

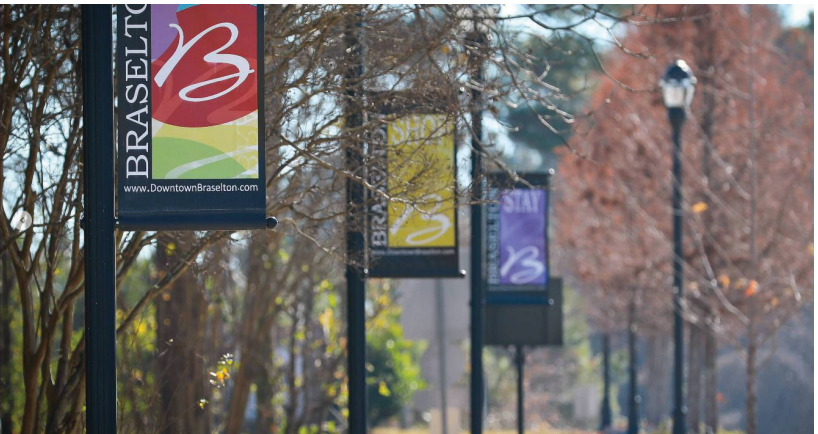
TOWN OF BRASELTON, GEORGIA

IT'S BETTER IN BRASELTON

TOWN OF BRASELTON

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



TOWN OF BRASELTON, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

TOWN OF BRASELTON, GEORGIA

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MCNAIR MCLEMORE MIDDLEBROOKS & CO
CERTIFIED PUBLIC ACCOUNTANTS

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April 14, 2026

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the **Town of Braselton, Georgia** (the "Town") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Hotel / Motel Fund – Major Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, the Town restated its prior year governmental activities, business-type activities, General Fund, and Water and Sewer Fund net position / fund balance for the correction of errors. Our opinions are not modified with respect to those matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *GAS*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the Town's net pension liability and related ratios on page 46, schedule of the Town contributions on page 47, and the notes to the required supplementary information on page 48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor fund financial statements, budgetary comparison schedule, schedule of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation special sales tax proceeds, the Downtown Development Authority statements, the Public Facilities Authority statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, budgetary comparison schedule, schedule of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation special sales tax proceeds, the Downtown Development Authority statements, the Public Facilities Authority statements, and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedule, schedule of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation special sales tax proceeds, the Downtown Development Authority statements, the Public Facilities Authority statements, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

FINANCIAL STATEMENTS

TOWN OF BRASELTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority	Public Facilities Authority
Assets					
Cash and Cash Equivalents	$ 16,218,556	$ 17,298,676	$ 33,517,232	$ 265,680	$ 25,000
Restricted Investments	3,168,367	4,073,378	7,241,745	-	-
Receivables, Net of Allowance					
Taxes	214,661	-	214,661	-	-
Accounts	306,639	2,997,527	3,304,166	-	-
Leases Receivable	160,144	-	160,144	37,125	1,085,508
Due From Other Governments	2,314,062	-	2,314,062	-	-
Internal Balances	(10,836,741)	10,836,741	-	-	-
Prepaids	301,915	156,959	458,874	261	1,587
Capital Assets					
Nondepreciable	32,313,142	22,315,772	54,628,914	-	-
Depreciable, Net	33,681,979	94,097,377	127,779,356	366,731	1,096,417
Total Assets	77,842,724	151,776,430	229,619,154	669,797	2,208,512
Deferred Outflows of Resources					
Pensions	484,315	284,439	768,754	-	-
Deferred Charges on Refunding	-	587,856	587,856	-	-
Total Deferred Outflows of Resources	484,315	872,295	1,356,610	-	-

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025
(CONTINUED)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority	Public Facilities Authority
Liabilities					
Accounts Payable	$ 2,161,860	$ 1,276,669	$ 3,438,529	$ 1,670	$ -
Accrued Liabilities	48,139	16,704	64,843	-	-
Retainage Payable	89,495	297,278	386,773	-	-
Accrued Interest	-	175,736	175,736	-	-
Customer Deposits Payable	-	1,004,202	1,004,202	-	-
Unearned Revenue	272,305	-	272,305	5,500	-
Noncurrent Liabilities					
Due Within One Year					
Notes Payable	-	395,638	395,638	1,666	-
Bonds Payable	1,015,000	1,810,000	2,825,000	-	-
Compensated Absences	78,846	114,693	193,539	-	-
Due in More Than One Year					
Notes Payable	-	8,196,838	8,196,838	45,623	-
Bonds Payable	17,190,715	23,155,868	40,346,583	-	-
Compensated Absences	183,973	-	183,973	-	-
Net Pension Liability	2,308,120	1,355,563	3,663,683	-	-
Total Liabilities	23,348,453	37,799,189	61,147,642	54,459	-
Deferred Inflows of Resources					
Pensions	55,194	32,415	87,609	-	-
Leases	149,636	-	149,636	34,264	997,926
Total Deferred Inflows of Resources	204,830	32,415	237,245	34,264	997,926
Net Position					
Net Investment in Capital Assets	50,133,480	86,259,755	136,393,235	319,442	1,096,417
Restricted for					
Capital Outlay	15,991,937	-	15,991,937	-	-
Debt Service	-	136,136	136,136	-	-
Loan Program	398,842	-	398,842	-	-
Law Enforcement	135,297	-	135,297	-	-
Unrestricted (Deficit)	(11,885,800)	28,421,230	16,535,430	261,632	114,169
Total Net Position	$ 54,773,756	$ 114,817,121	$ 169,590,877	$ 581,074	$ 1,210,586

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	$ 2,704,023	$ 1,347,495	$ 68,927	$ 28,234
Judicial	239,974	-	-	-
Public Safety	3,505,246	553,134	32,889	-
Public Works	3,426,607	377,419	2,631,752	3,694,173
Tourism	1,518,101	56,305	-	-
Planning and Development	965,108	-	-	-
Economic and Community Development	774,725	-	-	-
Parks and Recreation	206,078	3,162	-	-
Libraries	456,407	-	-	-
Interest Expense	564,211	-	-	-
Total Governmental Activities	14,360,480	2,337,515	2,733,568	3,722,407
Business-Type Activities				
Water and Sewer	11,317,648	17,057,363	11,053	3,978,154
Stormwater Utility	439,207	816,322	-	-
Civic Center	1,161,138	401,337	-	23,856
Total Business-Type Activities	12,917,993	18,275,022	11,053	4,002,010
Total Primary Government	$ 27,278,473	$ 20,612,537	$ 2,744,621	$ 7,724,417
Component Unit				
Downtown Development Authority	$ 106,523	$ 23,015	$ 301,557	$ -
Public Facilities Authority	87,996	110,881	-	1,115,000
Total Component Unit	$ 194,519	$ 133,896	$ 301,557	$ 1,115,000
		General Revenues		
		Sales Tax		
		Franchise Tax		
		Insurance Premium Tax		
		Hotel / Motel Occupancy Tax		
		Other Tax		
		Investment Earnings		
		Miscellaneous		
		Total General Revenues		
		Transfers		
		Total General Revenues and Transfers		
		Change in Net Position		
		Net Position - June 30, 2024 as Previously Presented		
		Correction of an Error		
		Net Position - June 30, 2024 as Restated		
		Net Position - End of Year		

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Downtown Development Authority	Public Facilities Authority	
$ (1,259,367)	$ -	$ (1,259,367)	$ -	$ -	
(239,974)	-	(239,974)	-	-	
(2,919,223)	-	(2,919,223)	-	-	
3,276,737	-	3,276,737	-	-	
(1,461,796)	-	(1,461,796)	-	-	
(965,108)	-	(965,108)	-	-	
(774,725)	-	(774,725)	-	-	
(202,916)	-	(202,916)	-	-	
(456,407)	-	(456,407)	-	-	
(564,211)	-	(564,211)	-	-	
(5,566,990)	-	(5,566,990)	-	-	
-	9,728,922	9,728,922	-	-	
-	377,115	377,115	-	-	
-	(735,945)	(735,945)	-	-	
-	9,370,092	9,370,092	-	-	
(5,566,990)	9,370,092	3,803,102	-	-	
			218,049	-	
			-	1,137,885	
			218,049	1,137,885	
3,587,302	-	3,587,302	-	-	
1,355,842	-	1,355,842	-	-	
1,304,607	-	1,304,607	-	-	
2,767,087	-	2,767,087	-	-	
1,043,767	-	1,043,767	-	-	
151,129	237,731	388,860	1,766	72,701	
358,366	692,221	1,050,587	2,170	-	
10,568,100	929,952	11,498,052	3,936	72,701	
(510,464)	510,464	-	-	-	
10,057,636	1,440,416	11,498,052	-	-	
4,490,646	10,810,508	15,301,154	221,985	1,210,586	
53,987,022	100,876,546	154,863,568	359,089	-	
(3,703,912)	3,130,067	(573,845)	-	-	
50,283,110	104,006,613	154,289,723	359,089	-	
$ 54,773,756	$ 114,817,121	$ 169,590,877	$ 581,074	$ 1,210,586	

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

TOWN OF BRASELTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Hotel/Motel Fund	SPLOST Fund	URA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 3,518,213	$ 86,272	$12,303,696	$ 126,729	$ 183,646	$ 16,218,556
Restricted Investments	-	-	-	3,168,367	-	3,168,367
Receivables, Net of Allowance						
Taxes	-	214,661	-	-	-	214,661
Accounts	306,639	-	-	-	-	306,639
Leases Receivable	-	-	-	160,144	-	160,144
Due from Other Governments	1,854,164	-	408,342	-	51,556	2,314,062
Due from Other Funds	2,400	-	-	-	-	2,400
Prepaids	154,125	141,731	-	6,059	-	301,915
Total Assets	$ 5,835,541	$ 442,664	$12,712,038	$ 3,461,299	$ 235,202	$ 22,686,744
Liabilities						
Accounts Payable	$ 1,971,300	$ 34,256	$ 151,875	$ 4,429	$ -	$ 2,161,860
Accrued Liabilities	48,139	-	-	-	-	48,139
Retainage Payable	-	-	73,121	-	16,374	89,495
Unearned Revenues	266,432	3,673	-	2,200	-	272,305
Advance from Other Funds	5,489,764	750,000	-	-	-	6,239,764
Due to Other Funds	3,101,977	1,495,000	-	2,400	-	4,599,377
Total Liabilities	10,877,612	2,282,929	224,996	9,029	16,374	13,410,940
Deferred Inflows of Resources						
Leases	-	-	-	149,636	-	149,636
Total Deferred Inflows of Resources	-	-	-	149,636	-	149,636
Fund Balances						
Nonspendable	154,125	141,731	-	16,567	-	312,423
Restricted	534,139	-	12,487,042	3,286,067	218,828	16,526,076
Unassigned (Deficit)	(5,730,335)	(1,981,996)	-	-	-	(7,712,331)
Total Fund Balances (Deficit)	(5,042,071)	(1,840,265)	12,487,042	3,302,634	218,828	9,126,168
Total Liabilities, Deferred Inflows, and Fund Balances	$ 5,835,541	$ 442,664	$12,712,038	$ 3,461,299	$ 235,202	$ 22,686,744

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

TOWN OF BRASELTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds	$ 9,126,168
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the Assets	78,586,990
Accumulated Depreciation	(12,591,869)
Deferred Outflows of Resources	
Pensions	484,315
Long-Term Liabilities	
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:	
Compensated Absences	(262,819)
Net Pension Liability	(2,308,120)
Bonds Payable	(18,205,715)
Deferred Inflows of Resources	
Pensions	(55,194)
Net Position of Governmental Activities	$ 54,773,756

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Hotel/Motel Fund	SPLOST Fund	URA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 7,291,518	$ 2,767,087	$ -	$ -	$ -	$ 10,058,605
License and Permits	965,793	-	-	-	-	965,793
Intergovernmental	2,733,567	-	3,041,218	-	652,581	6,427,366
Fines and Forfeitures	553,134	-	-	-	-	553,134
Charges for Services	401,549	56,305	-	360,734	-	818,588
Investment Earnings	9,155	781	28,234	141,193	374	179,737
Other Revenues	303,218	31,135	-	-	-	334,353
Total Revenues	12,257,934	2,855,308	3,069,452	501,927	652,955	19,337,576
Expenditures						
Current						
General Government	1,320,823	-	-	15	-	1,320,838
Judicial	234,094	-	-	-	-	234,094
Public Safety	3,430,200	-	-	-	-	3,430,200
Public Works	6,400,617	-	533,286	-	163,744	7,097,647
Tourism	-	1,644,483	-	-	-	1,644,483
Planning and Development	965,108	-	-	-	-	965,108
Economic and Community Development	892,754	-	-	601,606	-	1,494,360
Parks and Recreation	5,211	-	-	-	-	5,211
Libraries	461,884	-	-	-	-	461,884
Capital Outlay	-	880,281	447,116	-	-	1,327,397
Debt Service						
Principal	-	-	-	919,657	-	919,657
Interest	-	-	-	668,419	-	668,419
Total Expenditures	13,710,691	2,524,764	980,402	2,189,697	163,744	19,569,298
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,452,757)	330,544	2,089,050	(1,687,770)	489,211	(231,722)
Other Financing Sources (Uses)						
Transfers From Other Funds	2,800,511	375,000	-	2,500,279	-	5,675,790
Transfers To Other Funds	(3,385,743)	(2,449,389)	-	-	(351,122)	(6,186,254)
Insurance Recoveries	24,014	-	-	-	-	24,014
Total Other Financing Sources (Uses)	(561,218)	(2,074,389)	-	2,500,279	(351,122)	(486,450)
Net Change in Fund Balances	(2,013,975)	(1,743,845)	2,089,050	812,509	138,089	(718,172)
Fund Balances (Deficit), 06/30/24, as Previously Presented	(302,895)	(96,420)	10,397,992	2,490,125	80,739	12,569,541
Correction of an Error	(2,725,201)	-	-	-	-	(2,725,201)
Fund Balances (Deficit), 06/30/24, as Restated	(3,028,096)	(96,420)	10,397,992	2,490,125	80,739	9,844,340
Fund Balances (Deficit) - End of Year	$(5,042,071)	$ (1,840,265)	$ 12,487,042	$ 3,302,634	$ 218,828	$ 9,126,168

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

TOWN OF BRASELTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (718,172)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Total Capital Outlays	7,006,275
Total Depreciation	(1,470,585)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(1,232,598)
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions are not available during the current period and therefore are not reported in the funds.	
Change in Deferred Outflows of Resources Related to Pensions	117,815
Long-Term Debt	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:	
Bonds Payable	919,657
Compensated Absences	4,229
Net Pension Liability	(184,989)
Amortization on Bond Premium	106,991
Amortization on Bond Discount	(2,783)
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions are not available during the current period and therefore are not reported in the funds.	
Change in Deferred Inflows of Resources Related to Pensions	(55,194)
Change in Net Position of Governmental Activities	$ 4,490,646

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenue				
Taxes				
Sales Taxes	$ 3,543,000	$ 3,543,000	$ 3,587,302	$ 44,302
Franchise Taxes	1,452,000	1,452,000	1,355,842	(96,158)
Insurance Premium Taxes	1,225,000	1,225,000	1,304,607	79,607
Business Taxes	1,070,000	1,070,000	957,839	(112,161)
Other Taxes	19,775	19,775	85,928	66,153
Licenses and Permits	832,000	832,000	965,793	133,793
Intergovernmental	200,000	200,000	2,733,567	2,533,567
Fines and Forfeitures	750,000	750,000	553,134	(196,866)
Charges for Services	323,800	323,800	401,549	77,749
Investment Earnings	10,000	10,000	9,155	(845)
Miscellaneous	118,730	118,730	303,218	184,488
Total Revenue	9,544,305	9,544,305	12,257,934	2,713,629
Expenditures				
Current				
General Government	1,493,734	1,493,734	1,320,823	172,911
Judicial	276,000	276,000	234,094	41,906
Public Safety	3,142,681	3,430,200	3,430,200	-
Streets and Sanitation	658,165	6,400,617	6,400,617	-
Planning and Development	800,203	965,108	965,108	-
Economic and Community Development	772,955	892,754	892,754	-
Parks and Recreation	9,000	9,000	5,211	3,789
Libraries	478,700	478,700	461,884	16,816
Total Expenditures	7,631,438	13,946,113	13,710,691	235,422
Excess Revenue Over (Under) Expenditures	1,912,867	(4,401,808)	(1,452,757)	2,949,051

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Other Financing Sources (Uses)				
Transfer From Other Funds	$ 1,356,250	$ 1,356,250	$ 2,800,511	$ 1,444,261
Transfer To Other Funds	(581,250)	(581,250)	(3,385,743)	(2,804,493)
Insurance Recoveries	-	-	24,014	24,014
Total Other Financing Sources (Uses)	775,000	775,000	(561,218)	(1,336,218)
Net Change in Fund Balance	2,687,867	(3,626,808)	(2,013,975)	1,612,833
Fund Balance (Deficit), 06/30/24, as Previously Presented	(302,895)	(302,895)	(302,895)	-
Correction of an Error	-	-	(2,725,201)	(2,725,201)
Fund Balance (Deficit), 06/30/24, as Restated	(302,895)	(302,895)	(3,028,096)	(2,725,201)
Fund Balance (Deficit) - End of Year	$ 2,384,972	$ (3,929,703)	$ (5,042,071)	$ (1,112,368)

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - HOTEL / MOTEL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenue				
Hotel / Motel Occupancy Taxes	$ 3,100,000	$ 3,100,000	$ 2,767,087	$ (332,913)
Rental Income	57,500	57,500	56,305	(1,195)
Interest Income	2,000	2,000	781	(1,219)
Miscellaneous	19,400	19,400	31,135	11,735
Total Revenue	3,178,900	3,178,900	2,855,308	(323,592)
Expenditures				
Current				
Tourism	1,315,985	1,644,483	1,644,483	-
Capital Outlay	880,281	880,281	880,281	-
Total Expenditures	2,196,266	2,524,764	2,524,764	-
Excess Revenue Over (Under) Expenditures	982,634	654,136	330,544	(323,592)
Other Financing Sources (Uses)				
Transfers From Other Funds	375,000	375,000	375,000	-
Transfer To Other Funds	(1,356,250)	(1,356,250)	(2,449,389)	(1,093,139)
Total Other Financing Sources (Uses)	(981,250)	(981,250)	(2,074,389)	(1,093,139)
Net Change in Fund Balance	1,384	(327,114)	(1,743,845)	(1,416,731)
Fund Balance - Beginning of Year	(96,420)	(96,420)	(96,420)	-
Fund Balance (Deficit) - End of Year	$ (95,036)	$ (423,534)	$ (1,840,265)	$ (1,416,731)

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Water and Sewer Fund	Civic Center Fund	Nonmajor Stormwater Utility Fund	Totals
Assets				
Current Assets				
Cash and Cash Equivalents	$ 15,493,218	$ 112,231	$ 1,693,227	$ 17,298,676
Restricted Investments	4,073,378	-	-	4,073,378
Accounts Receivable, Net	2,910,101	-	87,426	2,997,527
Due from Other Funds	4,596,977	-	-	4,596,977
Prepaid Items	129,061	27,095	803	156,959
Total Current Assets	27,202,735	139,326	1,781,456	29,123,517
Noncurrent Assets				
Advance to Other Funds	6,239,764	-	-	6,239,764
Capital Assets				
Nondepreciable	22,080,995	234,777	-	22,315,772
Depreciable, Net	77,681,172	16,416,205	-	94,097,377
Total Noncurrent Assets	106,001,931	16,650,982	-	122,652,913
Total Assets	133,204,666	16,790,308	1,781,456	151,776,430
Deferred Outflows of Resources				
Pensions	238,314	30,750	15,375	284,439
Deferred Charges on Refunding	587,856	-	-	587,856
Total Deferred Outflows of Resources	826,170	30,750	15,375	872,295

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(CONTINUED)

	Water and Sewer Fund	Civic Center Fund	Nonmajor Stormwater Utility Fund	Totals
Liabilities				
Current Liabilities				
Accounts Payable	$ 1,255,306	$ 5,788	$ 15,575	$ 1,276,669
Accrued Liabilities	16,704	-	-	16,704
Retainage Payable	297,278	-	-	297,278
Accrued Interest	175,736	-	-	175,736
Compensated Absences Payable	98,683	16,010	-	114,693
Customer Deposits Payable	1,004,202	-	-	1,004,202
Notes Payable	395,638	-	-	395,638
Bonds Payable	1,810,000	-	-	1,810,000
Total Current Liabilities	5,053,547	21,798	15,575	5,090,920
Noncurrent Liabilities				
Notes Payable	8,196,838	-	-	8,196,838
Bonds Payable	23,155,868	-	-	23,155,868
Net Pension Liability	1,135,742	146,547	73,274	1,355,563
Total Noncurrent Liabilities	32,488,448	146,547	73,274	32,708,269
Total Liabilities	37,541,995	168,345	88,849	37,799,189
Deferred Inflow of Resources				
Pensions	27,159	3,504	1,752	32,415
Total Deferred Inflow of Resources	27,159	3,504	1,752	32,415
Net Position				
Net Investment in Capital Assets	69,608,773	16,650,982	-	86,259,755
Restricted for Debt Service	136,136	-	-	136,136
Unrestricted	26,716,773	(1,773)	1,706,230	28,421,230
Total Net Position	$ 96,461,682	$ 16,649,209	$ 1,706,230	$ 114,817,121

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Water and Sewer Fund	Civic Center Fund	Nonmajor Stormwater Utility Fund	Totals
Operating Revenues				
Charges and Fees	$ 17,057,363	$ 401,337	$ 816,322	$ 18,275,022
Miscellaneous Revenue	692,221	-	-	692,221
Total Operating Revenues	17,749,584	401,337	816,322	18,967,243
Operating Expenses				
Personnel Services and Benefits	2,382,400	322,332	202,827	2,907,559
Purchased and Contracted Services	3,128,999	106,861	141,370	3,377,230
Supplies and Equipment	1,294,111	20,477	3,349	1,317,937
Depreciation	2,802,130	437,082	-	3,239,212
Miscellaneous	921,923	274,386	91,661	1,287,970
Total Operating Expenses	10,529,563	1,161,138	439,207	12,129,908
Operating Income (Loss)	7,220,021	(759,801)	377,115	6,837,335
Nonoperating Revenues (Expenses)				
Investment Earnings	233,732	320	3,679	237,731
Intergovernmental Revenue	11,053	-	-	11,053
Interest Expense	(788,085)	-	-	(788,085)
Total Nonoperating Revenues (Expenses)	(543,300)	320	3,679	(539,301)
Net Income (Loss) Before Contributed Capital and Transfers	6,676,721	(759,481)	380,794	6,298,034
Contributed Capital	3,978,154	23,856	-	4,002,010
Transfer From Other Funds	-	181,817	328,647	510,464
Change in Net Position	10,654,875	(553,808)	709,441	10,810,508
Net Position - June 30, 2024 as Previously Presented	82,676,740	17,203,017	996,789	100,876,546
Correction of an Error	3,130,067	-	-	3,130,067
Net Position - June 30, 2024 as Restated	85,806,807	17,203,017	996,789	104,006,613
Net Position - End of Year	$ 96,461,682	$ 16,649,209	$ 1,706,230	$ 114,817,121

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

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TOWN OF BRASELTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Water and Sewer Fund	Civic Center Fund	Nonmajor Stormwater Utility Fund	Totals
Cash Flows from Operating Activities				
Cash Received from Customers	$ 17,057,493	$ 401,337	$ 802,228	$ 18,261,058
Cash Paid to Employees	(2,480,091)	(276,341)	(221,387)	(2,977,819)
Cash Paid to Suppliers for Goods and Services	(11,286,109)	(374,661)	(584,124)	(12,244,894)
Net Cash Flows Provided by (Used for) Operating Activities	3,291,293	(249,665)	(3,283)	3,038,345
Cash Flows from Noncapital Financing Activities				
Transfers from General Fund	-	181,817	328,647	510,464
Net Cash Provided by (Used For) Noncapital Financing Activities	-	181,817	328,647	510,464
Cash Flows from Capital and Related Financing Activities				
Intergovernmental Revenue	11,053	-	-	11,053
Proceeds on Notes Payable	2,985,534	-	-	2,985,534
Purchases of Capital Assets	(4,609,258)	-	-	(4,609,258)
Principal Paid on Notes Payable	(475,874)	-	-	(475,874)
Interest Paid on Notes Payable	(77,922)	-	-	(77,922)
Principal Paid on Bonds Payable	(1,780,000)	-	-	(1,780,000)
Interest Paid on Bonds Payable	(668,449)	-	-	(668,449)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(4,614,916)	-	-	(4,614,916)
Cash Flows from Investing Activities				
Restricted Investment - Bonds	(186,479)	-	-	(186,479)
Interest Income	233,732	320	3,679	237,731
Net Cash Flows Provided by (Used for) Investing Activities	47,253	320	3,679	51,252
Net Increase (Decrease) in Cash and Cash Equivalents	(1,276,370)	(67,528)	329,043	(1,014,855)
Cash and Cash Equivalents - Beginning of Year	16,769,588	179,759	1,364,184	18,313,531
Cash and Cash Equivalents - End of Year	$ 15,493,218	$ 112,231	$ 1,693,227	$ 17,298,676

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

TOWN OF BRASELTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

	Water and Sewer Fund	Civic Center Fund	Nonmajor Stormwater Utility Fund	Totals
Cash Flows From Operating Activities				
Operating Income	$ 7,220,021	$ (759,801)	$ 377,115	$ 6,837,335
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	2,802,130	437,082	-	3,239,212
Changes in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	(692,091)	-	(14,094)	(706,185)
(Increase) Decrease in Due From Other Funds	(1,319,483)	14,308	-	(1,305,175)
(Increase) Decrease in Prepaid Items	(60,683)	13,605	(201)	(47,279)
(Increase) Decrease in Deferred Outflows - Pensions	(14,687)	(12,114)	(2,951)	(29,752)
(Increase) Decrease in Advances From Other Funds	(3,355,217)	-	-	(3,355,217)
Increase (Decrease) in Accounts Payable	(1,267,103)	5,549	7,995	(1,253,559)
Increase (Decrease) in Accrued Interest Payable	(17,375)	-	-	(17,375)
Increase (Decrease) in Accrued Liabilities	16,704	(6,399)	(924)	9,381
Increase (Decrease) in Retainage Payable	(9,140)	-	-	(9,140)
Increase (Decrease) in Due To Other Funds	-	-	(373,278)	(373,278)
Increase (Decrease) in Compensated Absences	32,861	16,010	-	48,871
Increase (Decrease) in Net Pension Liability	(159,728)	38,591	1,303	(119,834)
Increase (Decrease) in Customer Deposits Payable	87,925	-	-	87,925
Increase (Decrease) in Deferred Inflows - Pensions	27,159	3,504	1,752	32,415
Total Adjustments	(3,928,728)	510,136	(380,398)	(3,798,990)
Net Cash Provided by (Used for) Operating Activities	$ 3,291,293	$ (249,665)	$ (3,283)	$ 3,038,345
Noncash Capital Financing Activities				
Contributions of Capital Assets	$ 3,978,154	$ 23,856	$ -	$ 4,002,010

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

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NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

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

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

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

(1) Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

(1) Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

Sales taxes, franchise taxes, insurance premium taxes, hotel/motel occupancy taxes, other taxes, licenses, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

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

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major proprietary funds:

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

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

(1) Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

Additionally, the Town reports the following nonmajor fund types:

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

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

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

Budgets

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

Deposits and Investments

Georgia statutes authorize the Town to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any deposits in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. Investments are reported at fair value.

For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit with original maturities of three months or less from the date of acquisition.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds". Long-term internal borrowings are considered advances any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid Items

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

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

Compensated Absences

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – vacation, personal, and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Town permits employees to roll over 100 hours of annual leave and sick leave on the employee's anniversary date, any hours over 100 are lost. Annual leave is earned based on length of service starting at 40 hours per year and increasing to a maximum of 160 hours per year with twenty plus years of service. Sick leave is earned at a rate of 48 hours per year. Employees can earn over 100 hours of vacation and sick leave during the year.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issue.

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

(1) Summary of Significant Accounting Policies (Continued)

Net Position Flow Assumption

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

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

Leases

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

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

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

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

- The Town uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the Town uses its estimated incremental leasing rate as the discount rate for leases.

- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the Town over the term of the lease and residual value guarantee payments that are fixed in substance.

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

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity

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

- Nonspendable - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council through adoption of a resolution. Only the Town Council may modify or rescind the commitment through a subsequent resolution.
- Assigned - amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Town Council has authorized the Town Manager to assign fund balances through a written memorandum, in addition to the Town Council being able to assign fund balance through a motion at a public meeting.
- Unassigned - amounts that have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance.

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

- Committed
- Assigned
- Unassigned

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

The following is a summary of the fund balance classifications as of June 30, 2025:

	General Fund	Hotel / Motel Fund	SPLOST Fund	URA Fund	Nonmajor Governmental Fund	Total
Fund Balances						
Nonspendable						
Prepaids	$ 154,125	$ 141,731	$ -	$ 6,059	$ -	$ 301,915
Leases	-	-	-	10,508	-	10,508
Restricted						
Capital Outlay	-	-	12,487,042	3,286,067	218,828	15,991,937
Law Enforcement	135,297	-	-	-	-	135,297
Loan Program	398,842	-	-	-	-	398,842
Unassigned (Deficit)	(5,730,335)	(1,981,996)	-	-	-	(7,712,331)
Total Fund Balances	$ (5,042,071)	$ (1,840,265)	$ 12,487,042	$ 3,302,634	$ 218,828	$ 9,126,168

Fund Balance Deficit

At June 30, 2025 the General Fund and Hotel / Motel Fund had deficit fund balances of $5,042,071 and $1,840,265, respectively. These deficits will be funded with subsequent taxes, and intergovernmental collections.

(1) Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources / Deferred Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until that time. Pension-related amounts and a deferred charge on refunding are reported as deferred outflows in the statement of net position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Pension and lease-related amounts are reported as deferred inflows in the statement of net position. Lease-related amounts are reported as a deferred inflow in the governmental balance sheet.

Management Estimates

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

Impact of New Accounting Standard Adopted

Effective July 1, 2024, the Town implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement establishes a unified model for the recognition and measurement of all types of compensated absences, including vacation leave, sick leave, paid time off (PTO), holidays, parental leave, and other similar benefits.

Under GASB 101, a liability is recognized for leave that:

- Is attributable to services already rendered,
- Accumulates, and
- Is more likely than not to be used for time off or otherwise paid or settled.

The liability for compensated absences is measured using the employee's pay rate in effect as of the financial statement date, including salary-related payments directly and incrementally associated with payments for leave (e.g., Social Security and Medicare taxes).

As of June 30, 2025, the government reported a liability for compensated absences of $377,512, which reflects the cumulative effect of implementing GASB 101. The net change in the compensated absences liability during the year was $44,642, which includes both increases from leave earned and decreases from leave used or paid.

(2) Legal Compliance - Budgets

Budget Process

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

1. Prior to July 1, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted in the courtroom of the police/court building to obtain taxpayer comments.

3. Prior to July 1, the Council approves the budget.

4. The Town Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department must be approved by the Town Council.

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

(3) Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and Town policy require all deposits encompass demand deposits, CDs, and bank money market accounts to be collateralized by depository insurance; obligations of the U.S. Government; or bonds of public authorities, counties, or municipalities. As of June 30, 2025, the Town had no bank balances that were exposed to custodial credit risk.

(3) Deposits and Investments (Continued)

Investments

As of June 30, 2025, the Town had amounts in money market mutual funds with U.S. Bank, to pay future debt obligations and to be used for construction projects. The Town classifies these amounts as investments.

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Georgia Law and the Town's Investment Policy allow investments in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2025, the Town's investment in each of the money market mutual funds listed below were rated AAAm.

Investments	WAM*	Fair Value
First American Treasury Obligation Mutual Fund	40 Days	$ 5,900,744
Fidelity Money Mkt Treasury Mutual Fund - Class II	35 Days	20,040
Fidelity Money Mkt Treasury Select Mutual Fund	35 Days	1,320,961
		$ 7,241,745

* Weighted average maturity (WAM)

Fair Value Measurements - The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair values of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs. The Town has the following recurring fair value measurements as of June 30, 2025:

Investments	Level 1	Level 2	Level 3	Fair Value
First American Treasury Obligation Mutual Fund	$ 5,900,744	$ -	$ -	$ 5,900,744
Fidelity Money Mkt Treasury Mutual Fund - Class II	20,040	-	-	20,040
Fidelity Money Mkt Treasury Select Mutual Fund	1,320,961	-	-	1,320,961
	$ 7,241,745	$ -	$ -	$ 7,241,745

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

(4) Receivables

Receivables at June 30, 2025 for the Town's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts (if any) are as follows:

	General Fund	Hotel / Motel Fund	Water and Sewer Fund	Nonmajor Proprietary Funds	Total
Receivables					
Taxes	$ -	$ 214,661	$ -	$ -	$ 214,661
Accounts	306,639	-	3,269,126	251,146	3,826,911
Gross Total Receivables	306,639	214,661	3,269,126	251,146	4,041,572
Less Allowance for Uncollectible	-	-	(359,025)	(163,720)	(522,745)
Net Total Receivables	$ 306,639	$ 214,661	$ 2,910,101	$ 87,426	$ 3,518,827

The Town does not levy a millage rate on its citizens.

(5) Due from Other Governments

The Town receives Special Purpose Local Option Sales Tax (SPLOST) remittances from Barrow, Gwinnett, Hall, and Jackson Counties. These remittances are on a one-month lag time from the date of collection by the counties and the Town records receivables accordingly.

Intergovernmental receivables consist of the SPLOST amounts due from the respective counties, the LOST due from the State of Georgia, and grant funding due from the federal government.

Fund	Federal	Local	Total
General Fund	$ 1,320,168	$ 533,996	$ 1,854,164
SPLOST Fund	-	408,342	408,342
Nonmajor Governmental Funds	-	51,556	51,556
Total	$ 1,320,168	$ 993,894	$ 2,314,062

(6) Lessor Receivables

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

For Fiscal Year 2025, the Town recognized $42,754 in lease revenues and $4,919 in interest revenues for the URA Fund. The Town reports a deferred inflow of resources associated with the leases that will be recognized in a systematic and rational manner over the lease terms. The deferred inflow of resources has a balance of $149,636 as of June 30, 2025. The Town's receivable for lease payments is $160,144 as of June 30, 2025.

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

Governmental Activities

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2026	$ 89,680	$ 6,320	$ 96,000
2027	70,464	1,536	72,000
	$ 160,144	$ 7,856	$ 168,000

For Fiscal Year 2025, the Downtown Development Authority (DDA) recognized $14,112 in lease revenues and $1,126 in interest revenues. The DDA reports a deferred inflow of resources associated with the lease that will be recognized in a systematic and rational manner over the lease term. The deferred inflow of resources has a balance of $34,264 as of June 30, 2025. The DDA's receivable for lease payments is $37,125 as of June 30, 2025.

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

Downtown Development Authority

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2026	$ 24,370	$ 1,030	$ 25,400
2027	12,755	115	12,870
	$ 37,125	$ 1,145	$ 38,270

For Fiscal Year 2025, the Public Facilities Authority (PFA) recognized $110,881 in lease revenues and $72,701 in interest revenues. The PFA reports a deferred inflow of resources associated with the lease that will be recognized in a systematic and rational manner over the lease term. The deferred inflow of resources has a balance of $997,926 as of June 30, 2025. The PFA's receivable for lease payments is $1,085,508 as of June 30, 2025.

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

Public Facilities Authority

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2026	$ 42,701	$ 77,299	$ 120,000
2027	45,902	74,098	120,000
2028	49,343	70,657	120,000
2029	115,076	64,924	180,000
2030	129,285	56,115	185,400
2031-2035	703,201	113,634	816,835
	$ 1,085,508	$ 456,727	$ 1,542,235

(7) Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2025, is as follows:

	Restated Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land and Improvements	$ 20,267,081	$ -	$ -	$ -	$ 20,267,081
Construction in Progress	18,021,727	5,426,116	-	(11,401,782)	12,046,061
Total Capital Assets Not Being Depreciated	38,288,808	5,426,116	-	(11,401,782)	32,313,142
Capital Assets, Being Depreciated					
Buildings and Improvements	18,262,367	-	(1,204,495)	9,147,641	26,205,513
Infrastructure and Improvements	12,867,991	951,721	-	2,119,948	15,939,660
Vehicles	1,847,335	157,900	(547,260)	329,847	1,787,822
Machinery and Equipment	2,617,626	470,538	(551,657)	(195,654)	2,340,853
Total	35,595,319	1,580,159	(2,303,412)	11,401,782	46,273,848
Less Accumulated Depreciation for					
Buildings and Improvements	(6,073,122)	(676,582)	79,495	-	(6,670,209)
Infrastructure and Improvements	(3,189,425)	(427,800)	-	-	(3,617,225)
Vehicles	(1,282,763)	(169,847)	439,662	(173,182)	(1,186,130)
Machinery and Equipment	(1,646,788)	(196,356)	551,657	173,182	(1,118,305)
Total Accumulated Depreciation	(12,192,098)	(1,470,585)	1,070,814	-	(12,591,869)
Total Capital Assets, Being Depreciated, Net	23,403,221	109,574	(1,232,598)	11,401,782	33,681,979
Governmental Activities Capital Assets, Net	$ 61,692,029	$ 5,535,690	$ (1,232,598)	$ -	65,995,121
				Less Related Long-Term Debt Outstanding	(18,205,715)
				Other (Non-Debt) Capital Related Liabilities	(823,298)
				Unspent Bond Proceeds	3,167,372
				Net Investment in Capital Assets	$ 50,133,480

(7) Capital Assets (Continued)

Primary Government (Continued)

	Restated Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Not Being Depreciated					
Land and Improvements	$ 2,242,133	$ -	$ -	$ -	$ 2,242,133
Construction in Progress	20,633,815	3,885,866	-	(4,446,042)	20,073,639
Total Capital Assets Not Being Depreciated	22,875,948	3,885,866	-	(4,446,042)	22,315,772
Capital Assets, Being Depreciated					
Buildings and Improvements	20,870,053	23,856	-	-	20,893,909
Plant and Infrastructure	98,728,362	4,178,821	-	4,446,042	107,353,225
Machinery and Equipment	2,243,751	522,723	(228,864)	-	2,537,610
Total	121,842,166	4,725,400	(228,864)	4,446,042	130,784,744
Less Accumulated Depreciation for					
Buildings and Improvements	(1,775,643)	(550,034)	-	-	(2,325,677)
Plant and Infrastructure	(30,209,262)	(2,490,208)	-	(632)	(32,700,102)
Machinery and Equipment	(1,692,114)	(198,970)	228,864	632	(1,661,588)
Total	(33,677,019)	(3,239,212)	228,864	-	(36,687,367)
Total Capital Assets, Being Depreciated, Net	88,165,147	1,486,188	-	4,446,042	94,097,377
Business-Type Activities Capital Assets, Net	$ 111,041,095	$ 5,372,054	$ -	$ -	116,413,149
				Less Related Long-Term Debt Outstanding	(33,558,344)
				Less Nondebt Capital Related Liabilities	(1,120,148)
				Unspent Bond Proceeds	3,937,242
				Deferred Amounts from Refundings	587,856
				Net Investments in Capital Assets	$ 86,259,755

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

Governmental Activities	
General Government	$ 204,375
Judicial	5,880
Public Safety	366,062
Public Works	438,196
Economic and Community Development	255,205
Culture and Recreation	200,867
Total Depreciation Expense - Governmental Activities	$ 1,470,585
Business-Type Activities	
Water and Sewer	$ 2,802,130
Civic Center	437,082
Total Depreciation Expense - Business-Type Activities	$ 3,239,212

(7) Capital Assets (Continued)

Downtown Development Authority – Component Unit

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated				
Buildings	$ 423,797	$ -	$ -	$ 423,797
Site Improvements	20,460	-	-	20,460
Total	444,257	-	-	444,257
Less Accumulated Depreciation for				
Buildings	(60,111)	(10,595)	-	(70,706)
Site Improvements	(5,797)	(1,023)	-	(6,820)
Total	(65,908)	(11,618)	-	(77,526)
Total Capital Assets, Being Depreciated, Net	378,349	(11,618)	-	366,731
Downtown Development Authority Capital Assets, Net	$ 378,349	$ (11,618)	$ -	366,731
			Less Related Long-Term Debt Outstanding	(47,289)
			Net Investments in Capital Assets	$ 319,442

Downtown Development Authority Total Depreciation Expense	$ 11,618

Public Facilities Authority – Component Unit

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated				
Buildings	$ -	$ 557,500	$ -	$ 557,500
Site Improvements	-	557,500	-	557,500
Total	-	1,115,000	-	1,115,000
Less Accumulated Depreciation for				
Buildings	-	(9,292)	-	(9,292)
Site Improvements	-	(9,291)	-	(9,291)
Total	-	(18,583)	-	(18,583)
Total Capital Assets, Being Depreciated, Net	-	1,096,417	-	1,096,417
Public Facilities Authority Capital Assets, Net	$ -	$ 1,096,417	$ -	$ 1,096,417

Public Facilities Authority Total Depreciation Expense	$ 18,583

(8) Long-Term Debt

Primary Government

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balances	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue Bonds					
2005 Bonds	$ 204,657	$ -	$ (204,657)	$ -	$ -
2005 Discount on Bonds	(2,783)	-	2,783	-	-
2016 Bonds	8,235,000	-	(105,000)	8,130,000	380,000
2016 Premium on Bonds	434,565	-	(33,428)	401,137	-
2017 Bonds	2,105,000	-	(265,000)	1,840,000	275,000
2017 Premium on Bonds	179,663	-	(25,666)	153,997	-
2019 Bonds	7,355,000	-	(345,000)	7,010,000	360,000
2019 Premium on Bonds	718,478	-	(47,897)	670,581	-
Compensated Absences	267,048	-	(4,229)	262,819	78,846
Net Pension Liability	2,123,131	184,989	-	2,308,120	-
Governmental Activity Long-Term Liabilities	$ 21,619,759	$ 184,989	$ (1,028,094)	$ 20,776,654	$ 1,093,846

	Beginning Balances	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Revenue Bonds					
2015 Bonds	$ 9,040,000	$ -	$ (25,000)	$ 9,015,000	$ 55,000
2015 Premium on Bonds	291,704	-	(20,836)	270,868	-
2020 Bonds	17,435,000	-	(1,755,000)	15,680,000	1,755,000
Notes Payable	6,082,816	2,985,534	(475,874)	8,592,476	395,638
Compensated Absences	65,822	48,871	-	114,693	114,693
Net Pension Liability	1,475,397	-	(119,834)	1,355,563	-
Business-Type Activity Long-Term Liabilities	$ 34,390,739	$ 3,034,405	$ (2,396,544)	$ 35,028,600	$ 2,320,331

For governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund. The change in compensated absences is a net change.

Governmental Activities

Series 2005 Revenue Bonds

The Town, on June 15, 2005, issued $5,500,000 in revenue bonds through the Urban Development Agency (URA) of the Town of Braselton to finance the cost of a new law enforcement center and library. The Series 2005 Revenue Bonds were paid in full as of June 30, 2025.

(8) Long-Term Debt (Continued)

Governmental Activities (Continued)

Series 2016 Revenue Bonds

The Town, on December 1, 2016, issued $8,440,000 in revenue bonds through the Urban Development Agency of the Town of Braselton to finance the cost of the acquisition, construction, development, and equipping of a public parking structure and related facilities. The bonds, maturing on July 1, 2037, have an interest rate of 4.00 percent and the amount of revenue bonds outstanding at June 30, 2025 is $8,130,000.

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

Year Ending June 30	Principal	Interest	Total
2026	$ 380,000	$ 317,600	$ 697,600
2027	400,000	302,000	702,000
2028	415,000	285,700	700,700
2029	430,000	268,800	698,800
2030	450,000	251,200	701,200
2031-2035	4,045,000	847,700	4,892,700
2036-2037	2,010,000	81,200	2,091,200
Total	$ 8,130,000	$ 2,354,200	$ 10,484,200

Series 2017 Revenue Bonds

On February 1, 2017, the Town issued Series 2017 Refunding Revenue Bonds in the amount of $3,280,000. Interest rate on the 2017 bonds is 4.00 percent with annual maturities through fiscal year 2031. As of June 30, 2025, the outstanding principal on the Series 2017 Revenue Bonds is $1,840,000.

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

Year Ending June 30	Principal	Interest	Total
2026	$ 275,000	$ 68,100	$ 343,100
2027	290,000	56,800	346,800
2028	300,000	45,000	345,000
2029	310,000	32,800	342,800
2030	325,000	20,100	345,100
2031	340,000	6,800	346,800
Total	$ 1,840,000	$ 229,600	$ 2,069,600

(8) Long-Term Debt (Continued)

Governmental Activities (Continued)

Series 2019 Revenue Bonds

On November 1, 2019, the Town issued Series 2019 Urban Redevelopment Agency of the Town of Braselton revenue bonds in the amount of $8,295,000. The interest rate on the 2019 bonds is 5.00 percent with annual maturities through fiscal year 2039. The bonds were issued for the purpose of providing funds to pay for the cost of the acquisition, construction, development and equipment of a civic center and related facilities. As of June 30, 2025, the outstanding principal on the Series 2019 Revenue Bonds is $7,010,000.

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

Year Ending June 30	Principal	Interest	Total
2026	$ 360,000	$ 253,038	$ 613,038
2027	375,000	242,238	617,238
2028	385,000	230,988	615,988
2029	405,000	211,738	616,738
2030	425,000	191,488	616,488
2031-2035	2,325,000	750,444	3,075,444
2036-2040	2,735,000	336,800	3,071,800
Total	$ 7,010,000	$ 2,216,734	$ 9,226,734

Business-Type Activities

Series 2015 Water and Sewer Revenue Bonds

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

Annual debt service requirements, as of June 30, 2025, for the Series 2015A Bonds, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 55,000	$ 347,413	$ 402,413
2027	100,000	345,475	445,475
2028	510,000	335,300	845,300
2029	435,000	317,675	752,675
2030	450,000	299,975	749,975
2031-2035	2,545,000	1,208,375	3,753,375
2036-2038	4,920,000	344,025	5,264,025
Total	$ 9,015,000	$ 3,198,238	$ 12,213,238

(8) Long-Term Debt (Continued)

Business-Type Activities (Continued)

Series 2020 Water and Sewer Revenue Bonds

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

Annual debt service requirements, as of June 30, 2025, for the Series 2020 revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 1,755,000	$ 301,703	$ 2,056,703
2027	1,565,000	267,003	1,832,003
2028	1,425,000	237,996	1,662,996
2029	1,515,000	209,088	1,724,088
2030	1,550,000	178,943	1,728,943
2031-2035	7,870,000	440,550	8,310,550
Total	$ 15,680,000	$ 1,635,283	$ 17,315,283

Notes Payable

The Town's Water and Sewer Fund has several Georgia Environmental Finance Authority (GEFA) loans for the construction of various water and sewer system projects. Notes payable outstanding as of June 30, 2025, are as follows:

Loan	Interest Rate %	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2013-L32-WS	0.70%	10/01/25	$ 21,436	$ -	$ (16,058)	$ 5,378
2013-L25-WS	0.70%	07/01/25	97,330	-	(89,816)	7,514
CWSRF 14-010	1.03%	07/01/38	1,254,980	-	(89,460)	1,165,520
CW2016030	0.50%	09/01/30	412,321	-	(65,109)	347,212
CW2018013	1.25%	01/01/42	1,531,877	-	(78,390)	1,453,487
CW2019021	0.50%	08/01/31	452,990	-	(62,238)	390,752
DWDRA20001	0.00%	09/01/44	1,606,053	105,000	(74,803)	1,636,250
*CW2022011			705,829	2,880,534	-	3,586,363
Total GEFA Notes Payable			$ 6,082,816	$ 2,985,534	$ (475,874)	$ 8,592,476

* GEFA Loan CW2022011 is still in the construction phase as of June 30, 2025.

(8) Long-Term Debt (Continued)

Business-Type Activities (Continued)

Notes Payable (Continued)

Annual debt service requirements, as of June 30, 2025, for notes payable are as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 395,638	$ 32,702	$ 428,340
2027	385,321	30,116	415,437
2028	387,921	27,516	415,437
2029	390,548	24,890	415,438
2030	393,200	22,238	415,438
2031-2035	1,435,567	76,546	1,512,113
2036-2040	1,104,529	26,849	1,131,378
2041-2042	513,389	1,590	514,979
Total	$ 5,006,113	$ 242,447	$ 5,248,560

Component Unit

Long-term liability activity for the year ended June 30, 2025, for the Downtown Development Authority was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Discretely Presented Component Unit Notes Payable	$ 48,283	$ -	$ (994)	$ 47,289	$ 1,666
Discretely Presented Component Unit Long-Term Liabilities	$ 48,283	$ -	$ (994)	$ 47,289	$ 1,666

Notes Payable

In July 2014, the DDA entered into a note payable in the amount of $160,000 with a bank to assist with the purchase of property. In June 2023, the DDA renewed the note payable in the amount of $50,000. The loan matures on May 16, 2028, and carries an interest rate of 8.750 percent. The note payable for the year ending June 30, 2025, was as follows:

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

Year Ending June 30th	Principal	Interest	Total
2026	$ 1,666	$ 4,043	$ 5,709
2027	1,818	3,892	5,710
2028	43,805	3,787	47,592
Total	$ 47,289	$ 11,722	$ 59,011

(9) Interfund Receivables, Payables, Transfers, and Advances

The composition of interfund balances as of June 30, 2025, is as follows:

Due To / From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	URA Fund	$ 2,400
Water and Sewer Fund	General Fund	3,101,977
	Hotel / Motel Fund	1,495,000
		$ 4,599,377

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

Interfund Transfers:

	General Fund	Hotel Motel Fund	URA Fund	Civic Center Fund	Nonmajor Proprietary Fund	Total
Transfer Out						
General Fund	$ -	$ 375,000	$ 2,500,279	$ 181,817	$ 328,647	$ 3,385,743
Hotel Motel Fund	2,449,389	-	-	-	-	2,449,389
Nonmajor Governmental Fund	351,122	-	-	-	-	351,122
Total	$ 2,800,511	$ 375,000	$ 2,500,279	$ 181,817	$ 328,647	$ 6,186,254

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

Advances:

Advanced Fund	Payable Fund	Amount
Water and Sewer Fund	General Fund	$ 5,489,764
	Hotel Motel Fund	750,000
		$ 6,239,764

The amount payable to the Water and Sewer Fund relates to the purchase of property in downtown Braselton. The General Fund will reimburse the Water and Sewer Fund over a three-year period for the cost of the land.

(10) Retirement Benefits

Plan Description

The Town, as authorized by the Mayor and Council, has established a defined benefit pension plan (The Town of Braselton Retirement Plan) covering all full-time employees. The Town's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the Town are commingled with contributions made by other members of GMEBS for investment purposes. The Town does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

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

Plan Membership

As of January 1, 2025, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	3
Terminated vested participants not yet receiving benefits	2
Active vested employees	23
Active nonvested employees	45
Total	73

Contributions

The plan members are not required to contribute to the plan. The Town is required to contribute at an actuarially determined rate; the current rate is 10.93 percent of annual covered payroll. The contribution requirements of the Town are established and may be amended by the GMEBS Board of Trustees.

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

At June 30, 2025, the Town reported a net pension liability. The net pension liability was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2025.

For the year ending June 30, 2025, the Town recognized pension expense relative to GMEBS in the amount of $440,668.

Town contributions subsequent to the measurement date of September 30, 2024, were $326,602 and are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

(10) Retirement Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 442,152	$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(87,609)
Employer Contributions Subsequent to the Measurement Date	326,602	-
	$ 768,754	$ (87,609)

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

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

Year	Amount
2026	$ 44,702
2027	44,702
2028	33,011
2029	34,991
2030	61,254
2031 Thereafter	135,883

Actuarial Assumptions - The total pension liability as of June 30, 2025, was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%	
Salary Increase	2.25%	
Investment Rate of Return	7.38%	On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates:

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

(10) Retirement Benefits (Continued)

Net Pension Liability

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

The Town's net pension liability is recorded in the government-wide statement of net position for the Town's governmental and business-type activities in the amounts of $2,308,120 and $1,355,563, respectively.

Changes in the Net Pension Liability	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2023	$ 4,286,860	$ 688,333	$ 3,598,527
Changes for the Year			
Service Cost	129,288	-	129,288
Interest	323,222	-	323,222
Difference Between Expected and Actual Experience	201,143	-	201,143
Contributions - Employer	-	400,636	(400,636)
Contributions - Employee	-	-	-
Net Investment Income	-	194,154	(194,154)
Benefit Payments	(66,952)	(66,952)	-
Administrative Expense	-	(6,293)	6,293
Other	-	-	-
Net Changes	586,701	521,545	65,156
Balance at September 30, 2024	$ 4,873,561	$ 1,209,878	$ 3,663,683

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2024, is summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic Equity	45%	6.60%
International Equity	20%	7.03%
Domestic Fixed Income	20%	2.70%
Real Estate	10%	3.40%
Global Fixed Income	5%	3.70%
Cash	0%	
Total	100%	

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

(10) Retirement Benefits (Continued)

Net Pension Liability (Continued)

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

	1% Decrease (6.375%)	Current discount rate (7.375%)	1% Increase (8.375%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	$ 4,386,324	$ 3,663,683	$ 3,063,050

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

(11) Joint-Venture

Under Georgia law, the Town, in conjunction with other cities and counties is a member of a regional commission. Jackson County pays, on behalf of the Town, annual dues to the Northeast Georgia Regional Commission. Additionally, the Town, in conjunction with other Cities and Counties, is a member of the Atlanta Regional Commission and the Georgia Mountains Regional Commission, although no dues are assessed to the Town from those organizations. Town membership in the RC and ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for their organization structure. Braselton is a member of three by virtue of the Town's limits being located in four Counties. RC and ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RC. Separate financial statements may be obtained from the Northeast Georgia Regional Commission at 305 Research Drive, Athens, Georgia 30605. Separate statements may be obtained from the Georgia Mountains Regional Commission at P.O. Box 1720, Gainesville, Georgia 30503. Separate financial statements may be obtained from the Atlanta Regional Commission at 40 Courtland Street NE, Atlanta, GA 30303.

(12) Risk Management

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

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense. Settlements have not exceeded insurance coverage in the last three years.

(13) Commitments and Contingencies

Litigation

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

Grant Contingencies

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

(14) Hotel / Motel Occupancy Tax

The Town imposes a hotel/motel tax on lodging facilities within the Town. The tax is assessed at 8 percent and, in accordance with O.C.G.A. 48-13-51, the Town is required to spend at least 40 percent of this for promoting tourism, conventions, and trade shows. Revenues were $2,855,308 for the year ended June 30, 2025. Of this amount 60 percent was used to promote tourism.

(15) Restatements to Beginning Balances

During fiscal year ended June 30, 2025, the Town determined that a restatement of beginning balances was needed for capital assets, advances between funds, and payroll liability accounts. These corrections of errors were made to better reflect the financial activities and significance of these funds in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*.

	Reporting Units Affected by Adjustments to and Restatement of Beginning Balances			
	Government-Wide		Fund Statements	
	Governmental Activities	Business-Type Activities	General Fund	Water and Sewer Fund
Net Position / Fund Balance (Deficit) 06/30/24, As Previously Reported	$ 53,987,022	$ 100,876,546	$ (302,895)	$ 82,676,740
Correction of Error - Capital Assets	(978,711)	3,368,147	-	3,368,147
Correction of Error - Advance	(2,884,547)	-	(2,884,547)	-
Correction of Error - Payroll Liabilities	159,346	(238,080)	159,346	(238,080)
Net Position / Fund Balance (Deficit) 06/30/24, As Restated	$ 50,283,110	$ 104,006,613	$ (3,028,096)	$ 85,806,807

(16) Subsequent Events

On September 25, 2025, the Town adopted a resolution to issue the Water and Sewer Revenue Bonds, Series 2025 in the amount of $47,090,000 to fund additions to the Town's water and sewer system. On October 13, 2025, the Town entered into a loan agreement with the Georgia Environmental Finance Authority (GEFA) for $6,963,900 to finance the costs of acquiring, constructing, and installing two groundwater wells, construct a ground storage tank, install high service pumps, install water main, and related appurtenances.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BRASELTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Total Pension Liability	**2025**	2024	2023	2022
Service Cost	**$ 129,288**	$ 110,821	$ 100,462	$ -
Interest on Total Pension Liability	**323,222**	277,349	246,965	-
Difference Between Expected and Actual Experience	**201,143**	269,371	80,778	-
Benefit Payments, Including Refunds of	**(66,952)**	(41,051)	(12,092)	
Other	**-**	-	-	3,254,257
Net Change in Total Pension Liability	**586,701**	616,490	416,113	3,254,257
Total Pension Liability - Beginning	**4,286,860**	3,670,370	3,254,257	-
Total Pension Liability - Ending	**$ 4,873,561**	$ 4,286,860	$ 3,670,370	$ 3,254,257
Plan Fiduciary Net Position				
Contributions - Employer	**$ 400,636**	$ 380,359	$ 374,742	$ -
Net Investment Income	**194,154**	45,059	(45,344)	-
Benefit Payments, Including Refunds of Member Contributions	**(66,952)**	(41,051)	(12,092)	-
Administrative Expenses	**(6,293)**	(6,234)	(7,106)	-
Net Change in Plan Fiduciary Net Position	**521,545**	378,133	310,200	-
Plan Fiduciary Net Position - Beginning	**688,333**	310,200	-	-
Plan Fiduciary Net Position - Ending	**$ 1,209,878**	$ 688,333	$ 310,200	$ -
Town's Net Pension Liability (Asset) - Ending	**$ 3,663,683**	$ 3,598,527	$ 3,360,170	$ 3,254,257
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**24.83%**	16.06%	8.45%	0.00%
Covered-Employee Payroll	**$ 4,396,167**	$ 3,941,137	$ 3,658,549	$ 3,228,609
Net Pension Liability As a Percentage of Covered-Employee Payroll	**83.34%**	91.31%	91.84%	100.79%

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

TOWN OF BRASELTON, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SCHEDULE OF TOWN CONTRIBUTIONS

	2025	2024	2023	2022
Actuarially Determined Contributions	**$ -**	$ 389,025	$ 377,470	$ -
Contributions in Relation to the Actuarially Determined Contribution	**-**	389,025	377,470	-
Contribution Deficiency (Excess)	**$ -**	$ -	$ -	$ -
Town's Covered-Employee Payroll	**$ -**	$ 3,941,137	$ 3,658,549	$ -
Contributions as a Percentage of Covered-Employee Payroll	**0.00%**	9.87%	10.32%	0.00%

Note 1: 2025 information will be determined after fiscal year end and will be included in the 2026 valuation report.

Note 2: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Significant Issues

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

Valuation Date	The actuarially determined contribution rate was determined as of January 1, 2025, 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, 2026.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost method:	Entry age normal
Amortization Method:	Closed level dollar for the remaining unfunded liability
Remaining Amortization Period:	Remaining amortization period varies for the bases, with a net effective amortization period of 24 years.
Asset Valuation Method:	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10 percent of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20 percent of market value.
Net Investment Rate of Return:	7.375 percent
Projected Salary Increases:	2.25 percent plus service based merit increases
Cost of Living Adjustments:	N/A
Retirement Age:	Ages 55-59 rate of 10 percent, age 60 rate of 20 percent, age 61 rate of 25 percent, age 62 rate of 35 percent, age 63 rate of 40 percent, age 64 rate of 45 percent, ages 65-69 rate of 50 percent and age 70 and over rate of 100 percent
Mortality	Healthy retirees and beneficiaries – Sex-distinct Pri-2012 head count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 Disabled participants – Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 Active participants, terminated vested participants, and deferred beneficiaries – Sex-distinct Pri-2012 head-count weighted Employee Mortality Table Plan termination basis (all lives) – 1994 Group Annuity Reserving Unisex Table The mortality tables (other than the one used for the plan termination basis) are projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

CAPITAL PROJECTS FUNDS

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

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

TOWN OF BRASELTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Fund	Capital Project Fund	
	ARPA Fund	TSPLOST Fund	Total Nonmajor Governmental Funds
Assets			
Cash and Cash Equivalents	$ -	$ 183,646	$ 183,646
Due from Other Governments	-	51,556	51,556
Total Assets	$ -	$ 235,202	$ 235,202
Liabilities			
Retainage Payable	$ -	$ 16,374	$ 16,374
Total Liabilities	-	16,374	16,374
Fund Balances			
Restricted	-	218,828	218,828
Total Fund Balances	-	218,828	218,828
Total Liabilities and Fund Balances	$ -	$ 235,202	$ 235,202

TOWN OF BRASELTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Fund	Capital Project Fund	
	ARPA Fund	TSPLOST Fund	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	$ 348,304	$ 304,277	$ 652,581
Investment Earnings	-	374	374
Total Revenues	348,304	304,651	652,955
Expenditures			
Current			
Public Works	-	163,744	163,744
Total Expenditures	-	163,744	163,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	348,304	140,907	489,211
Other Financing Sources (Uses)			
Transfer to Other Funds	(351,122)	-	(351,122)
Total Other Financing Sources (Uses)	(351,122)	-	(351,122)
Net Change in Fund Balances	(2,818)	140,907	138,089
Fund Balances, Beginning of Year	2,818	77,921	80,739
Fund Balances - End of Year	$ -	$ 218,828	$ 218,828

TOWN OF BRASELTON, GEORGIA
ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 351,122	$ 348,304	$ (2,818)
Total Revenues	351,122	348,304	(2,818)
Expenditures			
Current			
General Government	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	351,122	348,304	(2,818)
Other Financing Sources (Uses)			
Transfer to Other Funds	(351,122)	(351,122)	(702,244)
Total Other Financing Sources (Uses)	(351,122)	(351,122)	(702,244)
Net Change in Fund Balance	-	(2,818)	(705,062)
Fund Balance - Beginning of Year	2,818	2,818	-
Fund Balance - End of Year	$ 2,818	$ -	$ (705,062)

TOWN OF BRASELTON, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Amended Budget	Expenditures		
			Prior Years	Current Year	Total
Jackson County (2017)					
Multipurpose Civic Center with Parking Deck	$ 1,365,300	$ 1,365,300	$ 2,468,734	$ 63,198	$ 2,531,932
	1,365,300	1,365,300	2,468,734	63,198	2,531,932
Jackson County (2022)					
Roads, Streets, and Bridges	3,818,348	3,818,348	148	61,072	61,220
Community Center Upgrades	184,759	184,759	148	-	148
Multipurpose Civic Center with Parking Deck Debt Payments	2,155,519	2,155,519	112	116	228
	6,158,626	6,158,626	408	61,188	61,596
Gwinnett County (2017)					
Roads, Streets, and Bridges	3,500,000	3,500,000	326,637	-	326,637
	3,500,000	3,500,000	326,637	-	326,637
Hall County (2019)					
Streets, Bridges, and Sidewalks	1,187,395	1,187,395	-	393,368	393,368
Parks and Leisure Facilities	1,187,395	1,187,395	-	-	-
	2,374,790	2,374,790	-	393,368	393,368
Gwinnett County (2022)					
Roads, Streets, and Bridges	3,826,863	3,826,863	113	23,174	23,287
Parks and Recreation	1,884,873	1,884,873	113	-	113
	5,711,736	5,711,736	226	23,174	23,400
Barrow County (2012)					
Roads, Streets, and Bridges	233,688	233,688	211,899	-	211,899
Parks and Recreation	233,688	233,688	128,252	84,372	212,624
	467,376	467,376	340,151	84,372	424,523
Barrow County (2022)					
Parks and Recreation	1,760,000	1,760,000	96	355,102	355,198
	1,760,000	1,760,000	96	355,102	355,198
	$ 21,337,828	$ 21,337,828	$ 3,136,252	$ 980,402	$ 4,116,654

TOWN OF BRASELTON, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH TRANSPORTATION
SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Amended Budget	Expenditures Prior Years	Expenditures Current Year	Total
Barrow County					
Construction of Roads, Bridges, Sidewalks, Multiuse Paths, Intersection Improvements, Traffic Safety Enhancement, Stormwater Projects, Resurfacing Road Projects, Culvert Repair, Traffic Markers, Patching and Shoulder Preparation.	$ 2,041,000	$ 2,041,000	$ 135	$ 163,744	$ 163,879
	2,041,000	2,041,000	135	163,744	163,879
	$ 2,041,000	$ 2,041,000	$ 135	$ 163,744	$ 163,879

TOWN OF BRASELTON, GEORGIA
BALANCE SHEET
DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
JUNE 30, 2025

Assets		
Cash and Cash Equivalents	$	265,680
Lease Receivable		37,125
Prepaid Assets		261
Total Assets	$	303,066
Liabilities		
Accounts Payable	$	1,670
Unearned Revenue		5,500
Total Liabilities		7,170
Deferred Inflows of Resources		
Lease		34,264
Total Deferred Inflows of Resources		34,264
Fund Balance		
Nonspendable		3,122
Unassigned		258,510
Total Fund Balance		261,632
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$	303,066
Total Fund Balance - Governmental Funds	$	261,632

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

Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the Assets	444,257
Accumulated Depreciation	(77,526)
Long-Term Liabilities	
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:	
Notes Payable	(47,289)
Net Position of Governmental Activities	$ 581,074

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues		
Intergovernmental	$	206,242
Lease Income		23,015
Interest Earnings		1,766
Donations		95,315
Other Miscellaneous		2,170
Total Revenues		328,508
Expenditures		
Current		
General Government		90,666
Debt Service		
Principal		994
Interest		4,239
Total Expenditures		95,899
Net Change in Fund Balance		232,609
Fund Balance - Beginning of Year		29,023
Fund Balance - End of Year	$	261,632

TOWN OF BRASELTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balance - Total Governmental Funds	$	232,609

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

Capital Assets

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

Total Depreciation		(11,618)

Long-Term Debt

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

Notes Payable		994
Change in Net Position of Governmental Activities	$	221,985

TOWN OF BRASELTON, GEORGIA
BALANCE SHEET
PUBLIC FACILITIES AUTHORITY
COMPONENT UNIT
JUNE 30, 2025

Assets		
Cash and Cash Equivalents	$	25,000
Lease Receivable		1,085,508
Prepaid Assets		1,587
Total Assets	$	1,112,095
Liabilities		
Accounts Payable	$	-
Total Liabilities		-
Deferred Inflows of Resources		
Lease Related		997,926
Total Deferred Inflows of Resources		997,926
Fund Balance		
Nonspendable		89,169
Unassigned		25,000
Total Fund Balance		114,169
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$	1,112,095
Total Fund Balance - Governmental Funds	$	114,169
Amounts reported for governmental activities in the statement of net position are different because:		
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the Assets		1,115,000
Accumulated Depreciation		(18,583)
Net Position of Governmental Activities	$	1,210,586

TOWN OF BRASELTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
PUBLIC FACILITIES AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues		
Lease Income	$	110,881
Interest Earnings		72,701
Total Revenues		183,582
Expenditures		
Current		
General Government		68,927
Housing and Development		486
Total Expenditures		69,413
Net Change in Fund Balance		114,169
Fund Balance - Beginning of Year		-
Fund Balance - End of Year	$	114,169
Net Change in Fund Balance - Total Governmental Funds	$	114,169

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

Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Total Depreciation		(18,583)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.		1,115,000
Change in Net Position of Governmental Activities	$	1,210,586

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COMPLIANCE SECTION

TOWN OF BRASELTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Justice				
Direct Programs				
Equitable Sharing Program	16.922		$ -	$ 17,817
Equitable Sharing Program	16.922		-	10,894
Total Direct Programs			-	28,711
Total U.S. Department of Justice			-	28,711
U.S. Department of Treasury				
Direct Programs				
Coronavirus Relief Fund	21.019		-	348,304
Total Direct Programs			-	348,304
Total U.S. Department of Treasury			-	348,304
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation				
Highway Planning and Construction - Transportation Facility Improvements	20.205	PI #0015391	-	2,311,418
Total Highway Planning and Construction Cluster Pass-Through Programs			-	2,311,418
Total U.S. Department of Transportation			-	2,311,418
U.S. Department of Natural Resources				
Passed through the Georgia Environmental Finance Authority				
Clean Water State Revolving Fund	66.458	CW2022011	-	2,343,665
Drinking Water State Revolving Fund	66.468	DWDRA20001	-	105,000
Total Pass-Through Programs			-	2,448,665
Total U.S. Department of Natural Resources			-	2,448,665
Total Expenditures of Federal Awards			$ -	$ 5,137,098

See accompanying notes to schedule of expenditures of federal awards.

TOWN OF BRASELTON, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Braselton, Georgia under programs of the federal government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Braselton, Georgia, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Braselton, Georgia.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Loan Programs

The Clean Water State Revolving Loan Program CW2022011 and the Drinking Water State Revolving Loan Program DWDRA20001 are administered by the Town of Braselton, Georgia and the balances and transactions relating to these programs are included in the Town of Braselton, Georgia's basic financial statements. The loans outstanding at the beginning of the year and the loans made during the year are included in the federal expenditures presented in the Schedule. The balance of the loans outstanding at June 30, 2025, consists of:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2025
66.458	Clean Water State Revolving Fund - CW2022011	$ 3,586,363
66.468	Drinking Water State Revolving Fund - DWDRA20001	1,636,250

MCNAIR MCLEMORE MIDDLEBROOKS & CO
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April 14, 2026

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the **Town of Braselton, Georgia** (the "Town"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 14, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, 2025-003, 2025-004, and 2025-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Town's Response to Findings

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

Purpose of this Report

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

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

MCNAIR MCLEMORE MIDDLEBROOKS & CO
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April 14, 2026

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Town of Braselton, Georgia's** (the "Town") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2025. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

TOWN OF BRASELTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs:

ALN Numbers	Name of Federal Program
66.458	Clean Water State Revolving Fund
20.205	Transportation Facility Improvements

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

Section II - Financial Statement Findings

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

2025-001 Restatement of Beginning Balances

Criteria
Timely and accurate financial reports are essential in order to perform analysis of the financial condition of the Town, review data for accuracy and completeness, monitor compliance with budget appropriations, and prepare annual financial statements.

Condition
The Town's financial statements required a restatement of beginning fund balance / net position in order to report the Town's financial statements in accordance with the modified accrual basis and full accrual basis of accounting as follows:

- Governmental Activities
  - A material audit adjustment of $978,711 was required to correct the reporting of the governmental activities' capital assets at the beginning of the year.
  - A material audit adjustment of $2,884,547 was required to record an advance for the purchase of property by the Water and Sewer Fund during fiscal year 2024 that should have been reported as a governmental capital asset addition.
  - A material audit adjustment of $159,346 was required to clean up old payroll withholding account balances.

- General Fund
  - A material audit adjustment of $2,884,547 was required to record an advance from the Water and Sewer Fund for the purchase of property in the prior year that should have been reported within the General Fund.
  - A material audit adjustment of $159,346 was required to clean up old payroll withholding account balances.

- Business-Type Activities / Water and Sewer Fund
  - A material audit adjustment of $3,368,147 was required to correct the reporting of the business-type activities capital assets at the beginning of the year.
  - An audit adjustment of $238,080 was required to clean up old payroll withholding account balances.

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

Cause
Internal controls did not detect misstatements in the recording and reporting of the Town's accounts payable, payroll withholdings, and capital asset activity at year-end.

Recommendation
We recommend that the Town establishes policies and procedures to ensure the recording and reporting of the Town's accounts payable, payroll withholdings, and capital asset activity at year-end.

2025-001 Restatement of Beginning Balances (Continued)

Views of Responsible Officials and Planned Corrective Actions
Management concurs with the findings and will establish policies and procedures to ensure capital asset activity is recorded properly at year-end. Additionally, payroll withholding account balances have been cleared, therefore, no future adjustments should be required.

2025-002 Improper Year-End Cutoff for Cash Receipts and Debt Service Payments Resulting in Misstatement of Cash

Criteria
Governmental accounting standards require that revenues be recognized in the period in which they are measurable and available (for governmental funds) and when earned (for government-wide statements), consistent with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Reporting Nonexchange Transactions*. Assets, including cash and receivables, must be recorded when the government becomes entitled to the resources or when cash is actually received. For debt service payments in governmental funds, GASB reporting requirements specify that principal and interest should be recognized as expenditures when due, and any amounts due but unpaid at year-end should be reported as a liability rather than as a reduction of cash. Internal control standards under Generally Accepted Government Auditing Standards (GAGAS) also require governments to maintain effective controls to ensure accurate classification and proper cutoff at year-end.

Condition
During our audit of the Town's year-end financial reporting, we identified errors in the recognition and cutoff of both cash receipts and long-term debt service payments. Certain cash receipts that were not received or deposited until after year-end were recorded as outstanding deposits and included in cash at year-end, even though the funds were not actually in the Town's possession until the subsequent fiscal period. Because these receipts are related to prior year revenues, they should have been recorded as accounts receivable at year-end. In addition, the Town recorded reductions to its cash balance for certain long-term debt principal and interest payments as if those payments had been made before year-end, despite the fact that the payments did not occur until after year-end. Cash should not be reduced until a payment is actually disbursed.

Effect
As a result of these errors, the Town's cash balance was overstated for receipts that were improperly recorded as outstanding deposits and understated for debt service payments that were recognized as disbursed before year-end when they had not been paid. Accounts receivable were understated because revenue earned before year-end was not recorded as a receivable. Additionally, expenditures, expenses, and related liabilities were misstated due to the improper recording of debt service activity and the failure to recognize amounts due but unpaid at year-end.

Cause
The misstatements occurred because the Town's year-end closing procedures did not require adequate verification of actual receipt and disbursement dates. The lack of a structured cutoff process and insufficient supervisory review contributed to the incorrect recognition of receipts and debt service transactions.

Section II - Financial Statement Findings (Continued)

2025-002 Improper Year-End Cutoff for Cash Receipts and Debt Service Payments Resulting in Misstatement of Cash (Continued)

Recommendation
We recommend that the Town strengthen its year-end cutoff procedures by requiring staff to verify actual receipt and disbursement dates using bank statements or other external documentation before recording transactions as cash activity. Cash receipts received after year-end should be recorded as accounts receivable rather than as cash, and cash should not be reduced for debt service payments until the payment has actually been made. Amounts due but unpaid at year-end should be recorded as liabilities in accordance with governmental accounting standards. The Town should also implement formal supervisory review procedures and provide additional training to ensure consistent application of year-end cutoff requirements.

Views of Responsible Officials and Planned Corrective Actions
Management concurs with the findings and agrees that the Town should strengthen its year-end cutoff procedures. Staff have been made aware of verifying dates prior to recording cash activity. We do not anticipate future findings regarding misstatements of cash.

2025-003 Accounts Payable – Water and Sewer Fund

Criteria
Governmental accounting standards require liabilities to be recognized in the period in which the underlying transaction occurs, pursuant to Governmental Accounting Standards Board (GASB) Statement No. 33. Additionally, internal control frameworks such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) emphasize the need for proper year-end closing procedures and accurate cutoff to ensure transactions are reported in the correct accounting period.

Condition
During our audit of the capital asset activity for the fiscal year ended June 30, 2025, we noted that the Town did not reverse a prior-year accounts payable balance of $2,030,184. As a result, the Town recorded an additional capital asset addition in the current year that duplicated additions recognized in the prior year.

Effect
The Town's accounting records contained a material error which was identified and adjusted during the annual audit process.

Cause
The Town does not have adequate accounting procedures to ensure that all prior year accounts payable balances are properly reversed upon payment.

Recommendation
We recommend that the Town establish policies and procedures to ensure that all accounts payable items are properly reversed from accounts payable upon payment.

Views of Responsible Officials and Planned Corrective Actions
Management concurs with the finding and will establish policies and procedures to ensure all A/P items are properly reversed upon payment.

Section II - Financial Statement Findings (Continued)

2025-004 Capital Assets – Governmental Activities

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

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

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

- An adjustment of $2,205,055 to the beginning balance of land was made to remove rights-of-way purchased on behalf of GDOT for State Road projects.
- An adjustment of $2,884,750 to the beginning balance of land was made to add a property purchased during the prior year that was improperly reported in the Water and Sewer Fund.
- An adjustment of $2,521,776 and $863,370 to the beginning balances of infrastructure and accumulated depreciation, respectively was required to remove Water and Sewer Fund capital assets and accumulated depreciation incorrectly reported as Governmental Activities capital assets.
- An adjustment of $1,115,000 was made to remove a school building that was donated to the Public Facilities Authority.

Material adjustments were required to the Town's General Fund as follows:

- An adjusting entry was needed in the General Fund to remove the reporting of capital asset activity of $775,400 for modified accrual basis of accounting.

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

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

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

Views of Responsible Officials and Planned Corrective Action
Management concurs with the findings and has prioritized proper and complete recording of capital assets. Staff have been aware of proper and complete recording of capital assets. We do not anticipate future findings regarding the recording of capital assets.

Section II - Financial Statement Findings (Continued)

2025-005 Capital Assets – Business-Type Activities

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

Condition
The Town's subsidiary schedule for Water and Sewer Fund capital assets contained material errors. In addition, the Town did not record all current year contributions of capital assets from private sources.

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

- An adjustment of $2,884,547 was required to the beginning balance of land to remove Governmental Activities land.
- An adjustment of $4,432,427 and $1,064,280 was required to the beginning balance of depreciable capital assets and accumulated depreciation, respectively to add previously omitted Water and Sewer Fund capital assets.
- An adjustment of $2,539,137 was required to record additional contributed capital from private sources.
- An adjustment of $2,030,184 was made to remove duplicate capital asset additions for items added during the prior year.

Effect
The Town's business-type capital asset records contained material errors which were identified and adjusted during the annual audit process.

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

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

Views of Responsible Officials and Planned Corrective Action
Management concurs with the findings and has prioritized proper and complete recording of capital assets. Staff have been aware of proper and complete recording of capital assets. We do not anticipate future findings regarding the recording of capital assets.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

BRASELTON
GEORGIA

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENT FINDINGS

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

Status: Unresolved. See CY Finding 2025-003.

2024-002 **Capital Assets – Governmental Activities**

Status: Unresolved. See CY Finding 2025-004.

2024-003 **Capital Assets – Business-Type Activities**

Status: Unresolved. See CY Finding 2025-005.

2024-004 **Investment Accounts**

Status: Corrective action was taken during FY 25.

2024-005 **Expenditures in Excess of Appropriations**

Status: Corrective action was taken during FY 25.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported

BRASELTON
GEORGIA

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

April 14, 2026

CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Town of Braselton, Georgia respectfully submits the following corrective action plan for the fiscal year ended June 30, 2025.

FINANCIAL STATEMENT FINDINGS

2025-001 Restatement of Beginning Balances

Name of Contact Person: E. Ronald Bennett, Jr., Town Manager

Recommendation: We recommend that the Town establish policies and procedures to ensure the recording and reporting of the Town's accounts payable, payroll withholdings, and capital asset activity at year-end.

Corrective Action: Management concurs with the findings and will establish policies and procedures to ensure capital asset activity is recorded properly at year-end. Additionally, payroll withholding account balances have been cleared, therefore, no future adjustments should be required.

Anticipated Completion Date: April 30, 2026

2025-002 Improper Year-End Cutoff for Cash Receipts and Debt Service Payments Resulting in Misstatement of Cash

Name of Contact Person: E. Ronald Bennett, Jr., Town Manager

Recommendation: We recommend that the Town strengthen its year-end cutoff procedures by requiring staff to verify actual receipt and disbursement dates using bank statements or other external documentation before recording transactions as cash activity. Cash receipts received after year-end should be recorded as accounts receivable rather than as cash, and cash should not be reduced for debt service payments until the payment has actually been made. Amounts due but unpaid at year-end should be recorded as liabilities in accordance with governmental accounting standards. The Town should also implement formal supervisory review procedures and provide additional training to ensure consistent application of year-end cutoff requirements.

Corrective Action: Management concurs with the findings and agrees that the Town should strengthen its year-end cutoff procedures. Staff have been made aware of verifying dates prior to recording cash activity. We do not anticipate future findings regarding misstatements of cash.

Anticipated Completion Date: April 30, 2026

BRASELTON
GEORGIA

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

2025-003 Accounts Payable – Water and Sewer Fund

Name of Contact Person: E. Ronald Bennett, Jr., Town Manager

Recommendation: We recommend that the Town establish policies and procedures to ensure that all accounts payable items are properly reversed from accounts payable upon payment.

Corrective Action: Management concurs with the finding and will establish policies and procedures to ensure all A/P items are properly reversed upon payment.

Anticipated Completion Date: April 30, 2026

2025-004 Capital Assets – Governmental Activities

Name of Contact Person: E. Ronald Bennett, Jr., Town Manager

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

Corrective Action: Management concurs with the findings and has prioritized proper and complete recording of capital assets. Staff have been aware of proper and complete recording of capital assets. We do not anticipate future findings regarding the recording of capital assets.

Anticipated Completion Date: April 30, 2026

BRASELTON
GEORGIA

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

2025-005 **Capital Assets – Business-Type Activities**

Name of Contact Person: E. Ronald Bennett, Jr., Town Manager

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

Corrective Action: Management concurs with the findings and has prioritized proper and complete recording of capital assets. Staff have been aware of proper and complete recording of capital assets. We do not anticipate future findings regarding the recording of capital assets.

Anticipated Completion Date: April 30, 2026

FEDERAL AWARDS FINDINGS

None Reported