenance and other contractual services	3,888	993
Liability and property insurance	5,056	4,536
Landfill fees	27,114	12,321
Supplies and materials	-	43,993
Vehicle gasoline	2,913	1,209
Depreciation	16,639	12,622
Other expenses	1,703	1,201
Total operating expenses	91,397	141,918
<b>OPERATING INCOME (LOSS)</b>	61,658	(2,800)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest earned on investments	25	25
Interest expense	(5,655)	(6,168)
Total nonoperating revenues (expenses)	(5,630)	(6,143)
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	56,028	(8,943)
Transfers in	-	20,151
Transfers out	(59,162)	-
<b>CHANGE IN NET POSITION</b>	(3,134)	11,208
<b>NET POSITION, beginning of year</b>	51,556	40,348
<b>NET POSITION, end of year</b>	\$ 48,422	\$ 51,556

**CITY OF BROOKLET, GEORGIA**  
**Sanitation Fund**  
**Comparative Statement of Cash Flows**  
**For the Years Ended June 30, 2022 and 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 150,818	\$ 138,659
Cash paid for goods and services	(48,104)	(123,428)
Cash paid to employees for services	(37,984)	(7,075)
Customer deposits received (refunded)	5,050	3,700
	69,780	11,856
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Net transfers in (out)	(59,162)	20,151
	(59,162)	20,151
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property and equipment	-	(240,978)
Proceeds from issuance of long-term debt	-	245,987
Financed purchase obligation principal payments	(32,464)	-
Interest and fiscal charges paid	(6,469)	-
	(38,933)	5,009
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends and interest earned	25	25
	25	25
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(28,290)	37,041
<b>CASH AND EQUIVALENTS, beginning of year</b>	55,048	18,007
<b>CASH AND EQUIVALENTS, end of year</b>	\$ 26,758	\$ 55,048
<i>Reconciliation of net income (loss) to net cash provided by operating activities:</i>		
<b>OPERATING INCOME (LOSS)</b>	\$ 61,658	\$ (2,800)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Provision for losses on receivable	1,254	495
Depreciation	16,639	12,622
Decrease (increase) in operating assets:		
Accounts receivable	(2,237)	(460)
Pension related deferred outflows of resources	(1,903)	2,530
Increase (decrease) in operating liabilities:		
Accounts payable	(3,714)	(3,370)
Accrued salaries	139	148
Accrued leave benefits	775	(436)
Deposits for services	5,050	3,700
Net pension liability (benefit)	(18,549)	3,287
Pension related deferred inflows of resources	10,668	(3,860)
	8,122	14,656
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 69,780	\$ 11,856

**OTHER REPORTS**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Brooklet, Georgia as of and for the year ended June 30, 2022, 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 22, 2023.

**Internal Control over Financial Reporting**

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2022-001 that we consider to be a material weakness.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Brooklet, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed 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 2022-2 and Finding 2022-3.

## City of Brooklet, Georgia's Response to Findings

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

## Purpose of this Report

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

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

Statesboro, Georgia  
February 22, 2023

**CITY OF BROOKLET, GEORGIA**  
*Schedule of Findings and Questioned Costs*  
 June 30, 2022

**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 2022 - 001:***

**Criteria:** A critical element of the City's internal controls over utility revenues and receivables is the adequate documentation of adjustments to customer accounts.

**Condition:** During our audit, we noted that formal documentation was not immediately available for all accounts tested. In addition, we noted several instances in which reconnect fees were adjusted using other adjustment codes, such as the code for residential water services.

**Context:** Of the ten items selected for testing, inadequate documentation existed for four items. While the documentation was provided after our initial inquiry, we recommend that such documentation be formalized and attached to an adjustment worksheet at the time the account is adjusted.

**Cause:** It appears that the inadequate documents was due to a lack of understanding of the importance of this element.

**Effect:** Because the City has a small staff, and therefore little segregation of duties, failure to adequately document and approve utility adjustments puts the City at risk that accounts may be inappropriately adjusted to cover misappropriation of revenues.

**Recommendation:** We recommend that the City implement use of a standardized adjustment form for all account adjustments, with all relevant documentation for the adjustment attached or recorded on this worksheet. We also recommend that the council member who supervises the administrative office periodically review and approve such adjustments. We also recommend that the correct adjustment codes be utilized for such items as returned check fees and reconnect fees in order to correctly capture these items for management review.

**Comments:** Management concurs with the finding of the auditor. A standardized adjustment form will be developed and used for all utility adjustments. These adjustments will be maintained in a notebook and periodically reviewed and approved by personnel other than the utility clerk who made the adjustment.

Schedule of Findings and Questioned Costs (continued)

**Finding 2022 - 002:**

**Criteria:** Georgia law requires that TSPLOST funds be expended for transportation specific capital projects.

**Condition:** During the year ended June 30, 2022, we noted TSPLOST funds were used to reimburse street and road projects which were originally paid from the General Fund.

**Context:** The amount reimbursed to the General Fund totaled 60,172.15, while the related invoices to be reimbursed totaled \$57,577.11, causing an overpayment of \$2,615.04 from TSPLOST funds.

**Cause:** It appears that the error in reimbursement was based on an incorrect understanding of which year's LMIG grant expenditures were paid from the General Fund, with the reimbursement being made based on the LMIG grants received rather than the actual eligible expenditures.

**Effect:** The noted expenditures were a violation of Georgia law regarding the allowable use of TSPLOST funds.

**Recommendation:** While the overpayment has subsequently been repaid, we recommend that all future funds be reviewed for compliance prior to paying items from restricted purpose funds such as TSPLOST. Further, we recommend that the City maintain a separate bank account for its LMIG funds. While this is not required by Georgia law, it would be prudent to set aside those funds to avoid confusion over expenditure of LMIG funds versus TSPLOST funds.

**Comments:** Management concurs with the findings of the auditors. The importance of reviewing invoices paid from funds such as TSPLOST and LMIG for appropriateness and eligibility have been reviewed with personnel responsible for preparing such disbursements. Such disbursements will also be reviewed by management responsible for signing checks.

**Finding 2022 - 003:**

**Criteria:** State law requires municipalities to annually adopt a balanced budget for the General Fund, special revenue funds and debt service funds. Once adopted, these budgets act as legal spending authorizations or appropriation limits. In addition, the City did not adopt a budget for the American Rescue Plan Fund, which is a special revenue fund as specifically required by the GA Uniform Chart of Accounts in accordance with Section 603(c) of the ARP Act and guidance from the Department of the Treasury.

**Condition:** During the year ended June 30, 2022, two departments within the General Fund exceeded appropriations.

**Context:** Total expenditures for the legislative department exceeded the budget by \$1,100, while total expenditures for the administrative department exceeded the budget by \$990.

**Cause:** It appears that management did not adequately project amounts to be accrued at year end when the City adopted its amended budget.

**Effect:** The failure to include all amounts to be accrued caused the City to exceed its approved appropriations.

**Recommendation:** We recommend that in future years the City consider outstanding amounts to be accrued or paid in adopting a budget and/or budget amendment. We also recommend that the City adopt a budget for the American Rescue Plan Fund as required by law.

**Comments:** Management concurs with the findings of the auditors. The importance of reviewing outstanding bills in the process of amending the budget has been reviewed with management. In adopting future budgets or budget amendments, management will review outstanding purchases to more accurately reflect amounts previously committed.

**CITY OF BROOKLET, GEORGIA**  
*Schedule of SPLOST Expenditures*  
*For the Year Ended June 30, 2022*

<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>
<b>2019 SPLOST</b>					
Recreational facilities and equipment	\$ 290,000	\$ 290,482	\$ 19,970	\$ Nil	\$ 19,970
Public safety facilities and equipment	172,000	172,287	185,401	4,847	190,248
Water capital projects	<u>254,000</u>	<u>254,421</u>	<u>224,730</u>	<u>50,045</u>	<u>274,775</u>
Total	<u>\$ 716,000</u>	<u>\$ 717,190</u>	<u>\$ 430,101</u>	<u>\$ 54,892</u>	<u>\$ 484,993</u>



**CITY OF BROOKLET, GEORGIA**  
*Schedule of Transportation SPLOST Expenditures*  
*For the Year Ended June 30, 2022*

Project	Original Estimated Cost	Estimated Cost	Prior Years (As Restated)	Current Year	Total
<b>Project</b>					
Roads, streets and bridges	\$ 1,920,000	\$ 1,518,247	\$ 306,701	\$ 282,801	\$ 589,502
Equipment for street construction and maintenance		200,000	195,676	23,782	219,458
Drainage improvements	-	35,000	31,631	22,500	54,131
Other street improvements	-	Nil	8,500	Nil	8,500
Total	<u>\$ 1,920,000</u>	<u>\$ 1,753,247</u>	<u>\$ 542,508</u>	<u>\$ 329,083</u>	<u>\$ 871,591</u>